

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

The authorisation of **TA Islamic Fund** and lodgement of this Product Highlights Sheet should not be taken to indicate that the Securities Commission of Malaysia recommends the **TA Islamic 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 Islamic 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 ISLAMIC FUND

BRIEF INFORMATION OF THE PRODUCT

1. What is this product about?

TA Islamic Fund (the "Fund") aims to achieve steady capital growth over the medium to long-term period by investing in a portfolio of authorised investments which conforms strictly to Shariah principles.

PRODUCT SUITABILITY

2. Who is this product suitable for?

The Fund is suitable for investors who:

- want to invest in stocks and other approved instruments that meet requirements of the Shariah
- require liquidity but are willing to invest for the medium to long term

KEY PRODUCT FEATURES

3. What am I investing in?

Fund Category	Equity (Islamic)
Launch Date	24 April 2001
Asset Allocation	<ul style="list-style-type: none">• will invest 70% to 95% of the Fund's Net Asset Value (NAV) with the balance in sukuk and Islamic liquid assets• may invest up to 30% of the Fund's NAV in foreign Shariah-compliant securities
Performance Benchmark	<ul style="list-style-type: none">• FTSE Bursa Malaysia EMAS Shariah Index (FBM EMAS Shariah)
Investment Policy & Strategy	<ul style="list-style-type: none">• the Fund's strategy is to focus on companies that are undervalued but offer good growth potential

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:

Market Risk	This is the risk when the value/ demand of a stock/ share, bonds/ sukuk or any other security may be reduced due to market activity. The volatility of the market activity can be caused by factors such
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	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.
Specific Stock / Issuer Risk	Any large fluctuations in the prices of shares or fixed income securities/ sukuk 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/ 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.
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 sukuk portfolio. In the event of rising interest rates, prices of fixed income securities/ demand for sukuk will decrease and vice versa. Meanwhile, debt securities/ 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 fixed income/ sukuk portfolio.
Reclassification of Shariah Status Risk	This risk refers to the risk that the currently held Shariah-compliant securities in the portfolio of Shariah-based 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, the Shariah Adviser or the Shariah Boards of the relevant Islamic indices.

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 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 31 May 2017

	1 Years	3 Years	5 Years	10 Years
Fund (%)	9.83	1.78	3.39	3.28
Benchmark (%)	7.39	-0.85	3.62	3.23

Annual Total Return for the Financial Year Ended 31 May

	Fund (%)	Benchmark (%)
2017	9.83	7.39
2016	-1.44	-5.20
2015	-2.61	-4.26
2014	1.78	5.90
2013	10.12	15.74
2012	-9.45	3.04
2011	20.77	21.77
2010	14.22	16.35
2009	-2.24	-19.04
2008	-4.23	-2.68

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

Distribution of Income for the Financial Year Ended 31 May

	2017	2016	2015
Gross distribution per Unit (sen) - Final	2.30	Nil	2.00
Gross distribution per Unit (sen) - Interim	1.50	Nil	Nil
Net distribution per Unit (sen) - Final	2.30	Nil	2.00
Net distribution per Unit (sen) - Interim	1.50	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. The Fund met its objective in providing positive capital return. For the financial year ended 31st May 2017 the Fund posted a total return of +9.83% and outperformed the FTSE Bursa Malaysia Emas Shariah Index's ("FBM Emas Shariah") of +7.39%. Global economies appeared to be universally recovering and heading toward sustained growth although at different speed. Positive news outweighs negative news and confidence levels are much better compared to the past few years. The Fund Manager has maintained a prudent strategy in the selection of Shariah-compliant stocks, emphasising on growth companies with strong fundamentals, clear earning visibility as well as high dividend yields.

Portfolio Turnover Ratio for the Financial Year Ended 31 May

	2017	2016	2015
Portfolio Turnover (times)	0.92	0.85	1.09

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

Asset Allocation for the Financial Year Ended 31 May

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

	2017	2016	2015
Shariah-compliant equities (%)	85.57	81.57	75.51
Islamic deposits (%)	14.43	18.43	24.20
Shariah-compliant derivatives instrument (%)	Nil	Nil	0.29

Asset allocation during the financial year under review was primarily in Shariah-compliant equities with the remaining in Islamic Deposits. The Fund's asset allocation was based on market conditions, as and when the Fund Managers see fit to increase and decrease the Shariah-compliant equity proportions.

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

	2017	2016	2015
MER (%)	1.78	1.78	1.68

The MER for the current financial year has remains consistent with that of the previous financial year.

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 May:

	2017	2016	2015
	RM	RM	RM
Total Shariah-compliant Investment Income/(Loss)	8,000,502	1,382,162	(536, 663)
Total Expenses	1,696,270	1,813,124	2,132,602
Net Income/(Loss) Before Taxation	6,304,232	(430,962)	(2,669,265)
Net Income/(Loss) After taxation	6,293,956	(461,788)	(2,714,707)

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

	2017	2016	2015
	RM	RM	RM
Total Shariah-compliant Investments	57,132,488	62,457,733	65,949,369
Total Other Assets	8,971,019	4,399,569	14,894,857
Total Assets	66,103,507	66,857,302	80,844,226
Total Liabilities	4,055,206	159,382	9,007,239
Net Asset Value/Total Equity	62,048,301	66,697,920	71,836,987

Note:

The Shariah Adviser confirms that the investment portfolio of TAIF comprises securities which have been classified as Shariah-compliant by the Shariah Advisory Council of the Securities Commission ("SACSC") and/ or the Shariah Supervisory Board of Dow Jones Islamic Market Asia Pacific Index. As for the securities which are not certified by the SACSC and/ or the Shariah Supervisory Board of Dow Jones Islamic Market Asia Pacific Index, the Shariah Adviser have reviewed the said securities and opine that these securities are designated as Shariah-compliant.

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