

# TA SMALL CAP 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 Small Cap Fund** and a copy of this Product Highlights Sheet has been lodged with the Securities Commission Malaysia.

The authorisation of the **TA Small Cap Fund** and lodgement of this Product Highlights Sheet, should not be taken to indicate that the Securities Commission of Malaysia recommends the **TA Small Cap 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 SMALL CAP FUND

### BRIEF INFORMATION OF THE PRODUCT

#### 1. What is this product about?

**TA Small Cap Fund** (the "Fund") aims to achieve higher capital appreciation by investing in instruments which have the potential of substantial value appreciation over the medium to long-term period.

### PRODUCT SUITABILITY

#### 2. Who is this product suitable for?

The Fund is suitable for investor who:

- seeks higher capital appreciation;
- seeks to participate in a diversified portfolio of small companies with potential growth;
- has an aggressive risk-reward appetite; and
- has a long-term investment horizon.

### KEY PRODUCT FEATURES

#### 3. What am I investing in?

<b>Fund Category</b>	Equity
<b>Launch Date</b>	9 February 2004
<b>Asset Allocation</b>	<ul style="list-style-type: none"> <li>• The equity exposure will range from 70% to 95% of the Fund's NAV with the balance in fixed income and liquid assets;</li> <li>• The Fund may invest up to 30% of the Fund's NAV in foreign securities.</li> </ul>
<b>Performance Benchmark</b>	FTSE Bursa Malaysia Small Cap Index (FBM Small Cap).
<b>Investment Policy &amp; Strategy</b>	<p>The Fund emphasises on the accumulation of small cap stocks with steady profit and/or promising high earnings growth prospects in the longer-term horizon. Such stocks are likely to be found in business sectors that focus on high value-added manufacturing and infrastructural development, modern telecommunications, utilities, consumer products, the services and information/ technologies sectors.</p> <p>The Fund will invest in stocks listed in the benchmark of the Fund; stocks with a market capitalisation of up to Ringgit Malaysia One Thousand Five Hundred Million (RM1,500 million) each at the point of investment; and/or in the case of foreign markets, stocks with a market capitalisation in the bottom third ranking of all equity stocks listed in a particular foreign stock exchange.</p> <p>Depending on the investment condition, the equity exposure will range from 70% to 95% of the Funds' NAV with the balance in fixed income instruments and liquid assets. The Fund may invest up to 30% of the Fund's NAV in foreign securities. The investment manager may take temporary defensive positions 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 liquid assets and investing in money market instruments. This strategy will minimise the potential loss, which may arise when the investment climate is unfavourable or the stock is not promising.</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 manager proposes to invest in are provided in section 3.19 – section 3.22 of this Master Prospectus.</p>
<b>Minimum Initial Investment</b>	RM1,000.

<b>Minimum Additional Investment</b>	RM100.
<b>Minimum Holdings</b>	500 Units.
<b>Distribution Policy</b>	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?

<b>Manager</b>	TA Investment Management Berhad (Registration Number: 199501011387 (340588-T))
<b>Trustee</b>	CIMB Commerce Trustee Berhad (Registration Number: 199401027349 (313031-A))

#### 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:

<b>Business Risk of Emerging Companies</b>	This risk is associated with investments in small cap companies. Emerging companies may be more volatile and risky compared with mature and well-established companies. Any irregular fluctuation of the stocks of these companies may affect the Unit price as the price of Units may also fluctuate.
<b>Credit / Default Risk</b>	This risk is a concern for investments in fixed income securities and refers to the ability of the issuer or counterpart to honour its obligations to make timely payments of principal and interest. In the event that the issuer is faced with financial difficulties, its credit worthiness may also decrease. This in turn may lead to default in the payments thus would affect the value of the Fund’s investment. This risk is managed by the internal policy of setting a ceiling or limit to the exposure and also the constant process of credit evaluation to mitigate such risk to an acceptable level.
<b>Interest Rate Risk</b>	This risk refers to the effect of interest rate changes on the market value of a bond portfolio. In the event of rising interest rates, prices of fixed income securities will decrease and vice versa. Meanwhile, debt securities with longer maturity and lower coupon rate are more sensitive to interest rate changes. This will be mitigated via the management of the duration structure of the fixed income portfolio.
<b>Specific Stock / Issuer Risk</b>	Any large fluctuations in the prices of shares or fixed income securities of any of the companies that the Fund own may cause the NAV or prices of Units to change too. Such fluctuations can be caused by changes in government laws in the industry in which the company belongs, entry of new competitors or changes in business directions / strategies / operations. It must be noted that it is not possible to anticipate such risk all the time.  Nevertheless, the investment managers will endeavour to detect any negative price movements by the constant and detailed research that they will conduct on each company concerned. Upon detection, they will make the necessary decisions to alter the mix of securities accordingly.  Furthermore, the individual price change will usually have little impact because the Fund will have either a diversified portfolio of investments which spread the overall risk and thus, reduce overall volatility; or an asset allocation which includes cash & liquid assets, which returns are less volatile in nature.

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 charges<sup>1</sup> related to the Fund:

<b>Sales Charge</b>	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.
<b>Repurchase Charge</b>	The Manager has no intention to impose any repurchase charge.
<b>Switching Fee</b>	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.
<b>Transfer Fee</b>	An administrative charge of RM5.00 or any other amount as the Manager may deem appropriate.
<b>Annual Management Fee</b>	Up to 1.50% per annum of the NAV of the Fund.
<b>Annual Trustee Fee<sup>2</sup></b>	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](http://www.tainvest.com.my) for the Unit price.

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

<b>Cooling-off period</b>	<ul style="list-style-type: none"> <li>• 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"> <li>➢ a staff of TAIM; and</li> <li>➢ a person registered with a body approved by the SC to deal in unit trusts.</li> </ul> </li> <li>• 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.</li> </ul>
<b>Redemption</b>	<ul style="list-style-type: none"> <li>• Redemption requests must be submitted by completing the transaction form.</li> <li>• 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.</li> </ul>

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:

$$\text{Percentage Growth} = \frac{N^1 - N^2}{N^2} \times 100$$

N<sup>1</sup> = NAV on the end of the period

N<sup>2</sup> = NAV on the beginning of the period

$$* \text{Average Total Return} = \frac{\text{Total Sub Period Returns}}{\text{Number of Sub Periods}}$$

$$**Annual\ Total\ Return = (1 + Cumulative\ Return)^{N^3/N^4} - 1$$

N<sup>3</sup> = Number of periods per year

N<sup>4</sup> = Total number of periods

Factor in for unit splits and distributions paid out (if any during the period)

#### Average Total Return as at 30 April 2021

	1 Year	3 Years	5 Years	10 Years
<b>Fund (%)</b>	67.22	11.77	10.48	5.15
<b>Benchmark (%)</b>	55.37	5.65	2.20	2.76

Source: Lipper for Investment Management

#### Annual Total Return for the Financial Year Ended 30 April

	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
<b>Fund (%)</b>	67.22	-19.10	3.25	-7.34	27.20	-11.61	-3.33	15.59	-0.13	1.82
<b>Benchmark (%)</b>	55.37	-18.74	-6.58	-17.45	14.49	-6.63	-5.19	44.49	-1.95	-6.12

Source: Lipper for Investment Management

#### Distribution of Income for the Financial Year Ended 30 April

	2021	2020	2019
<b>Gross distribution per Unit (sen) - Final</b>	Nil	Nil	Nil
<b>Net distribution per Unit (sen) – Final</b>	Nil	Nil	Nil

(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 and met its objective for the financial year under review.

The Fund posted a return of 67.22% for the financial year under review and outperformed the benchmark which returned 55.37%.

The Fund focuses on smaller capitalised companies that are deemed to have strong growth potentials. Active monitoring and trading are required to maintain the value of the Fund.

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

	2021	2020	2019
<b>PTR (times)</b>	1.30	1.03	1.16

The PTR for the current financial year has registered an increase as compared to the previous financial year due to an increase 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](mailto: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](mailto: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](mailto:aduan@seccom.com.my)
- (d) via online complaint form available at : [www.sc.com.my](http://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](mailto:complaints@fimm.com.my)
- (d) via online complaint form available at : [www.fimm.com.my](http://www.fimm.com.my)
- (e) via letter to : Legal, Secretarial & Regulatory Affairs  
Federation of Investment Managers Malaysia  
19-06-1, 6<sup>th</sup> 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)).