

TA ALL-CYCLE COMMODITIES INCOME FUND

Date of Issuance: 1st October 2017

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

The authorisation of **TA All-Cycle Commodities Income Fund** and lodgement of this Product Highlights Sheet should not be taken to indicate that the Securities Commission of Malaysia recommends the **TA All-Cycle Commodities 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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WARNING

THE RETURNS ON YOUR STRUCTURED PRODUCT INVESTMENT WILL BE AFFECTED BY THE PERFORMANCE OF THE UNDERLYING ASSET/ REFERENCE, AND THE RECOVERY OF YOUR PRINCIPAL INVESTMENT MAY BE JEOPARDISED IF YOU MAKE AN EARLY REDEMPTION.

This Product Highlights Sheet only highlights the key features and risks of this unlisted capital market product. Investors are advised to request, read and understand the disclosure documents before deciding to invest.

PRODUCT HIGHLIGHTS SHEET

TA ALL-CYCLE COMMODITIES INCOME FUND

BRIEF INFORMATION OF THE PRODUCT

1. What is this product about?

TA All-Cycle Commodities Income Fund (the "Fund") aims to provide regular income and to maximise long-term capital growth whilst at the same time aims to offer stability of capital at lower risk.

PRODUCT SUITABILITY

2. Who is this product suitable for?

The Fund is suitable for investors who:

- seek regular income stream and stable investment returns
- seek long-term capital growth
- seek capital stability
- wish to have greater diversification in their investment portfolios through exposure to global investments and investment strategies or indices related to commodities.

KEY PRODUCT FEATURES

3. What am I investing in?

Fund Category	Fixed Income Fund
Launch Date	4 May 2009
Asset Allocation	<ul style="list-style-type: none">• minimum of 70% of the Fund's Net Asset Value (NAV) in fixed income securities inclusive of money market instruments
Performance Benchmark	<ul style="list-style-type: none">• BNM 1 Month FD Deposit Rate
Investment Policy & Strategy	<ul style="list-style-type: none">• The Fund will invest a minimum of 70% of the Fund's NAV in fixed income securities inclusive of money market instruments. The objective of investing into fixed income securities inclusive of money market instruments is to provide liquidity and potential for regular income stream for the Fund.• The profile of the fixed income portfolio in terms of credit risk, interest rate risk, and the allocation mix between money market instruments and private debt securities will be determined based on the Manager's assessment of economic conditions. The Manager will seek investment opportunities in Malaysian Government Securities of various tenures, high-grade listed and unlisted bonds issued by reputable companies with better than current Fixed Deposit/General Investment Account rates.

Note:

Please refer to Section 3 of the Master Prospectus dated 1 October 2016 ("Master Prospectus") for further details.

4. Who am I investing with?

Manager / Investment Manager	TA Investment Management Berhad (Company No. 340588-T)
Trustee	Maybank Trustees Berhad (Company No. 5004-P)

5. What are the possible outcomes of my investment?

The investor 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:

Market Risk	This is the risk when the value/ demand of a stock/ share, bonds 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 Funds may also fluctuate.
Currency Risk	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.
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.
Specific Stock / Issuer Risk	Any large fluctuations in the prices of shares or fixed income securities of any of the companies that the Funds 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.
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/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.
Interest Rate Risk	This risk refers to the effect of interest rate changes on the market value of a bond portfolio and demand for a 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/profit rate are more sensitive to interest rate changes. This will be mitigated via the management of the duration structure of the fixed income portfolio.
Structured Products or Options Risk	Structured products or options represent general contractual obligations of the Structured Products or options issuer and will rank pari passu with the Structured Products or options issuer's other general contractual obligations and with the Structured Products or options issuer's unsecured and unsubordinated debt.
Legal Risk	The issuance of the ZNIDs, Structured Products, and the option are subject to various legal provisions and their ability to perform is dependent upon the absence of any legal impediments and obstacles that may prohibit the ZNIDs, Structured Products and option counterparty or the Manager from performing or discharging its obligations

Note:

Please refer to "Specific Risks" of Master Prospectus for further information.

Please be advised that if a unit holder invests in units through an institutional unit trust advisers 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:

Sales Charge¹	A maximum of 4.00% ² of the NAV per unit of /amount invested in the Funds (rounded to the nearest RM0.01) is imposed either by IUTAs, unit trust consultants or by the Manager
Repurchase Charge	Nil
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 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
Management Fee	1.50% per annum of the NAV of the Fund
Trustee Fee	0.08% per annum of the NAV of the Fund subject to a minimum of RM18,000 per annum calculated and accrued daily (excluding foreign custodian fees and charges)

Notes:

1. All sales charge is to be rounded up 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.

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

VALUATIONS AND EXITING FROM INVESTMENT

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 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 the Manager for the first time but shall not include the following person: <ul style="list-style-type: none"> ➢ our staff; and ➢ 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 of application is accepted or deemed to be accepted by the Manager.
Redemption	<ul style="list-style-type: none"> • 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 any Manager's head office, branches or at authorised collection centres. • Redemption proceed will be paid within ten (10) days, provided the completed documents is received by Manager's head office.

Note:

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

FUND PERFORMANCE

Average Total Return as at 30 September 2016

	1 Year	3 Years	5 Years	Since Inception
Fund (%)	9.63	5.21	2.45	1.76
Benchmark (%)	3.08	3.06	-	-

Annual Total Return for the Financial Year Ended 30 September

	Fund (%)	Benchmark (%)
2016	9.66	3.09
2015	-0.91	3.12
2014	7.20	2.98
2013	5.03	2.95
2012	-7.74	2.97
2011	4.26	2.82
2010	-1.83	2.26
Since Inception	0.84	7.08

Source: Lipper for Investment Management (based on NAV to NAV with distributions reinvested)

Distribution of Income for the Financial Year Ended 30 September

	2016	2015	2014
Gross distribution per Unit (sen)	Nil	Nil	1.00
Net distribution per Unit (sen)	Nil	Nil	1.00

(Distribution of income was made in the form of cash and reinvestment of units)

Performance and Investment Strategies Employed

The Fund registered a positive return of 9.66% and outperformed its benchmark return of 3.09% for the financial year under review. The Fund met its objectives of providing a regular income return. The Fund's strategy was to invest in SGI Smart Market Neutral Commodity Index. We remain optimistic of the Market Neutral strategy and expect the strategy to perform. We have positioned ourselves accordingly.

Portfolio Turnover Ratio for the Financial Year Ended 30 September

	2016	2015	2014
Portfolio Turnover (times)	1.60	1.23	0.74

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

Asset Allocation for the Financial Year Ended 30 September

The Fund's asset allocation for the last financial year is as follows:

	2016	2015	2014
Derivatives (%)	0.17	Nil	0.01
Cash (%)	99.83	100.00	99.99

Asset allocation has not materially change over the past twelve (12) months.

The benchmark used by the investment manager for the Fund is the RAM Quant Shop MGS Bond Short 1-3 Year (since inception until 5 June 2013) & BNM 1 Month Fixed Deposit Rate (effective 6 June 2013).

Management Expense Ratio (MER) for the Financial Year Ended 30 September

	2016	2015	2014
MER (%)	2.14	1.94	1.76

The MER for the current financial year has registered an increased compare to previous year. This is due to higher decrease in average net asset value of the Fund compared to decrease in total expenses.

FUNDS HIGHLIGHTS

Audited Statement of Comprehensive Income/ Income Statement for the Financial Year/Period ended 30 September:

	2016	2015	2014
	RM	RM	RM
Total Investment Income	829,949	178,673	1,152,060
Total Expenses	236,705	250,816	377,447
Net Income/(Loss) Before Taxation	593,244	(72,143)	774,613
Net Income/(Loss) After Taxation	593,244	(72,143)	774,613

Audited Statement of Financial Position/ Balance Sheet as at 30 September:

	2016	2015	2014
	RM	RM	RM
Total Investments	5,620,464	6,616,392	8,317,189
Total Other Assets	841,910	290,587	488,510
Total Assets	6,462,374	6,906,979	8,805,699
Total Liabilities	118,083	29,139	587,930
Net Asset Value/Total Equity	6,344,291	6,877,840	8,217,769

PAST PERFORMANCE OF THE UNNDERLYING REFERENCE SHOULD NOT BE RELIED ON AS INDICATIVE OF 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 Corporation (SIDREC):

- (a) via phone to : 03-2282 2280
- (b) via fax to : 02-2282 3855
- (c) via email 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 Securities Commission Malaysia (SC) even if you have initiated a dispute resolution process with SIDREC. To make a complaint, please contact the SC's Investor Affairs & Complaints Department:

- (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
- (d) via online complaint form available at : www.sc.com.my
- (e) via letter to : Investors Affairs & Complaints Department
Securities Commission Malaysia
No. 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
- (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

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