

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

The authorisation of **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 TA Investment Management Berhad, responsible for **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 unlisted capital market product. 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 investors who:

- willing to accept moderate risk
- want 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">• will invest 40% of the Fund's Net Asset Value (NAV) or more in bonds, money market instruments and deposits and a maximum of 60% of the Fund's NAV in stocks• may invest up to 30% of the Fund's NAV in foreign securities
Performance Benchmark	<ul style="list-style-type: none">• 40% Maybank 12-month fixed deposit• 60% FTSE Bursa Malaysia KLCI (FBM KLCI)
Investment Policy & Strategy	<ul style="list-style-type: none">• the Fund's investment strategy 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

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	Universal Trustee (Malaysia) Berhad (Company No. 17540-D)

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:

Liquidity Risk	Some securities may not be as liquid as term deposits. Hence, there is no guarantee
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	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 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 counterparty 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.

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 7.00% ² of the NAV per unit 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
Annual Management Fee	1.50% per annum of the NAV of the Fund
Annual Trustee Fee	0.08% per annum of the NAV of the Fund 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 persons: <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 further information.

FUND PERFORMANCE

Average Total Return as at 31 July 2016

	1 Years	3 Years	5 Years	10 Years
Fund (%)	-0.45	0.54	2.36	5.42
Benchmark (%)	-1.02	-0.01	2.18	4.97

Annual Total Return for the Financial Year Ended 31 July

	Fund (%)	Benchmark (%)
2016	-0.46	-1.02
2015	-3.14	-3.49
2014	5.39	4.65
2013	6.87	6.50
2012	3.51	4.62
2011	8.62	9.39
2010	9.62	10.44
2009	9.08	2.25
2008	-11.78	-7.72
2007	31.73	28.04

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

Distribution of Income for the Financial Year Ended 31 July

	2016	2015	2014
Gross distribution per Unit (sen)	1.50	1.50	3.00
Net distribution per Unit (sen)	1.50	1.50	3.00

(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 however the Fund does not meet its investment objective in providing a steady income. The Fund posted a negative return of -0.46% for the financial year ended July 2016 but outperformed its benchmark of 60% FTSE Bursa Malaysia KLCI (FBM KLCI) and 40% Maybank 12-Month Fixed Deposit Rate which had a negative return of -1.02%. 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 for the Financial Year Ended 31 July

	2016	2015	2014
Portfolio Turnover (times)	0.68	0.74	0.45

The PTR for the current financial year has registered a decrease as compared to the previous year. This is due to a higher percentage of decrease in average transactional value of the Fund compared with decrease in the average net asset value of the Fund.

Asset Allocation for the Financial Year Ended 31 July

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

	2016	2015	2014
Equities (%)	53.55	57.35	64.03
Cash and Cash equivalent (%)	46.45	42.65	35.97

The Fund's average equity exposure for the financial year was 57.35%. The allocation of assets is a reflection of the financial markets and economic outlook moving forward. We have lowered the equity weighting to take profit on stocks with limited upside potential and to have ready cash to pick up stocks of good value.

Management Expense Ratio (MER) for the Financial Year Ended 31 July

	2016	2015	2014
MER (%)	2.03	1.91	1.76

The MER for the current financial year has increased as compared to the previous year. This is due to a decreased in the average net asset value of the Fund and total expenses of the Fund.

PAST PERFORMANCE OF THE FUND IS NOT AN INDICATION OF ITS FUTURE PERFORMANCE

FUND HIGHLIGHTS

Audited Statement of Comprehensive Income/ Income Statement for the Financial Years ended 31 July:

	2016	2015	2014
	RM	RM	RM
Total Investment Income/(Loss)	188,520	(172,526)	1,125,628
Total Expenses	232,929	274,089	317,055
Net (Loss)/Income Before Taxation	(44,409)	(446,615)	808,573
Net (Loss)/Income After taxation	(46,610)	(450,329)	809,879

Audited Statement of Financial Position/ Balance Sheet as at 31 July:

	2016	2015	2014
	RM	RM	RM
Total Investments	7,667,073	9,089,722	13,383,029
Total Other Assets	511,620	459,925	313,299
Total Assets	8,178,693	9,549,647	13,696,328
Total Liabilities	331,326	464,416	939,967
Net Asset Value/Total Equity	7,847,367	9,085,231	12,756,361

**THE AUDITED FINANCIAL STATEMENTS OF THE FUND ARE DISCLOSED IN THE FUND'S ANNUAL REPORT.
THE ANNUAL REPORT OF THE FUND IS AVAILABLE UPON REQUEST.
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 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