

# TA BRIC AND EMERGING MARKETS FUND

Date of Issuance: 9 January 2020

## 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 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 BRIC And Emerging Markets Fund** and a copy of this Product Highlights Sheet has been lodged with the Securities Commission Malaysia.

The authorisation of the **TA BRIC And Emerging Markets Fund** and lodgement of this Product Highlights Sheet, should not be taken to indicate that the Securities Commission of Malaysia recommends the **TA BRIC And Emerging Markets 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 BRIC AND EMERGING MARKETS FUND

### BRIEF INFORMATION OF THE PRODUCT

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

**TA BRIC And Emerging Markets Fund** (the “Fund”) aims to provide medium to long-term capital growth from investments in a diversified portfolio of Shariah-compliant securities of emerging markets.

### PRODUCT SUITABILITY

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

The Fund is suitable for investors who:

- have a medium to long-term investment horizon;
- have high risk tolerance;
- want to diversify their overall investment portfolio by including exposure to emerging markets; and
- seek medium to long-term capital appreciation through a diversified exposure to Shariah-compliant equity and Shariah-compliant equity-related securities as well as sukuk.

### KEY PRODUCT FEATURES

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

<b>Fund Category</b>	Equity (Islamic)
<b>Launch Date</b>	25 February 2010
<b>Asset Allocation</b>	<ul style="list-style-type: none"> <li>• The Fund will be investing a minimum 70% of the Fund's net asset value (“NAV”) in Shariah-compliant equity and equity-related securities;</li> <li>• The Fund will be investing a maximum 30% of the Fund's NAV in sukuk; and</li> <li>• The Fund may invest the balance to Islamic liquid assets to provide liquidity to meet redemption request without jeopardising the Fund's performance.</li> </ul>
<b>Performance Benchmark</b>	<p>As the Fund will be invested in Shariah-compliant equity &amp; equity-related securities and sukuk, the benchmark for the Fund will be based on the following:</p> <ul style="list-style-type: none"> <li>• MSCI BRIC Islamic Index – 70% of the Fund's NAV; and</li> <li>• Maybank 12-month General Investment Account (“GIA”) rate – 30% of the Fund's NAV.</li> </ul>
<b>Investment Policy &amp; Strategy</b>	<p>To achieve its investment objective, the Fund has an active investment mandate and has the flexibility in its portfolio to move from 70% to 100% of the Fund's NAV in Shariah-compliant equities and Shariah-compliant equity related securities in the emerging markets. As such, the asset allocation of the Fund will be actively managed and constantly adjusted according to economic and financial market conditions, sentiment and future outlook across the two asset classes, namely, Shariah-compliant equities and sukuk.</p> <p>The Fund's asset allocation strategy is aimed to provide a platform of diversification for investors to diversify their investment into sukuk available in Malaysia and Shariah-compliant equity and equity-related securities in the emerging markets, primarily in the Brazil, Russia, India, and the People's Republic of China (“BRIC”) countries.</p> <p>As such, the investment team intends to adopt an active management strategy in meeting the Fund's investment objective which may also include increasing the primary emerging markets focus of the Fund beyond that of the BRIC countries. Such increase in primary geographical focus will be reflected in the Fund's monthly fund fact sheet and its annual / interim reports.</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>

<b>Minimum Investment</b>	RM1,000
<b>Minimum Additional Investment</b>	RM100
<b>Minimum Holding</b>	500 units
<b>Distribution Policy</b>	Annual/ interim distribution (if any).

*Note:*

Please refer to Section 3 of the master prospectus dated 20 August 2018, first supplementary master prospectus dated 9 January 2019 and second supplementary master prospectus dated 10 June 2019 ("Master Prospectus") for further details.

#### 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))
<b>External Investment Manager</b>	Opus Asset Management Sdn Bhd (Registration Number: 199601042272 (414625-T))

#### 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>Market Risk</b>	<p>The risk when the value/ demand of a Shariah-compliant stock/ Shariah-compliant share, sukuk or any other security may be reduced due to market activity. The volatility of the market activity can be caused by factors such as inflation, changes in government policies, interest rates and exchange rates. This is a basic risk associated with all securities. Such volatility of the market activity will cause the NAV or performance of units to fall as well as rise, and income produced by the Fund may also fluctuate. An example of this would be the 1998 Asian financial crisis.</p> <p>In assessing market risk, the investment managers will keep a close watch on the financial markets to pick up potential adverse movements in these markets.</p>
<b>Currency Risk</b>	<p>The NAV of the Fund may be affected favorably or unfavorably by exchange control regulations or changes in exchange rates between Ringgit 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>
<b>Country Risk</b>	<p>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.</p>
<b>Emerging Market Risk</b>	<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>

<b>Liquidity Risk</b>	Some Shariah-compliant securities may not be as liquid as Islamic term deposits. Hence, there is no guarantee that such Shariah-compliant securities can be disposed of at a desired price and receive the sale proceeds immediately. If the Fund has a large portfolio of Shariah-compliant 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 Shariah-compliant stocks as compared with the Shariah-compliant stocks of larger and more established companies. This would mean much care is needed when selecting a mix of Shariah-compliant securities to mitigate this risk.
<b>Regulatory Risk</b>	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.
<b>Credit/Default Risk</b>	This risk is a concern for investments in sukuk and refers to the ability of the issuer or counterpart to honour its obligations to make timely payments of principal and interest/profit. 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 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 coupon/profit rate are more sensitive to interest rate changes. This will be mitigated via the management of the duration structure of the sukuk portfolio.
<b>External Fund Manager's Risk</b>	In the case that the investments of Fund are managed by another fund house, the Manager has no control over the fund house's investment technique, knowledge or management expertise. In the event of mismanagement of the investments by the fund house, the NAV of the Fund would be affected negatively. The Fund would also be affected should there be any unresolved dispute between the Manager and the fund house. Although the probability of such occurrences is minor, should the situation arise TAIM reserves the right to seek an alternative external fund manager that is consistent with the objective of the Fund.
<b>Reclassification of Shariah Status Risk</b>	This risk refers to the risk that the currently held Shariah-compliant securities in the portfolio of Islamic Funds may be reclassified to be Shariah non-compliant in the periodic review of the securities by the Shariah Advisory Council of the Securities Commission ("SACSC"), the Shariah adviser or the Shariah boards of the relevant Islamic indices. If this occurs, the Manager will take the necessary steps to dispose of such securities.

*Note:*

*Please refer to Section 3.22 of the Master Prospectus for further information.*

Please be advised that if a unit holder invests in units through an institutional unit trust advisers ("IUTAs") which adopts the nominee system of ownership, the unit holder would not be considered to be a unit holder under the deed and the unit holder may consequently not have all the rights ordinarily exercisable by a unit holder (for example, the right to call for a unit holders' 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 related to the Fund:

<b>Sales Charge<sup>1</sup></b>	A maximum of 5.50% <sup>2</sup> of the NAV per unit of / amount invested in the Fund is imposed either by IUTAs, unit trust consultants or by the Manager.
<b>Repurchase Charge</b>	Nil.
<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>	1.80% per annum of the NAV of the Fund.
<b>Annual Trustee Fee<sup>3</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. All sales charge is to be rounded 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. Investors may negotiate for a lower sales charge through the sales and promotional campaigns from time to time or alternatively, investors may negotiate with their preferred distribution channel for a lower sales charge. Investment through the distribution channel shall be subjected their respective terms and conditions.
3. 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 a business day and you may refer to the Manager's website, [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 the Manager for the first time but shall not include the following person: <ul style="list-style-type: none"> <li>➢ our staff; and</li> <li>➢ person registered with a body approved by the Securities Commission Malaysia ("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 must be submitted by completing the transaction form to the respective servicing agent or direct to Manager's office. The transaction form is available at the Manager's head office or at authorised business centres.</li> <li>• Redemption proceed will be paid within ten (10) days, provided the completed documents are received by Manager's head office.</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:**

<p><math>Percentage\ Growth = \frac{N^1 - N^2}{N^2} \times 100</math></p> <p>N<sup>1</sup> = NAV on the end of the period  N<sup>2</sup> = NAV on the beginning of the period</p> <p>* <math>Average\ Total\ Return = \frac{Total\ Sub\ Period\ Returns}{Number\ of\ Sub\ Periods}</math></p> <p>** <math>Annual\ Total\ Return = (1 + Cumulative\ Return)^{N^3 / N^4} - 1</math></p> <p>N<sup>3</sup> = Number of periods per year</p>
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N<sup>d</sup> = Total number of periods

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

#### Average Total Return as at 28 February 2019

	1 Year	3 Years	5 Years	Since Inception
<b>Fund (%)</b>	-0.36	8.98	4.83	1.80
<b>Benchmark (%)</b>	-0.74	12.90	5.86	1.04

Source: Lipper for Investment Management

#### Annual Total Return for the Financial Year Ended 28 February

	2019	2018	2017	2016	2015	2014	2013	2012	Since Inception
<b>Fund (%)</b>	-0.36	2.93	26.20	-5.17	3.15	2.54	-10.44	-6.76	8.35
<b>Benchmark (%)</b>	-0.74	16.79	24.15	-9.32	1.87	-6.42	-9.27	-6.31	3.86

Source: Lipper for Investment Management

#### Distribution of Income for the Financial Year Ended 28 February

	2019	2018	2017
<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 for the financial year under review but did not meet its objective of providing positive return. The Fund's posted a negative return of -0.36% for the financial year ended 28 February 2019. However, the Fund outperformed its benchmark MSCI BRIC Islamic Index which recorded -0.74% during the same period.

The Fund was managed through active allocation of Shariah compliant equities among countries in the BRIC bloc and other emerging markets.

#### Portfolio Turnover Ratio ("PTR") for the Financial Year Ended 28 February

	2019	2018	2017
<b>PTR (times)</b>	0.97	1.09	0.91

The PTR for current financial year has registered a decrease compared to previous year. This is due to decrease in total 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 email 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 email 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 email 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, 6th Floor Wisma Tune  
No. 19 Lorong Dungun  
Damansara Heights  
50490 Kuala Lumpur