

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

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

The Securities Commission Malaysia is not liable for any non-disclosure on the part of the TA Investment Management Berhad responsible for the **TA Income Fund** and takes no responsibility for the contents of this Product Highlights Sheet. The Securities Commission Malaysia makes no representation on the accuracy or completeness of this Product Highlights Sheet, and expressly disclaims any liability whatsoever arising from, or in reliance upon, the whole or any part of its contents.

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 INCOME FUND

BRIEF INFORMATION OF THE PRODUCT

1. What is this product about?

TA Income Fund (the “Fund”) aims to provide investors with an alternative longer term investment that provides a steady stream of fixed-income and potential capital gains from investment in bonds, money market instruments and equities.

PRODUCT SUITABILITY

2. Who is this product suitable for?

The Fund is suitable for investor who:

- willing to accept moderate risk; and
- wants to divest into fixed income securities at acceptable level of risk.

KEY PRODUCT FEATURES

3. What am I investing in?

Fund Category	Balanced
Launch Date	6 May 2002
Asset Allocation	<ul style="list-style-type: none"> • The Fund will invest 40% of the Fund’s NAV or more in bonds, money market instruments and deposits and a maximum of 60% of the Fund’s NAV in stocks; • The Fund may invest up to 30% of the Fund’s NAV in foreign securities.
Performance Benchmark	The benchmark for the Fund is a composite benchmark comprising 60% FTSE Bursa Malaysia KLCI (FBM KLCI) and 40% Maybank 12-month fixed deposit. The composite benchmark is a reflection of the Fund’s asset allocation of 60% of the Fund’s NAV in equities and 40% of the Fund’s NAV in bonds, money market instruments and deposits.
Investment Policy & Strategy	<p>The investment strategy of the Fund is to create a prudent mix in its portfolio which is in accordance with its objective and the investment managers’ assessment of investment prospects in line with the underlying interest rates outlook. The bulk of the Fund is invested in high yielding corporate bonds (previously known as private debt securities) which offer better returns than interest income from fixed deposits.</p> <p>Typically, the Fund will invest 40% of its NAV or more in bonds, money market instruments and deposits and a maximum of 60% of the Fund’s NAV in stocks. The Fund may invest up to 30% of the Fund’s NAV in foreign securities. The actual allocation of the equity, bonds, money market instruments and deposits will vary according to the economic and market conditions. 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 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).
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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	Universal Trustee (Malaysia) Berhad (Registration Number: 197401000629 (17540-D))

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:

Liquidity Risk	Some securities may not be as liquid as term deposits. Hence, there is no guarantee that such securities can be disposed of at a desired price and receive the sale proceeds immediately. If the Fund has a large portfolio of stocks issued by smaller companies, the relatively less liquid nature of those stocks could cause the value of the Fund to drop; this is because there are generally less ready buyers of such stocks as compared with the stocks of larger and more established companies. This would mean much care is needed when selecting a mix of securities to mitigate this risk.
Specific Stock / Issuer Risk	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.
Credit / Default Risk	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.
Interest Rate Risk	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.

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	0.08% per annum of the NAV of the Fund calculated on a daily basis.

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 31 July 2021

	1 Year	3 Years	5 Years	10 Years
Fund (%)	7.52	-0.04	2.20	2.28
Benchmark (%)	-3.24	-2.26	0.07	1.12

Source: Lipper for Investment Management

Annual Total Return for the Financial Year Ended 31 July

	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Fund (%)	7.52	-6.26	-0.89	2.16	9.27	-0.46	-3.14	5.39	6.87	3.51
Benchmark (%)	-3.24	0.28	-3.79	2.22	5.15	-1.02	-3.49	4.65	6.50	4.62

Source: Lipper for Investment Management

Distribution of Income for the Financial Year Ended 31 July

	2021	2020	2019
Gross distribution per Unit (sen) - Final	1.00	1.00	1.50
Net distribution per Unit (sen) – Final	1.00	1.00	1.50

(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 objectives for the financial year under review and has met its objective. The Fund posted a return of 7.52% for the financial year ended 31 July 2021, outperforming its benchmark which had a negative return of 3.24%.

The Fund's performance was largely attributed to its strategy of holding stocks with good capital appreciation plus equities with good dividend yields to provide a stable income.

Portfolio Turnover Ratio ("PTR") for the Financial Year Ended 31 July

	2021	2020	2019
PTR (times)	0.48	0.19	0.17

The PTR for the current financial year has registered an increase as compared to the previous financial year due to increase in average transactional 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)).