

TA ASIAN DIVIDEND INCOME FUND

Date of Issuance: 23 November 2021

RESPONSIBILITY STATEMENT

This Product Highlights Sheet has been reviewed and approved by the directors of TA Investment Management Berhad and they have 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 omissions of other facts which would make any statement in the Product Highlights Sheet false or misleading.

STATEMENT OF DISCLAIMER

The Securities Commission Malaysia has authorised the issuance of **TA Asian Dividend Income Fund** and a copy of this Product Highlights Sheet has been lodged with the Securities Commission Malaysia.

The authorisation of the **TA Asian Dividend Income Fund** and lodgement of this Product Highlights Sheet, should not be taken to indicate that the Securities Commission of Malaysia recommends the **TA Asian Dividend Income Fund** 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 only highlights the key features and risks of this Fund.
Investors are advised to request, read and understand the disclosure documents before deciding to invest.

PRODUCT HIGHLIGHTS SHEET

TA ASIAN DIVIDEND INCOME FUND

BRIEF INFORMATION OF THE PRODUCT

1. What is this product about?

TA Asian Dividend Income Fund (the “Fund”) seeks to provide income and long-term capital appreciation by investing in a collective investment scheme which invests mainly in a portfolio of Asian stocks.

PRODUCT SUITABILITY

2. Who is this product suitable for?

The Fund is suitable for investor who:

- want to diversify their overall investment portfolio by including exposure to the Asian market;
- want to seek potential high-yield capital growth through exposure to the Asian equity market; and
- seek potential income and long-term capital growth from the investment.

KEY PRODUCT FEATURES

3. What am I investing in?

Fund Category	Feeder Fund (Equity)
Launch Date	15 August 2007
Asset Allocation	A minimum of 95% of the Fund’s NAV will be invested in the Target Fund with the balance in liquid assets.
Performance Benchmark	MSCI AC Asia Pacific Ex Japan High Dividend Yield Index.
Investment Policy & Strategy	<p>A minimum of 95% of the Fund’s NAV will be invested in the Target Fund with the balance in liquid assets.</p> <p>The Manager may adopt a temporary defensive strategy by maintaining a sufficient level of liquid asset that may be inconsistent with the Fund’s principal investment and asset allocation strategy. The defensive strategy may be necessary to protect the Fund’s investment in response to adverse market, economic, political, or any other conditions. As a result, the Fund’s performance may diverge from the Target Fund’s return and tracking error may increase.</p> <p>If and when the Manager considers the investment in the Target Fund is unable to meet the objective of the Fund, the Manager may choose to replace the Target Fund with another collective investment scheme that is deemed more appropriate. The Manager will seek Unit Holders’ approval before any such changes are made.</p>
Minimum Initial Investment	RM1,000.
Minimum Additional Investment	RM100.
Minimum Holdings	500 Units.
Distribution Policy	The Fund intends to distribute income on a quarterly basis, if any.
Target Fund’s Information	
Target Fund	Janus Henderson Horizon Fund - Asian Dividend Income Fund.
Country of Origin	Luxembourg.
Regulatory Authority	Commission de Surveillance du Secteur Financier (Luxembourg Financial Conduct Authority).

Management Company of the Target Fund	Henderson Management S.A. (Registration Number: B22848).
Investment Manager of the Target Fund	Henderson Global Investors Limited (Registration Number: 906355).

Note:

Please refer to Section 3 and Section 5 of the replacement master prospectus dated 23 November 2021 (“Master Prospectus”) for further information.

4. Who am I investing with?

Manager	TA Investment Management Berhad (Registration Number: 199501011387 (340588-T))
Trustee	Maybank Trustees Berhad (Registration Number: 196301000109 (5004-P))

5. What are the possible outcomes of my investment?

The investors 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 and its distribution (if any) may rise or fall. 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:

Currency Risk	The NAV of the Fund may be affected favorably or unfavorably by exchange control regulations or changes in exchange rates between RM and the relevant foreign currencies if the Fund invests in foreign currencies or assets denominated in foreign currencies, 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	The value of the assets of the Fund may be affected by uncertainties such as currency repatriation restrictions, other developments in the law or regulations, and the political and economic conditions of the countries in which the Fund is invested in. Careful consideration shall be given to risk factors such as liquidity risk, political and economic environment of the countries before any investments are made.
Emerging Market Risk	The Fund may be invested in certain smaller and emerging markets, which exhibits lower levels of economic and/or capital market development, limitations due to foreign investment restrictions, wide dealing spreads, restricted opening hours of stock exchanges and a narrow range of investors. Trading volume and market capitalisation may be lower than in more developed stock markets. This may result in a lower degree of liquidity for the Fund’s investments. This risk however may be reduced when there is a low correlation between the activities of those markets and/or by the diversification of investments within the Fund.
Regulatory Risk	Trading and settlement practices of some of the markets in which the Fund may invest may not be the same as those in more developed markets, and this may increase settlement risk and/or result in delays in realising investments made by the Fund. In addition, the Fund will be exposed to credit risk on parties with whom it trades and will bear the risk of settlement default. The Trustee may also be instructed by the Manager to settle transactions on a delivery free of payment basis where the Manager believes that this form of settlement is common market practice. Investors should be aware that this may result in a loss to the Fund if a transaction fails to settle, and the Trustee will not be liable to the Fund for such loss.

External Fund Manager's Risk	In the case that the investments of Fund are invested in a Target Fund, the Manager has no control over the management company of the Target Fund's investment technique, knowledge or management expertise. In the event of mismanagement of the investments by the management company of the Target Fund, the NAV of the Fund which invests into the Target Fund would be affected negatively. The Fund would also be affected should there be any unresolved dispute between the Manager and the management company of the Target Fund. Although the probability of such occurrences is minor, should the situation arise TAIM reserves the right to seek other collective investment scheme that is consistent with the objective of the Fund.
Temporary Suspension of the Target Fund Risk	If the right of the Fund to redeem its Shares of the Target Fund is temporarily suspended, the Fund may also be affected if the Fund does not have sufficient liquidity to meet redemption request from Unit Holder. As such, the Manager will also suspend the redemption of Units of the Fund. Any redemption request received by the Manager during the suspension period will only be accepted and processed on the next Business Day after the cessation of the suspension.

Note:

Please refer to Section 3.20 and Section 3.21 of the Master Prospectus for further information.

Please be advised that if an investor invests in Units through an IUTA which adopts the nominee system of ownership, the investor would not be considered to be a Unit Holder under the Deed and the investor may consequently not have all the rights ordinarily exercisable by a Unit Holder (for example, the right to call for a Unit Holder's meeting and to vote thereat and the right to have the Unit Holder's particulars appearing in the register of Unit Holders of the Fund).

FEE & CHARGES

7. What are the fees and charges involved?

Fees and charges¹ related to the Fund:

Sales Charge	A maximum of 7.00% of the NAV per Unit of / amount invested in the Fund (rounded to the nearest RM0.01) is imposed either by IUTAs, unit trust consultants or by the Manager.
Repurchase Charge	The Manager has no intention to impose any repurchase charge.
Switching Fee	The Manager does not impose any switching fee, however, if the amount of sales charge of the fund that the Unit Holder intends to switch into is more than the sales charge imposed by the fund being switched from, then the difference in the sales charge between the two (2) funds shall be borne by the Unit Holder.
Transfer Fee	An administrative charge of RM5.00 or any other amount as the Manager may deem appropriate.
Annual Management Fee	Up to 1.80% per annum of the NAV of the Fund.
Annual Trustee Fee²	0.055% per annum of the NAV of the Fund calculated on a daily basis (subject to a minimum RM12,000 per annum).

Notes:

1. We may for any reason and at any time, waive or reduce: (A) any fees (except the trustee fee); (B) other charges payable by you in respect of the Fund; and/or (C) transactional values including but not limited to the Units or amounts, for any Unit Holder and/or investments made via any distribution channels or platform.
2. Actual rate excluding foreign custodian fee and charges.

Please refer to Section 4 of the Master Prospectus 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.

8. How often are valuations available?

Valuations are valued daily at the end of each Business Day and you may refer to the Manager's website at www.tainvest.com.my for the Unit price.

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

Cooling-off period	<ul style="list-style-type: none"> A cooling off right is only given to an individual investor who is investing in any of the unit trust funds managed by TAIM for the first time but shall not include the following persons: <ul style="list-style-type: none"> a staff of TAIM; and a person registered with a body approved by the SC to deal in unit trusts There is a cooling-off period of six (6) Business Days from the day your application is accepted or deemed to be accepted by the Manager.
Redemption	<ul style="list-style-type: none"> Redemption requests must be submitted by completing the transaction form. Redemption proceed will be paid within ten (10) days, (or it may subject to the change/revised policy by regulator), from the day the redemption request is received by us based on the selected payment method stated in the transaction form received by our head office or business centres.

Note:

Please refer to Section 5 of the Master Prospectus for detailed information.

FUND PERFORMANCE

The basis of calculating and assumption made in calculating the returns:

$\text{Percentage Growth} = \frac{N^1 - N^2}{N^2} \times 100$ <p>N¹ = NAV on the end of the period N² = NAV on the beginning of the period</p> <p>* $\text{Average Total Return} = \frac{\text{Total Sub Period Returns}}{\text{Number of Sub Periods}}$</p> <p>** $\text{Annual Total Return} = (1 + \text{Cumulative Return})^{N^3/N^4} - 1$</p> <p>N³ = Number of periods per year N⁴ = Total number of periods</p> <p>Factor in for unit splits and distributions paid out (if any during the period)</p>

Average Total Return as at 30 June 2021

	1 Year	3 Years	5 Years	Since Reinvestment*
Fund (%)	16.93	4.16	6.20	7.25
Benchmark MYR (%)	22.91	6.31	10.51	9.82
Benchmark USD (%)	26.86	5.35	9.86	6.57

Source: Lipper for Investment Management

Annual Total Return for the Financial Year Ended 30 June

	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Fund (%)	16.93	-9.54	6.85	-2.00	21.96	-4.53	16.22	10.59	10.80	7.41
Benchmark MYR (%)	22.91	-7.43	5.63	3.38	33.38	-3.83	16.94	19.75	9.14	3.74
Benchmark USD (%)	26.86	-10.73	3.25	9.86	25.27	-10.00	-0.48	17.83	9.69	1.26

*The Fund switched to Janus Henderson Horizon Fund Asian Dividend Income Fund on the 17 October 2011.

**Benchmark: MSCI AC Asia Pacific Ex Japan High Dividend Yield Index (Effective: 03 September 2018). The initial benchmark for the Fund is "MSCI AC Asia Pacific ex Japan Index.

Source: Lipper for Investment Management

Distribution of Income for the Financial Year Ended 30 June

	2021	2020	2019
Gross distribution per Unit (sen) - Final	0.68	1.70	1.90

Net distribution per Unit (sen) – Final	0.68	1.70	1.90
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(Distribution of income was made in the form of cash and reinvestment of units)

Performance and Investment Strategies Employed

The Fund was managed within its objective for the financial year under review and met its objective to provide income and long-term capital appreciation. The Fund returned 16.93% and underperformed the benchmark which returned 22.91% in MYR terms.

The fund benefitted mainly from the weightings in North Asia with positive contribution from China, Korea and Hong Kong and very strong performance from our holding in Vietnam. Technology names Taiwan Semiconductor Manufacturing in Taiwan and Chinasoft International in China were the top contributors. Chinasoft was a notable beneficiary of rising demand for Information Technology (“IT”) outsourcing in China. The holding in Vinacapital Opportunities Fund was the only name held in Vietnam and was one of the strongest contributors for the Fund in the period as Vietnam emerged relatively unscathed from Coronavirus Disease of 2019 (“COVID-19”) with resilient economic data.

Performance was negatively impacted by not owning Wesfarmers in Australia, Hon Hai Precision in Taiwan and an underweight position in the strong performing BHP Group, these were some of the largest detractors for performance. Our cyclical holdings in China also detracted with the likes of Hengan International, China Resources Cement and China Railway Construction Corporation ending the period lower, despite their relatively high dividend yields the operational performance was lacklustre and all three names have now been sold.

During the period under review, we significantly reduced the fund’s positions in China lowering exposure to a number of cyclical names in sectors such as property and gaming with a significant shift in weight from China to South Korea and Hong Kong where we found more attractive opportunities. By sector, we added to Financials, in particular in Taiwan, and reduced Telecommunication and Utilities names as reflation from improved economic activity propelled the performance of sectors such as Materials and Financials but remained negative for low growth defensive names. In Korea, we added companies such as KB Financial and LG Corp, which was a genuine value opportunity as the group traded at a very significant discount to its underlying subsidiaries whilst paying an attractive yield. We added Taiwan server and notebook manufacturer Quanta Computer to the portfolio owing to a positive demand outlook for servers and an attractive dividend yield. Other transactions included the purchase of Sun Hung Kai Properties in Hong Kong which appeared attractive to us on valuation and yield grounds, following a period of weakness.

Portfolio Turnover Ratio (“PTR”) for the Financial Year Ended 30 June

	2021	2020	2019
PTR (times)	0.32	0.18	0.12

The PTR for the current financial year has registered an increase as compared to the previous financial year due to decrease in average net asset value of the Fund.

PAST PERFORMANCE OF THE FUND IS NOT AN INDICATION OF ITS FUTURE PERFORMANCE.

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 Industry Dispute Resolution Center (SIDREC):

- (a) via phone to : 03-2282 2280
- (b) via fax to : 03-2282 3855
- (c) via e-mail 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 the 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 e-mail 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
 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 e-mail 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	In respect of a Fund means 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 or the banks are open for business.
Deed	The deeds including any supplemental deeds made between TAIM, the Trustee and the Unit Holders of the Fund, agreeing to be bound by the provisions of the respective deeds.
IUTA	A corporation registered with the Federation of Investment Managers Malaysia and authorised to market and distribute unit trust schemes of another party.
Net Asset Value or NAV	NAV of the Fund is the total value of all the Fund's assets less the total value of all its liabilities at a valuation point.
NAV per Unit	NAV of the Fund divided by the number of Units in circulation, at the same valuation point.
SC	Securities Commission Malaysia established under the Securities Commission Malaysia Act, 1993.
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 and means a Unit of the Fund.
Unit Holder	A person for the time being who is registered pursuant to the Deed as a holder of Units of the Fund, including persons jointly so registered.
We / us / the Manager / TAIM	TA Investment Management Berhad (Registration Number: 199501011387(340588-T)).