

TA ASIA PACIFIC ISLAMIC BALANCED 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.

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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 ASIA PACIFIC ISLAMIC BALANCED FUND

BRIEF INFORMATION OF THE PRODUCT

1. What is this product about?

TA Asia Pacific Islamic Balanced Fund (the “Fund”) aims to provide steady income and capital growth over the medium to long-term period by focusing its investment in local and Asia Pacific listed and unlisted equities, Shariah-compliant equity related securities, Islamic fixed income securities, participation in mutual funds and other interests in collective investment schemes which are permitted under the Guidelines and complies with Shariah requirements.

PRODUCT SUITABILITY

2. Who is this product suitable for?

The Fund is suitable for investor who:

- wants to diversify their overall investment portfolio by including exposure to the foreign market; and
- seeks long-term capital appreciation through exposure to Shariah-compliant equities and sukuk.

KEY PRODUCT FEATURES

3. What am I investing in?

Fund Category	Balanced (Islamic)
Launch Date	7 November 2006
Asset Allocation	<ul style="list-style-type: none"> • The Fund will be investing 40% to 60% of its NAV in Shariah-compliant equity and Shariah-compliant equity related securities while balance in sukuk and Islamic liquid assets; • Up to 70% of the Fund’s NAV can be invested into foreign Shariah-compliant equity, foreign Shariah-compliant equity related securities and foreign sukuk available in the Asia Pacific region.
Performance Benchmark	<p>As the Fund will be invested in balanced asset classes between Shariah-compliant equity and sukuk, the benchmark for the Fund will be based on the following:</p> <ul style="list-style-type: none"> • Shariah-compliant equity: Dow Jones Islamic Market Asia Pacific Index – 50%; and • Sukuk: Maybank 12-month General Investment Account (GIA) rate – 50%.
Investment Policy & Strategy	<p>The Fund seeks to meet its objectives of producing steady and recurring income while pursuing long-term capital growth by adhering to a balanced asset allocation approach of investing 40% to 60% of its NAV in Shariah-compliant equity and Shariah-compliant equity related securities while the balance into sukuk and Islamic liquid assets. The Fund will invest into Shariah compliant instruments available locally and in the Asia Pacific region.</p> <p>The Fund may also consider investments in unlisted Shariah-compliant equities with attractive potential returns. To mitigate the risks, the Fund may also invest in Islamic futures and Islamic options contracts to hedge against market volatility.</p> <p>The Fund will be investing 40% to 60% of its NAV in Shariah-compliant equities and Shariah-compliant equity related securities while balance in sukuk and Islamic liquid assets. Notwithstanding the need for a stable and recurring income stream, the investment in sukuk is often raised at the expense of Shariah-compliant equity allocations when the equity markets are anticipated to be weak. Conversely, when the equity markets are expected to perform well, the Fund is reallocated from sukuk to Shariah-compliant equities.</p> <p>The Shariah-compliant equity investment of the Fund primarily focuses on a diversified portfolio of listed or unlisted Shariah-compliant equities and Shariah-compliant equity related instruments available locally and in the Asia Pacific region. Generally, companies with good earnings growth prospects over the medium to long-term are selected. In identifying such companies, the Fund</p>

	<p>relies on fundamental research where the financial health, industry prospects, management quality and past track records of the companies are considered.</p> <p>The Fund is invested in sukuk such as sovereign sukuk, corporate sukuk and Islamic money market instruments available locally and in the Asia Pacific region. The Fund will invest in sukuk that are rated BBB or higher (rating by RAM, MARC, equivalent by Moody's or S&P). Where yields are attractive and profit rate trends are favorable, the investments in sukuk will be increased.</p> <p>Up to 70% of the Fund's NAV can be invested into foreign Shariah-compliant equity, foreign Shariah-compliant equity related securities and foreign sukuk available in the Asia Pacific region. This is to provide a platform of diversification for investors to diversify their investment into Shariah-compliant securities available in the Asia Pacific region. The Manager intends to adopt an active management strategy in meeting the Fund's investment objective. The Manager may take temporary defensive positions that may be inconsistent with the Fund's principal strategy, in attempting to respond to adverse market conditions, economic, political, or any other conditions. The Manager reserves the right to take defensive position by holding Islamic liquid assets and investing in Islamic money market instruments.</p> <p>The Manager intends to adopt an active and frequent trading strategy depending upon market opportunities in meeting the Fund's investment objective.</p> <p>Risks associated with such investment instruments that the investment managers propose to invest in are provided in section 3.19 – section 3.22 of this Master Prospectus.</p>
Minimum Initial Investment	RM1,000.
Minimum Additional Investment	RM100.
Minimum Holdings	500 Units.
Distribution Policy	Annual/ interim distribution (if any).

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	CIMB Commerce Trustee Berhad (Registration Number: 199401027349 (313031-A))
Shariah Adviser	BIMB Securities Sdn Bhd (Registration Number: 199401004484 (290163-X))

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:

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.
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<p>Currency Risk</p>	<p>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 a 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.</p>
<p>Interest Rate Risk</p>	<p>This risk refers to the effect of interest rate changes on the valuation for a sukuk portfolio. In the event of rising interest rates, valuation for sukuk will decrease and vice versa. Meanwhile, sukuk with longer maturity and lower profit rate are more sensitive to interest rate changes. This will be mitigated via the management of the duration structure of the sukuk portfolio.</p> <p>The interest rate is a general economic indicator that will have an impact on the management of Fund. It does not in any way suggest that this Fund will invest in conventional financial instruments. All the investments carried out for this Fund is in accordance with Shariah requirements.</p>
<p>Shariah Status Reclassification Risk</p>	<p>(a) Shariah-compliant equity securities</p> <p>The risk refers to the risk that the currently held Shariah-compliant equity securities in the portfolio of Islamic funds may be reclassified as Shariah non-compliant in the periodic review of the securities by the SACSC, the Shariah Adviser or the Shariah Supervisory Boards of relevant Islamic indices. If this occurs, the Manager will take the necessary steps to dispose of such securities.</p> <p>Opportunity loss could occur due to the restriction on the Fund to retain the excess capital gains derived from the disposal of the reclassified Shariah non-compliant securities. In such an event, the Fund is required:</p> <ul style="list-style-type: none"> (i) to dispose of such securities with immediate effect or within one (1) calendar month if the value of the securities exceeds or is equal to the investment cost on the last trading day before the effective date of reclassification of the list of Shariah-compliant securities ("Reclassification") by the SACSC or date of review ("Review") by the Shariah Adviser or the Shariah Supervisory Boards of relevant Islamic indices. The Fund is allowed to keep dividends received and capital gains from the disposal of the securities up to the last trading day before the effective date of Reclassification or Review. However, any dividends received and excess capital gains from the disposal of the Shariah non-compliant securities on and after the effective date of Reclassification or Review should be channelled to <i>baitulmal</i> and/or charitable bodies approved by the Shariah Adviser; (ii) to hold such securities if the value of the said securities is below the investment cost on the last trading day before the effective date of Reclassification or Review until the total subsequent dividends received (if any) and the market price of the securities is equal to the cost of investment at which time disposal has to take place within one (1) calendar month, excess capital gains (if any) from the disposal of the securities should be channelled to <i>baitulmal</i> and/or charitable bodies approved by the Shariah Adviser; or (iii) to dispose of such securities at a price lower than the investment cost which will result in a decrease in the Fund's value. <p>(b) Islamic fixed income instruments or Islamic money market instruments or Islamic deposits</p> <p>This risk refers to the risk of a possibility that the currently held Islamic fixed income instruments or Islamic money market instruments or Islamic deposits invested by Islamic funds may be declared as Shariah non-compliant by the relevant authority or the Shariah Adviser. If this occurs, the Manager will take the necessary steps to dispose of or withdraw such fixed income instruments or money market instruments or deposits.</p> <p>Note: Please refer to cleansing process for the Fund for details.</p>

Emerging Market Risk	<p>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.</p> <p>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.</p>
Collective Investment Scheme Risk	<p>The Fund's NAV may be affected by its investments in Islamic collective investment schemes. For example, the performance of the respective Islamic collective investment schemes may be adversely affected due to various factors such as poor market conditions as well as the respective fund manager's capabilities. As a result, the performance of the Fund may be adversely impacted.</p>

Note:

Please refer to Section 3.20 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 1.50% 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 of RM15,000 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 person: <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 September 2020

	1 Year	3 Years	5 Years	10 Years
Fund (%)	7.50	2.60	4.32	4.43
Benchmark (%)	15.58	6.28	7.57	6.42

Source: Lipper for Investment Management

Annual Total Return for the Financial Year Ended 30 September

	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Fund (%)	7.52	0.82	-0.37	12.51	1.70	14.76	0.87	3.61	4.02	0.09
Benchmark (%)	15.62	-0.03	3.90	10.78	8.39	11.78	5.10	7.70	3.54	-1.30

Source: Lipper for Investment Management

Distribution of Income for the Financial Year Ended 30 September

	2020	2019	2018
Gross distribution per Unit (sen) - Final	2.00	1.10	1.70
Net distribution per Unit (sen) – Final	2.00	1.10	1.70

(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 investment objective for the financial year under review and met its objective of providing capital returns. For the financial year ended 30 September 2020, the Fund posted total returns of 7.52%, underperforming its benchmark rate which returned 15.62%. The benchmark's constituents are 50% - Dow Jones Islamic Market Asia Pacific Index and 50% - Maybank 12-month General Investment Account (GIA) rate.

The Fund took profit in some shares in the last quarter of 2019 to take advantage of prices in some markets and reduced Shariah-compliant equity exposure in the first quarter of 2020 lock in profits and position for a broader market recovery.

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

	2020	2019	2018
PTR (times)	0.75	0.68	0.76

The PTR for the current financial year has registered an increase as compared to the previous financial year due to decrease in average transaction 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.
Guidelines	Guidelines on Unit Trust Funds issued by the SC as may be amended from time to time.
IUTA	A corporation registered with the Federation of Investment Managers Malaysia and authorised to market and distribute unit trust schemes of another party.
MARC	Malaysian Rating Corporation Berhad.
Moody's	Moody's Investors Service, Inc.
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.
RAM	RAM Rating Services Berhad.
SACSC	Shariah Advisory Council of the Securities Commission.
S&P	Standard & Poor's Ratings Service.
SC	Securities Commission Malaysia established under the Securities Commission Malaysia Act, 1993.
Shariah	Means Islamic law and specifically in the context of this Master Prospectus and its associated Fund, it is pertaining to guidelines, rulings and decisions issued by the SACSC and the advice of the Shariah Adviser.
Shariah Supervisory Board	Refers to independent supervisory or advisory body of specialised jurists in <i>Fiqh al-mua'malat</i> (Islamic commercial jurisprudence).
sukuk	Refers to certificates of equal value which evidence undivided ownership or investment in the assets using Shariah principles and concepts endorsed by the SACSC or any relevant Shariah Supervisory Boards and/or the Shariah advisers.
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)).