

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

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

BRIEF INFORMATION OF THE PRODUCT

1. What is this product about?

TA Small Cap Fund (the "Fund") aims to achieve higher capital appreciation by investing in instruments which have the potential of substantial value appreciation over the medium to long-term period.

PRODUCT SUITABILITY

2. Who is this product suitable for?

The Fund is suitable for investors who:

- seek higher capital appreciation
- seek to participate in a diversified portfolio of small companies with potential growth
- has an aggressive risk-reward appetite
- has a long term investment horizon

KEY PRODUCT FEATURES

3. What am I investing in?

Fund Category	Equity
Launch Date	9 February 2004
Asset Allocation	<ul style="list-style-type: none">• equity exposure will range from 70% to 95% of the Fund's Net Asset Value (NAV)• up to 30% of the Fund's NAV in foreign securities
Performance Benchmark	<ul style="list-style-type: none">• FTSE Bursa Malaysia Small Cap Index (FBM Small Cap)
Investment Policy & Strategy	<ul style="list-style-type: none">• the Fund emphasises on the accumulation of small cap stocks with steady profit and/or promising high earnings growth prospects in the longer-term horizon

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	CIMB Commerce Trustee Berhad (Company No. 313031-A)

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.
Business risk of emerging companies	This risk is associated with investments in small cap companies. Emerging companies may be more volatile and risky compared with mature and well-established companies. Any irregular fluctuation of the stocks of these companies may affect the Unit price as the price of units may also fluctuate.
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.
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.

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	0.07% 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 qualified investor. A qualified investor is a person 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. • The 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 April 2017

	1 Year	3 Years	5 Years	10 Years
Fund (%)	27.20	2.81	4.64	3.15
Benchmark (%)	14.49	0.45	7.50	5.32

Annual Total Return for the Financial Year Ended 30 April

	Fund (%)	Benchmark (%)
2017	27.20	14.49
2016	-11.61	-6.63
2015	-3.33	-5.19
2014	15.59	44.49
2013	-0.13	-1.95
2012	1.82	-6.12
2011	10.13	14.10
2010	29.05	48.82
2009	-15.32	-26.84
2008	-11.33	0.29

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

Distribution of Income for the financial Year Ended 30 April

The Fund did not declare any distributions during the financial years ended 30 April 2016.

Performance and Investment Strategies Employed

The Fund was managed within its objective for the financial year under review and met its investment objective of providing capital return. The Fund posted a positive return of 27.20% for the financial year ended 30th April 2017 and outperformed its benchmark return of 14.49%. The Fund focus on smaller capitalized companies that are deemed to have strong growth potential. Active monitoring and trading is required to maintain the value of the Fund.

Portfolio Turnover Ratio for the Financial Year Ended 30 April

	2017	2016	2015
Portfolio Turnover (times)	0.99	1.06	1.31

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

Asset Allocation for the Financial Year Ended 30 April

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

	2017	2016	2015
Equities (%)	81.34	72.23	83.14
Cash (%)	18.03	27.10	16.03
Derivative Instruments (%)	0.63	0.67	0.83

Asset allocation during the financial year under review was primarily in equity with the remaining in cash and derivative instrument. The allocation of assets is a reflection of the financial markets and economic outlook moving forward.

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

	2017	2016	2015
MER (%)	2.36	2.14	1.99

The MER for the current financial year has registered an increase compared to the previous financial year. This is due to a decrease in average net asset value compared to increase in 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 30 April:

	2017	2016	2015
	RM	RM	RM
Total Investment Income/(Loss)	2,149,328	(690,862)	(5,780)
Total Expenses	251,509	245,333	314,708
Net Income/(Loss) Before Taxation	1,897,819	(936,195)	(320,488)
Net Income/(Loss) After taxation	1,897,537	(938,199)	(322,049)

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

	2017	2016	2015
	RM	RM	RM
Total Investments	7,653,332	6,560,462	7,421,966
Total Other Assets	1,109,000	627,176	1,438,322
Total Assets	8,762,332	7,187,638	8,860,288
Total Liabilities	122,601	125,819	25,203
Net Asset Value/Total Equity	8,639,731	7,061,819	8,835,085

**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