

Annual Report 2013

1

Corporate Overview

- 3 Notice of Annual General Meeting
- 5 Corporate Information
- 7 Board of Directors Attendance Record
- 8 Chairman's Statement
- 12 Board of Directors

3

Operational Review

- 25 Computerised Unit Trust Examination (CUTE)
- 26 Unit Trust Consultants (UTC)
- 29 Registration of Institutional Unit Trust Advisers (IUTA)
- 31 Registration of Corporate Unit Trust Advisers (CUTA)
- 32 Private Retirement Scheme Examination (PRSE)
- 33 Private Retirement Scheme Consultants
- 35 Registration of PRS Providers
- 36 Registration of Institutional PRS Advisers
- 37 Registration of Corporate PRS Advisers
- 38 Regulation
- 40 Reports on Initiatives and Activities of the Committees
- 40 Appeal Committee
- 41 Audit Committee (AC)
- 44 Disciplinary Committee (DC)
- 45 Disciplinary Sub-Committee (DSC)
- 46 Industry Development Committee (IDC)
- 53 Nomination and Remuneration Committee (NRC)
- 55 Rules Committee (RC)
- 58 Systems and Methods Committee (SAM)
- 59 Education and Examination Committee (EEC)
- 61 Finance Committee (FC)
- 62 Governance Committee (GC)
- 63 Executive Committee (EXCO)

2

Industry Review

- 15 Analysis of the Net Asset Value (NAV) of the Industry
- 18 New Funds Launched

4

Financial Reports

- 65 Directors' Report
- 68 Statement by Directors
- 69 Statutory Declaration
- 70 Independent Auditors' Report to the Members
- 72 Statement of Financial Position
- 73 Statement of Profit or Loss and Other Comprehensive Income
- 74 Statement of Changes in Accumulated Fund
- 75 Statement of Cash Flow
- 76 Notes to the Financial Statement
- 94 Detailed Statement of Profit or Loss and Other Comprehensive Income
- 96 Calendar of Events
- 99 Proxy Form



Corporate Overview

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the Twentieth (20th) Annual General Meeting of Federation of Investment Managers Malaysia (“FIMM”) will be held at Function Room 2, 1st floor, Kuala Lumpur Golf & Country Club, 10, Jalan 1/70D, Off Jalan Bukit Kiara, 60000 Kuala Lumpur, on **Monday, 23 June 2014 at 10:00 a.m.**

AGENDA

Ordinary Business

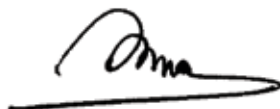
1. To receive the audited financial statements and the reports of the Board of FIMM for the financial year ended 31 December 2013. **(Please refer to Note 1)**
2. To pass the following resolution pursuant to Section 129(6) of the Companies Act, 1965:-

“That pursuant to Section 129(6) of the Companies Act, 1965, En. Abdul Kadir Bin Md. Kassim who is over age of seventy (70) years, be and is hereby re-appointed as Director of the Company and to hold office until the conclusion of the next Annual General Meeting.”
Ordinary Resolution 1
3. To re-appoint Messrs. Morison Anuarul Azizan Chew as Auditors of FIMM to hold office until the conclusion of the next Annual General Meeting of FIMM and to authorise the Directors to fix their remuneration. **Ordinary Resolution 2**
4. (a) To note the total fees of RM 395,000 to be paid to members of the Board for attending Board and committee meetings in the year 2013. **(Notation)**

(b) To note the total fees of RM 2,250 to be paid to non-members of the Board for attending committee meetings in the year 2013.

(c) To note the total sum of RM36,000 to be paid to the Chairman as allowance for the year 2013.
5. To transact any other ordinary business for which due notice has been given.

By Order of the Board,



Chua Siew Chuan (MAICSA 0777689)
Mak Chooi Peng (MAICSA 7017931)
Company Secretary

Dated: 30 May 2014



NOTICE OF ANNUAL GENERAL MEETING

Notes:

1. This Agenda item is meant for discussion only, as the provision of Section 169(1) of the Companies Act, 1965 does not require a formal approval from the members for the Audited Financial Statements. Hence, this Agenda item is not put forward for voting.
2. A member of FIMM entitled to attend and vote at this meeting is entitled to appoint a proxy to attend and vote in his stead.
3. A proxy appointed to attend and vote at the Annual General Meeting of FIMM shall be either: (a) Chairman of the Meeting or (b) any other person who may but need not be a member of FIMM.
4. The instrument appointing a proxy shall be in writing under the hand of the appointer or of his attorney and the Directors may, but shall not be bound to require evidence of the authority of the appointer or his attorney.
5. The instrument appointing a proxy may specify the manner in which the proxy is to vote in respect of a particular resolution, where an instrument of proxy so provides, the proxy is not entitled to vote on the resolution except as specified in the instrument.
6. The instrument appointing a proxy and the power of attorney or other authority, if any, under which it is signed or a notarially certified copy of that power or authority shall be deposited at the Registered Office of FIMM at Level 7, Menara Milenium, Jalan Damanlela, Pusat Bandar Damansara, Damansara Heights, 50490 Kuala Lumpur not less than forty-eight (48) hours before the time appointed for holding the meeting or at any adjournment thereof.

CORPORATE INFORMATION

BOARD OF DIRECTORS As at December 2013

En. Abdul Kadir Bin Md. Kassim
Chairman/Public Interest Director

Datuk Siti Hadzar Binti Mohd Ismail
Public Interest Director

Datuk Meriam Binti Hj. Ya'acob
Public Interest Director

Datuk Wira Jahaya Bin Mat
Public Interest Director

Dato' Mohamad Ayob Bin Abu Hassan
Affin Fund Management Berhad

Dato' Idris Bin Kechot
Amanah Saham Nasional Berhad
(Resigned w.e.f. 25 Mar 2013)

Prof. Dr. Saiful Azhar Bin Rosly
Public Interest Director

Dr. Sieh Lee Mei Ling
Public Interest Director

Mr. Danny Wong Teck Meng
Areca Capital Sdn Bhd

Mr. George Yap Koi Ming
Public Interest Director
(Resigned w.e.f. 25 Jul 2013)

Mr. Harinder Pal Singh a/l Joga Singh
AmlInvestment Services Berhad
(Appointed w.e.f. 10 Jul 2013)

Mr. Ho Seng Yee
RHB Asset Management Sdn Bhd
(formerly known as OSK-UOB Investment Management Berhad)

Mr. John Campbell Tupling
CIMB-Principal Asset Management Berhad
(Resigned w.e.f. 28 Mar 2013)

En. Mohammad Bin Hussin
Amanah Saham Nasional Berhad
(Appointed w.e.f. 25 Jul 2013)

En. Muhamad Umar Swift
MAAKL Mutual Berhad

En. Nor' Azamin Bin Salleh
Maybank Asset Management Sdn Bhd
(Retired w.e.f. 25 Jun 2013)

Mr. Teng Chee Wai
Hwang Investment Management Berhad

Ms. Vasantha N Punniamoorthy
Public Interest Director

Ms. Yeoh Kim Hong
Public Mutual Berhad

MANAGEMENT

Chief Executive Officer
En. Ahmad Zakie Bin Hj. Ahmad Shariff
(Resigned w.e.f. 3 Sep 2013)

PAST COUNCIL PRESIDENTS/CHAIRMAN

1993 (Pro Tem Council)
Mr. Steven Soh Teck Toh

1994 – 1995
Dato' Malek Merican

1996 – 1997
Dato' Kamaruddin Mohammed

1998 – 2003
Dato' Seri Abdul Azim Mohd Zabidi

2004 – February 2011
Y.M. Tunku Dato' Ya'acob
Tunku Tan Sri Abdullah

February 2011 – Present
En. Abdul Kadir Bin Md. Kassim

 **CORPORATE INFORMATION** **REGISTERED OFFICE**

RDL Corporate Services Sdn Bhd
16th Floor, Wisma Sime Darby
Jalan Raja Laut
50350 Kuala Lumpur
Tel: 603-2694 9999/Fax: 603-2698 4759

Company Secretary
Ms. Jennifer Cheung/
Ms. Cheong Chooi Keat
(Resigned w.e.f. 7 May 2014)

Securities Services (Holdings) Sdn Bhd
Level 7, Menara Milenium
Jalan Damanlela, Pusat Bandar Damansara
Damansara Heights
50490 Kuala Lumpur
Tel: 603-2084 9000/Fax: 603-2094 9940

Company Secretary
Ms. Chua Siew Chuan
Ms. Chan Chia Xuan
(Appointed w.e.f. 7 May 2014)

 **AUDITOR & TAX CONSULTANT**

Morison Anuarul Azizan Chew
18th, Jalan 1/64
Off Jalan Kolam Air, Jalan Ipoh
51200 Kuala Lumpur
Tel: 603-4048 2888/Fax: 603-4048 2999

 **INTERNAL AUDITOR**

BDO Governance Advisory Sdn Bhd
12th Floor, Menara Uni. Asia
1008, Jalan Sultan Ismail
50250 Kuala Lumpur
Tel: 603-2616 2888/Fax: 603-2616 2829
(Contract expired w.e.f. 1 Aug 2013)

 **BANKERS**

Malayan Banking Berhad
Ground Floor, Block C
Kompleks Pejabat Damansara
Jalan Semantan, Bukit Damansara
50490 Kuala Lumpur
Tel: 603-2095 0663/Fax: 603-2095 0142

Malayan Banking Berhad
AG 1-2 & AG 9-10, Block A
Plaza Pekeliling
No. 2, Jalan Tun Razak
50500 Kuala Lumpur
Tel: 603-4041 6049/Fax: 603-4041 5161

BOARD OF DIRECTORS ATTENDANCE RECORD

Board of Directors Meeting		1/2013	2/2013	Emergency	3/2013	4/2013	5/2013	6/2013	TOTAL
YEAR: 2013		28 Feb	27 Mar	20 May	4 Jun	28 Aug	4 Oct	11 Dec	
1	En. Abdul Kadir Bin Md. Kassim Chairman	✓	✓	✓	✓	✓	✓	✓	7
2	Datuk Meriam Binti Hj. Ya'acob Public Interest Director	✓	✓	✓	✓	✓	✓	✓	7
3	Datuk Siti Hadzar Binti Mohd Ismail Public Interest Director	✓	✓	✓	✓	✓	✓	✓	7
4	Datuk Wira Jahaya Bin Mat Public Interest Director	✓	✓	✓	✓	✓	✓	✓	7
5	Dato' Mohamad Ayob Bin Abu Hassan Affin Fund Management Berhad	✓	✓	✓	✓	✓	⊙	✓	6
6	Prof. Dr. Saiful Azhar Bin Rosly Public Interest Director	✓	✓	✓	✓	⊙	✓	✓	6
7	Dr. Sieh Lee Mei Ling Public Interest Director	✓	✓	⊙	✓	✓	✓	⊙	5
8	Mr. Danny Wong Teck Meng Areca Capital Sdn Bhd	✓	✓	✓	✓	✓	✓	⊙	6
9	Mr. Harinder Pal Singh a/I Joga Singh AmlInvestment Services Berhad <i>(Appointed w.e.f. 10 Jul 2013)</i>					✓	✓	✓	3
10	Mr. Ho Seng Yee RHB Asset Management Sdn Bhd	✓	⊙	⊙	✓	✓	✓	⊙	4
11	En. Muhamad Umar Swift MAAKL Mutual Bhd	✓	⊙	⊙	✓	✓	⊙	✓	4
12	En. Mohammad Bin Hussin Amanah Saham Nasional Berhad <i>(Appointed w.e.f. 25 Jul 2013)</i>					✓	⊙	✓	2
13	Mr. Teng Chee Wai Hwang-DBS Investment Management Berhad	⊙	⊙	✓	⊙	⊙	✓	⊙	2
14	Ms. Vasantha N Punniamoorthy Public Interest Director	✓	✓	✓	✓	✓	✓	✓	7
15	Ms. Yeoh Kim Hong Public Mutual Berhad	✓	✓	⊙	✓	✓	⊙	✓	5
16	Dato' Idris Bin Kechot Amanah Saham Nasional Berhad <i>(Resigned w.e.f. 25 Mar 2013)</i>	✓	⊙						1
17	Mr. John Campbell Tupling CIMB-Principal Asset Management Bhd <i>(Resigned w.e.f. 28 Mar 2013)</i>	⊙	✓						1
18	Mr. George Yap Koi Ming Public Interest Director <i>(Resigned w.e.f. 25 Jul 2013)</i>	⊙	⊙	⊙	⊙				0
19	En. Nor'Azamin Bin Salleh Maybank Asset Management Sdn Bhd <i>(Retired w.e.f. 25 Jun 2013)</i>	✓	✓	✓	⊙				3
20	In Attendance: En. Ahmad Zakie Bin Haji Ahmad Shariff Chief Executive Officer <i>(Resigned w.e.f. 3 Sep 2013)</i>	✓	✓	✓	✓				4

✓ Present

⊙ Absent

CHAIRMAN'S STATEMENT



Abdul Kadir Bin Md. Kassim

Last year was by no means a vintage year so far as the Malaysian economy was concerned, but it nonetheless expanded by a commendable 4.7%, driven mainly by domestic demand led by private consumption and investment. The local equity market performed well, with the benchmark FBM KLCI posting a rise of 10.5% to close at 1,867.0 by the end of the year.

Meanwhile, the unit trust market continued to expand with the Net Asset Value (NAV) for unit trust funds growing 13.8% to RM335.5 billion as at the end of December 2013. The RM335.5 billion is equivalent to 19.7% of Bursa Malaysia's market capitalisation, which represents a slight dip from the 20.1% posted in 2012. Unit trusts management companies launched 60 new funds comprising 41 conventional and 19 Islamic funds.

On the side of the Private Retirement Schemes (PRS), total NAV of the retirement savings fund amounted to RM299.8 million as at the end of 2013. A total of four schemes with 18 funds were launched in 2013. The majority (13 or 72.2%) of the new offerings are core funds with asset allocation limits that adhere strictly to statutory requirements.

The fact that the NAV growth has more or less matched Bursa capitalisation is a strong endorsement of its attractiveness as an investment asset. This is particularly true even as Malaysian investors are becoming more financially savvy and are increasingly looking beyond domestic shores for returns. As finance practitioners, we must recognise that the Malaysian demographic environment is changing even as the country continues its journey towards becoming a high-income nation.

The fluidity and dynamic nature of the financial markets in the present day, thanks to technological developments expediting trading and information communication, mean that no market can afford to overlook innovation. Investors are constantly on the lookout for yield, which translates directly into greater volatility as funds are deployed in markets with the greatest return.

The ASEAN Fund Passport is one such example of innovation that will help facilitate cross-border unit trust investments within the region. This will enable investors to access a broader range of locally manufactured and regionally distributed products, while helping to streamline cross-border recognition and boost the growth of the funds industry. It is our hope that the ASEAN Fund Passport will help drive greater interest and excitement in the domestic unit trust industry.

REVIEW OF FIMM'S OPERATIONS IN 2013

FIMM reported a net surplus after tax of RM2.52 million in 2013, 12% lower than the surplus of RM2.87 million in 2012. While the Federation recorded a 6% growth in total revenue, this was offset by a 14% increase in staff and administration costs, leading to the lower surplus for the year.

The Federation's total expenditure for the year amounted to RM8.67 million while total income increased to RM11.6 million in 2013, of which gross examination revenue increased 21% to RM3.37 million due to the increase in the number of candidates for the PRS examination from a total of 858 in 2012 to 4,259 candidates in 2013.

As at 31 December 2013, the total number of UTC was 48,821 as against 49,530 in 2012. The reduction was mainly due to the renewal requirements, amongst others the Continuing Professional Development (CPD) compliance requirement for UTC.

Meanwhile, 82.4% of the total registered UTC was attached to Members of FIMM, while the remaining 17.6% comprised paid employees of Institutional Unit Trust Advisers (IUTA) and Corporate Unit Trust Advisers (CUTA).

As at the end of 2013, FIMM's total reserve amounted to RM21 million compared to RM19 million a year earlier. There were a few initiatives undertaken in 2013 to promote orderly growth of the industry, enhance its regulatory function, build investor confidence and enhance the level of professionalism of our members and registered persons. A detailed list of all our activities is available in this annual report, but I would like to take this opportunity to highlight some of our key initiatives undertaken for the past year.

- **Enhancement to the Guidelines on Employees Provident Fund (EPF) Members Investment Scheme and Fund Management Institutions (EPF Guidelines)**

FIMM held consultation sessions with the unit trust industry and proposed changes to the EPF guidelines. The EPF has incorporated most of the industry's recommendations and issued the final EPF Guidelines in July 2013.



- **Revised EPF Basic Savings Scheme**
On 23 August 2013, EPF announced that it will revise the minimum savings under the Basic Savings Scheme effective 1 January 2014. The above revision will adversely impact the industry significantly especially for members that focus on retail markets and operate an agency force. A few proposals were subsequently canvassed by the members with the EPF during a dialogue held in November 2013. None of the proposed measures were adopted by the EPF.

- **Standardised definition for single issuer limit of the Guidelines on Unit Trust Funds (Guidelines).**
Further to the SC's concurrence on FIMM's proposal to standardise the above definition, the interpretation on the relevant clause in the Guidelines is now standardised between the SC and the industry, whereby 20% limit is confirmed to be imposed on the total debentures and not on respective tranche issued by a single issuer.

Standardised interpretation on the above requirements provides added clarity to the regulatory requirements. In addition to facilitate the industry's compliance efforts, the standardisation also ensure that members' investment portfolio in a specific issuance will not be unwarrantedly restricted to a level lower than the same permitted by the Guidelines.

- **Investor education and stakeholder engagement initiatives**
We continued to improve the depth of our engagement with the general investing public to encourage better understanding about unit trust investments. As an advocate for the industry, FIMM plays a key role in helping develop a sustainable investor base.

One of our major accomplishments for the year was the revamp of FIMM's website. We redesigned the website to deliver an intuitive navigation and improved graphical user interface, as well as easy-to-find organised information for our stakeholders as well as the investing public.

We also continued to pursue an integrated educational and literacy campaigns through mediums such as radio advertisements, publications, and events as well as via strategic collaborations with our industry partners. It is our hope that these efforts will translate into greater awareness for the investing public.

EMBRACING CHALLENGES AND ACHIEVING SUSTAINABILITY

The global financial crisis which began in 2007 and continues to impact the global economy has emphasised the need for investors to seek long term and sustainable returns against speculating for short term gains. The role of the industry is to inculcate an investment culture that unit trusts represent a long term investment. This is something that we will continue to impress upon investors as we strive towards the sustainable growth of the industry.

In harnessing the growth of the industry, players must ensure that the growth is achieved through good governance and ethical behaviour. FIMM is always cognisant of its responsibility to investors, members and to the industry as a whole. We have always upheld sustainability as our priority for the industry and this means ensuring that our members maintain the level of professionalism and ethical behaviour that FIMM expects of unit trust practitioners.

 **CHAIRMAN'S STATEMENT**

On the other end of the spectrum, FIMM plays an integral role in engaging and building the confidence of investors by enhancing transparency through its education and awareness programmes. The expanded activities and initiatives provide sufficient leverage for investors to see information, understand it and weigh the potential risks and opportunities of investments. The Federation believes that transparency is essential for effective market regulations because it empowers investors.

FIMM's scope in this regard also extends to PRS consultants, who are also an important stakeholder for the industry. 2013 marked the first full-year of the PRS, which is steadily gaining traction among Malaysians throughout the country. While the PRS is still very much in its infancy, measures taken by the various stakeholders, including the government's one-off RM500 youth incentive proposed in Budget 2014 should see greater take-up in the years to come, especially among younger Malaysians.

Moving forward, challenges to the industry is expected to remain abound, particularly in view of the ASEAN Economic Community, which is slated to be established in 2015. Though the initiative will provide more product choices for the local investors and an opportunity to promote the profile of local fund management expertise within ASEAN, the industry must be able to rise to the challenge brought about by the potentially more competitive fees and services. We have a lot of new opportunities ahead of us and will strive continuously to embrace the challenges for the betterment of the industry.

APPRECIATION

FIMM's achievements over the past 12 months would not have been possible without the work put in by FIMM's Board of Directors and Committee Members. I would like to thank every one of them for all their guidance and advice in helping us grow the Malaysian Unit Trust industry. I am grateful to the somewhat depleted Management team, who was able to play a rearguard role in keeping FIMM's core activities intact. Finally, I would like to express my thanks to all unit trust management companies, advisers and investors because we would not be where we are today without your support.



Abdul Kadir Bin Md. Kassim
Chairman

BOARD OF DIRECTORS



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CHAIRMAN

1. **En. Abdul Kadir Bin Md. Kassim**
Public Interest Director

BOARD OF DIRECTORS

2. **Datuk Siti Hadzar Binti Mohd Ismail**
Public Interest Director
3. **Datuk Meriam Binti Hj. Ya'acob**
Public Interest Director
4. **Datuk Wira Jahaya Bin Mat**
Public Interest Director
5. **Dato' Mohamad Ayob Bin Abu Hassan**
Affin Fund Management Berhad
6. **Prof. Dr. Saiful Azhar Bin Rosly**
Public Interest Director
7. **Dr. Sieh Lee Mei Ling**
Public Interest Director
8. **Mr. Danny Wong Teck Meng**
Areca Capital Sdn Bhd
9. **Mr. Harinder Pal Singh a/l Joga Singh**
AmlInvestment Services Berhad

BOARD OF DIRECTORS



BOARD OF DIRECTORS

10. **Mr. Ho Seng Yee**
RHB Asset Management Sdn Bhd
11. **En. Mohammad Bin Hussin**
Amanah Saham Nasional Berhad
12. **En. Muhamad Umar Swift**
MAAKL Mutual Berhad
13. **Mr. Teng Chee Wai**
Hwang Investment Management Berhad
14. **Ms. Vasantha N Punniamoorthy**
Public Interest Director
15. **Ms. Yeoh Kim Hong**
Public Mutual Berhad



Industry Review

ANALYSIS OF THE NET ASSET VALUE (NAV) OF THE INDUSTRY

UNIT TRUST FUNDS

The Malaysian economy expanded by 4.7% in 2013, driven mainly by continued growth in domestic demand, led by robust private consumption and investment activities. Local equity market performed well with FBM KLCI increased by 10.5% and to close at 1,867.0 at the end of the year.

In 2013, the Net Asset Value (NAV) for unit trust funds increased 13.8% to RM335.5 billion as at end of December 2013, representing 19.7% of market capitalisation of Bursa Malaysia (Chart 1).

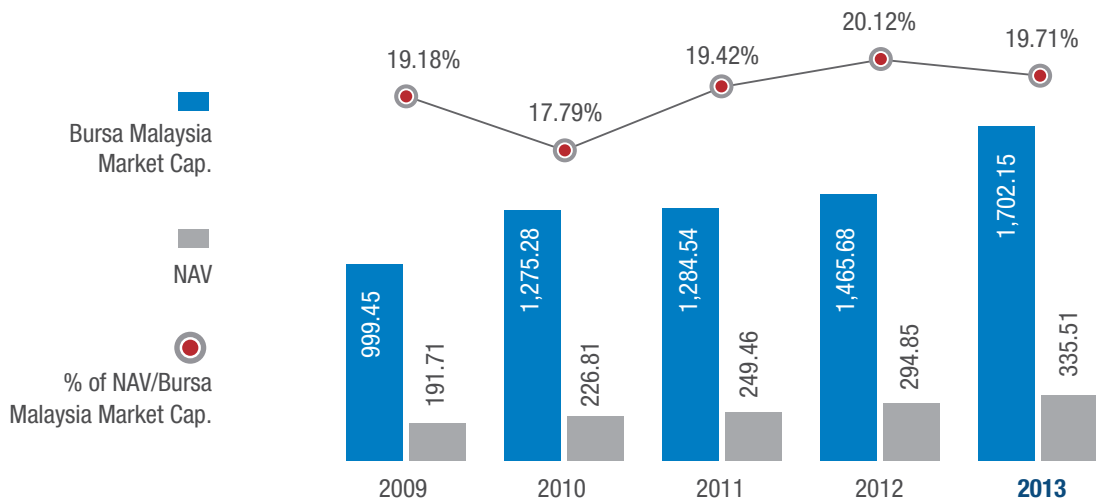


Chart 1: Total NAV vs Bursa Malaysia Market Capitalisation as at 31 December (in RM billion)

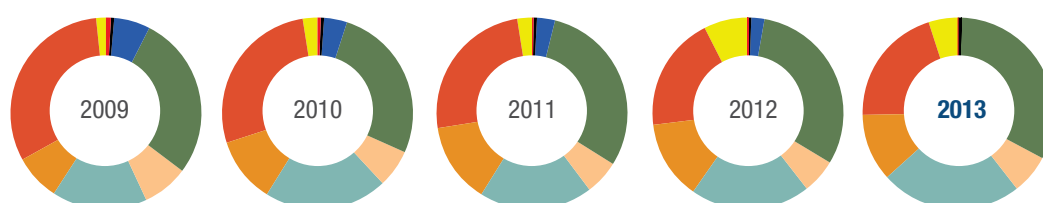
Source: Securities Commission Malaysia

Private unit trust funds (excluding federal and state funds) saw NAV increased by 14.9% over the year and stood at RM163.9 billion as at end of December 2013 (Chart 2). The year recorded the seventh consecutive year of firm growth of Islamic funds with total NAV stood at RM52.6 billion as at end of 2013 – an increase of 19.2% over the year. The encouraging growth achieved by the industry was in tandem with the improving global macroeconomic prospects.

Money market funds maintained upward momentum in the year with accumulated assets touched an all year high of RM39.4 billion. The uncertainty to the direction of the global monetary policy causing more sensitive price movement for financial assets which have driven investors to seek solace in safe investments. As at the end of 2013, money market funds made up 24.0% of the private unit trust funds' total assets. Meanwhile, conventional equity funds and mixed asset funds also accumulated significantly higher total NAV at RM33.4 billion and RM11.0 billion respectively.

As at end of 2013, the total number of wholesale funds (WSF) managed by FIMM members stood at 101 or 52.3% of total funds launched in the market. Funds managed by FIMM members saw NAV increased by 19.8% over the year and stood at RM44.1 billion which collectively made up over 74.1% of the total assets of WSF at end-2013 (RM59.5 billion).

ANALYSIS OF THE NET ASSET VALUE (NAV) OF THE INDUSTRY



	2009	%	2010	%	2011	%	2012	%	2013	%
ETF-Equity	661.00	(0.84)	727.03	(0.73)	439.15	(0.42)	338.39	(0.24)	319.59	(0.19)
ETF-Bond General	516.92	(0.66)	584.92	(0.59)	590.79	(0.56)	584.66	(0.41)	684.34	(0.42)
Guaranteed/Protected	4,925.67	(6.27)	3,761.16	(3.79)	3,118.47	(2.95)	3,127.06	(2.19)	182.46	(0.11)
Islamic	21,706.31	(27.62)	26,601.18	(26.83)	31,700.96	(29.98)	44,163.10	(30.96)	52,623.94	(32.10)
Mixed Asset	6,225.86	(7.92)	6,150.67	(6.21)	6,156.40	(5.82)	8,313.04	(5.83)	11,049.04	(6.74)
Money Market	12,587.04	(16.02)	20,779.28	(20.96)	20,325.78	(19.22)	28,942.07	(20.29)	39,374.63	(24.02)
Bond	6,189.68	(7.88)	10,990.45	(11.09)	14,420.36	(13.64)	18,972.19	(13.30)	18,507.29	(11.29)
Equity	24,664.66	(31.39)	27,299.00	(27.54)	26,538.95	(25.10)	27,562.56	(19.32)	33,355.54	(20.35)
Others	1,099.13	(1.40)	2,236.32	(2.26)	2,445.13	(2.31)	10,640.53	(7.46)	7,842.12	(4.78)
Total	78,576.27	(100.00)	99,130.01	(100.00)	105,735.99	(100.00)	142,643.60	(100.00)	163,938.95	(100.00)

Chart 2: Net Asset Value by Types of Funds as at 31 December for the years from 2009 to 2013 (RM million)

Source: Lipper, based on respondent private funds (including wholesale funds) as categorised by Lipper and adopted by members.

Notes:

- Based on Lipper's fund investment objectives, these funds have been grouped into the following eight types:
 - ETF-Bond & Equity : Includes both bond and equity ETF.
 - Guaranteed/Protected funds : Comprises conventional Capital Guaranteed funds and Capital Protected funds.
 - Money Market funds : Includes all conventional money market funds.
 - Mixed Asset funds : Includes conventional Mixed Asset MYR Balanced funds, Mixed Asset Other Aggressive funds, Mixed Asset Other Conservative funds and Mixed Asset Other Flexible funds.
 - Islamic funds : Includes Islamic Bond funds, Islamic Equity funds, Islamic Guaranteed/Protected funds, Islamic Mixed Asset funds and Islamic Money Market funds.
 - Bond funds : Include all conventional bond funds invested in Malaysian assets and abroad.
 - Equity : Include all conventional equity funds invested in local markets and abroad.
 - Others : Includes Target Maturity funds, Commodities funds, Hedge/Fixed Income Arbitrage funds as well as funds yet to be classified.
- The private sector fund classification may differ between the Securities Commission Malaysia and Lipper.
- The above excludes Real-Estate Investment Trusts (REIT) as insufficient fund data were captured by Lipper as at end of 2013.
- The above include 101 wholesale funds with total NAV of RM44.1 billion that are managed by FIMM members and captured by Lipper.


 **ANALYSIS OF THE NET ASSET VALUE (NAV)
OF THE INDUSTRY**

EXCHANGE TRADED FUNDS (ETF)

As at December 2013, the number of ETF listed remained at 5 with a total NAV of RM 1.0 billion, which is an increase from RM929.2 million at end-2012. Bond ETF garnered 68.2% or RM684.3 million of assets with the remaining from equity ETF.

REAL ESTATE INVESTMENT TRUSTS (REIT)

The year 2013 saw the listing of one REIT on the Bursa Malaysia with a market capitalisation of RM13.9 billion. As at end of 2013, there were a total of 17 REIT listed with market capitalisation increased by 34.6% to RM33.1 billion.

PRIVATE RETIREMENT SCHEMES (PRS)

A total of 4 schemes with 18 funds were launched in 2013. Majority (13 or 72.2%) of new funds are core funds with asset allocation limits adhering strictly to the statutory requirements. Multiple classes of units with different fee structures are common among the funds launched. As at 31 December 2013, there were 11 PRS comprising 44 funds with a total NAV of RM299.8 million.

NEW FUNDS LAUNCHED

A total of 60 funds launched in 2013. Conventional funds populated most part of the list of the new funds launched (41 funds or 68.3%). Money market funds were the largest among new funds launched in 2013 – 16 or 26.7% of new fund offerings (Chart 3). Meanwhile, target-maturity (others) funds added 15 new funds, in addition to 11 for bond funds and 10 for equity funds.

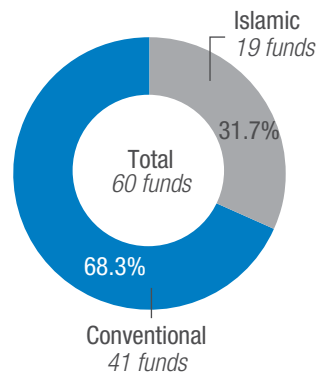
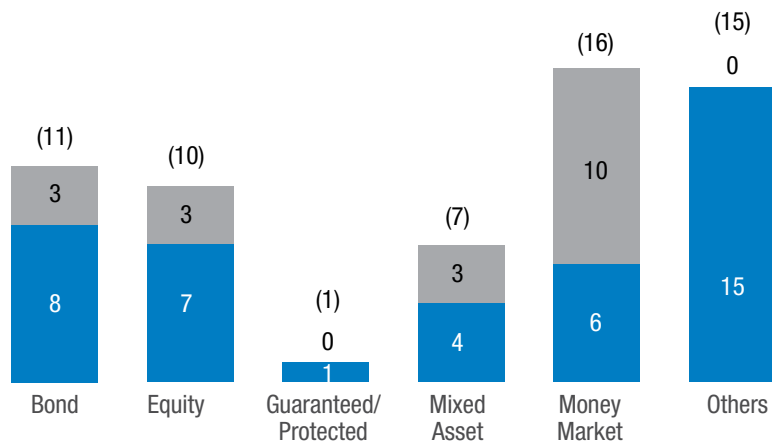


Chart 3: New Unit Trust Funds Launched in 2013 - By Asset Class

Source : FIMM, based on data published by Lipper and Members.

Notes : The above excludes REIT and ETF and includes 24 wholesale funds launched by FIMM members.
 "Others" includes target-maturity funds as well as funds yet to be classified.

NEW FUNDS LAUNCHED

Total Number of New Funds
launched in 2013 = (60)

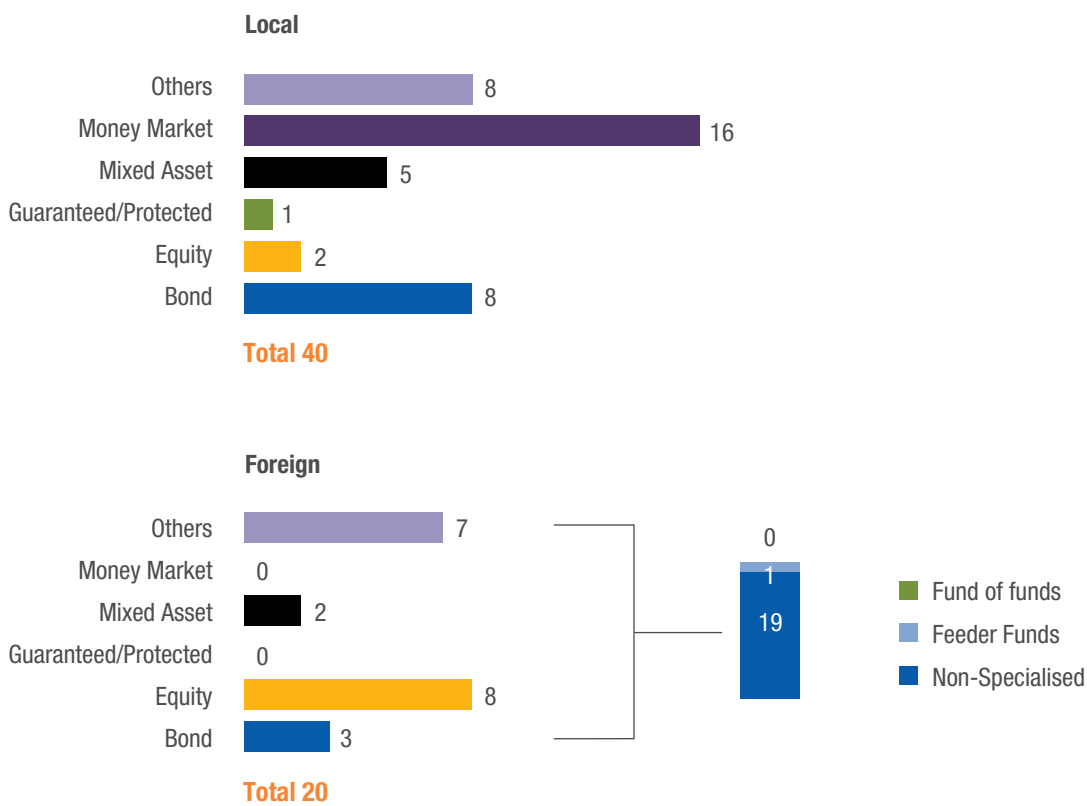


Chart 4: New Unit Trust Funds Launched in 2013 - By Geographical Spread and Structure

Source : FIMM

Note : The above excludes REIT and ETF and includes 24 wholesale funds launched by FIMM members. "Others" includes target-maturity funds as well as funds yet to be classified.

Among new fund offerings, 40 or 66.7% (Chart 4) of the total number of funds launched are funds with more than 50% of assets mandated to be invested locally; whereas 20 funds or 33.3% are funds investing predominantly in overseas (foreign-focused unit trusts). Equity funds formed 8 or 40.0% of the foreign-focused funds. Meanwhile, 19 or 95.0% of the foreign-focused funds were packaged as non-specialised unit trust funds and only one or 5.0% was offered through feeder fund structure.

NEW FUNDS LAUNCHED

Table 1: New Funds Launched in 2013

No	Funds	Launch date	Unit Trust Management Companies
(A) Real-Estate Investment Trusts			
1	KLCC Real Estate Investment Trust	9-May-13	KLCC REIT Management Sdn Bhd
(B) Unit Trust Funds			
1	Areca AUD Savings	2-Jan-13	Areca Capital Sdn Bhd
2	RHB-OSK Focus Bond-Series 6	7-Jan-13	RHB Asset Management Sdn Bhd
3	RHB-OSK Focus Bond-Series 5	14-Jan-13	RHB Asset Management Sdn Bhd
4	PB Mixed Asset Conservative	15-Jan-13	Public Mutual Berhad
5	Affin 2 - iWholesale	15-Jan-13	Affin Fund Management Berhad
6	Affin 3 - iWholesale	15-Jan-13	Affin Fund Management Berhad
7	Affin 4 - iWholesale	15-Jan-13	Affin Fund Management Berhad
8	Aberdeen Islamic Malaysia Equity-Class A (RM)	17-Jan-13	Aberdeen Islamic Asset Management Sdn Bhd
	Aberdeen Islamic Malaysia Equity-Class I (RM)	17-Jan-13	Aberdeen Islamic Asset Management Sdn Bhd
9	Aberdeen Islamic World Equity-Class A (RM)	17-Jan-13	Aberdeen Islamic Asset Management Sdn Bhd
	Aberdeen Islamic World Equity-Class I (RM)	17-Jan-13	Aberdeen Islamic Asset Management Sdn Bhd
10	Maybank Institutional Cash	18-Jan-13	Maybank Asset Management Sdn Bhd
11	RHB-OSK Dana Kidsave	18-Feb-13	RHB Asset Management Sdn Bhd
12	CIMB-Principal Enhanced Opportunity Bond	19-Feb-13	CIMB-Principal Asset Management Berhad
13	AmAsia Pacific Leisure Dividend	25-Feb-13	AmlInvestment Services Berhad
14	Hwang ALLMAN Select Income	1-Mar-13	Hwang Investment Management Berhad
15	RHB-OSK Income Plus 9	1-Mar-13	RHB Asset Management Sdn Bhd
16	CIMB-Principal Wholesale Deposit 3	8-Mar-13	CIMB-Principal Asset Management Berhad
17	Kenanga Cash	22-Mar-13	Kenanga Investors Berhad
18	Hwang Fixed Maturity Income VI	25-Mar-13	Hwang Investment Management Berhad
19	RHB-OSK Focus Bond-Series 7	25-Mar-13	RHB Asset Management Sdn Bhd
20	Manulife Cash Management	25-Mar-13	Manulife Asset Management Services Berhad
21	KFH iCash Investment	27-Mar-13	KFH Asset Management Sdn Bhd

NEW FUNDS LAUNCHED

No	Funds	Launch date	Unit Trust Management Companies
22	Eastspring Investments Bond Plus	1-Apr-13	Eastspring Investments Berhad
23	Public China Access Equity	18-Apr-13	Public Mutual Berhad
24	Hong Leong Islamic Institutional Income Management II	22-Apr-13	Hong Leong Asset Management Berhad
25	CIMB-Principal Institutional Bond 5	2-May-13	CIMB-Principal Asset Management Berhad
26	Maybank Institutional Islamic Money Market	7-May-13	Maybank Asset Management Sdn Bhd
27	AmlIncome Flexi 3	9-May-13	AmlInvestment Services Berhad
28	RHB-OSK Absolute Return	16-May-13	RHB Asset Management Sdn Bhd
29	Maybank Shariah Money Market 1	23-May-13	Maybank Asset Management Sdn Bhd
30	Manulife Shariah - Dana Sukuk	27-May-13	Manulife Asset Management Services Berhad
31	Manulife Shariah - Dana Ekuiti	27-May-13	Manulife Asset Management Services Berhad
32	Hwang Fixed Maturity Income VII	28-May-13	Hwang Investment Management Berhad
33	Hwang Cash Plus 2	3-Jun-13	Hwang Investment Management Berhad
34	RHB-OSK Capital Protected Essentials	12-Jun-13	RHB Asset Management Sdn Bhd
35	BSN Dana i-Cash	21-Jun-13	Permodalan BSN Berhad
36	Eastspring Investments Target Income 2	27-Jun-13	Eastspring Investments Berhad
37	AmAsia Pacific REITs Plus	1-Jul-13	AmlInvestment Services Berhad
38	Kenanga Asia Pacific Total Return	11-Jul-13	Kenanga Investors Berhad
39	Manulife Investment - Asia Target Maturity Bond	15-Jul-13	Manulife Asset Management Services Berhad
40	Pacific Dynamic AsiaPac	29-Jul-13	Pacific Mutual Fund Berhad
41	RHB-OSK Focus Income Bond-Series 1	13-Aug-13	RHB Asset Management Sdn Bhd
42	Hwang Structured Income VIII	15-Aug-13	Hwang Investment Management Berhad
43	PB Balanced Sequel	10-Sep-13	Public Mutual Berhad
44	PB Aiman Sukuk	10-Sep-13	Public Mutual Berhad
45	AmAsia Pacific Ex Japan Total Return	17-Sep-13	AmlInvestment Services Berhad
46	Hwang Fixed Maturity Income VIII	1-Oct-13	Hwang Investment Management Berhad
47	Hwang Structured Income IX	1-Oct-13	Hwang Investment Management Berhad
48	Hong Leong Wholesale Bond	7-Oct-13	Hong Leong Asset Management Berhad

NEW FUNDS LAUNCHED

No	Funds	Launch date	Unit Trust Management Companies
49	Hwang Flexi I	8-Oct-13	Hwang Investment Management Berhad
50	TA Asia Pacific REITs Income	9-Oct-13	TA Investment Management Berhad
51	RHB-OSK Leisure, Lifestyle & Luxury	22-Oct-13	RHB Asset Management Sdn Bhd
52	Eastspring Investments ASEAN al-Adiil	28-Oct-13	Eastspring Investments Berhad
53	KAF Sukuk	1-Nov-13	KAF Fund Management Sdn Bhd
54	CIMB Islamic Corporate Deposit 1	1-Nov-13	CIMB-Principal Asset Management Berhad
55	Maybank Global Bond	4-Nov-13	Maybank Asset Management Sdn Bhd
56	Hwang Fixed Maturity Income IX	6-Nov-13	Hwang Investment Management Berhad
57	Hwang 12M Income I	7-Nov-13	Hwang Investment Management Berhad
58	AmlIncome Management	2-Dec-13	AmlInvestment Services Berhad
59	Hong Leong Islamic Cash Management	4-Dec-13	Hong Leong Asset Management Berhad
60	CIMB-Principal Institutional Bond 6	20-Dec-13	CIMB-Principal Asset Management Berhad

No	Funds	Launch date	Private Retirement Scheme Providers
(C)	Private Retirement Schemes		
1	AmPRS Growth - Class D	08-Apr-13	AmlInvestment Management Sdn Bhd
	AmPRS Growth - Class I	08-Apr-13	AmlInvestment Management Sdn Bhd
2	AmPRS Moderate - Class D	08-Apr-13	AmlInvestment Management Sdn Bhd
	AmPRS Moderate - Class I	08-Apr-13	AmlInvestment Management Sdn Bhd
3	AmPRS Conservative -Class D	08-Apr-13	AmlInvestment Management Sdn Bhd
	AmPRS Conservative -Class I	08-Apr-13	AmlInvestment Management Sdn Bhd
4	AIA PAM - Moderate	16-May-13	AIA Pension And Asset Management Sdn Bhd
5	AIA PAM - Growth	16-May-13	AIA Pension And Asset Management Sdn Bhd
6	AIA PAM - Conservative	16-May-13	AIA Pension And Asset Management Sdn Bhd
7	AIA PAM - Islamic Moderate	16-May-13	AIA Pension And Asset Management Sdn Bhd
8	Manulife Shariah PRS-Growth-Class A	24-Jul-13	Manulife Asset Management Services Berhad
	Manulife Shariah PRS-Growth-Class B	24-Jul-13	Manulife Asset Management Services Berhad

NEW FUNDS LAUNCHED

No	Funds	Launch date	Private Retirement Scheme Providers
9	Manulife Shariah PRS-Moderate-Class A	24-Jul-13	Manulife Asset Management Services Berhad
	Manulife Shariah PRS-Moderate-Class B	24-Jul-13	Manulife Asset Management Services Berhad
10	Manulife Shariah PRS-Conservative-Class A	24-Jul-13	Manulife Asset Management Services Berhad
	Manulife Shariah PRS-Conservative-Class B	24-Jul-13	Manulife Asset Management Services Berhad
11	Kenanga OnePRS Growth	20-Nov-13	Kenanga Investors Berhad
12	Kenanga OnePRS Moderate	20-Nov-13	Kenanga Investors Berhad
13	Kenanga OnePRS Conservative	20-Nov-13	Kenanga Investors Berhad
14	AmPRS-Dynamic Sukuk-Class D	25-Nov-13	AmInvestment Management Sdn Bhd
	AmPRS-Dynamic Sukuk-Class I	25-Nov-13	AmInvestment Management Sdn Bhd
15	AmPRS-Islamic Equity-Class D	25-Nov-13	AmInvestment Management Sdn Bhd
	AmPRS-Islamic Equity-Class I	25-Nov-13	AmInvestment Management Sdn Bhd
16	AmPRS-Islamic Balanced-Class D	25-Nov-13	AmInvestment Management Sdn Bhd
	AmPRS-Islamic Balanced-Class I	25-Nov-13	AmInvestment Management Sdn Bhd
17	AmPRS-Islamic Fixed Income-Class D	25-Nov-13	AmInvestment Management Sdn Bhd
	AmPRS-Islamic Fixed Income-Class I	25-Nov-13	AmInvestment Management Sdn Bhd
18	AmPRS-Tactical Bond-Class D	25-Nov-13	AmInvestment Management Sdn Bhd
	AmPRS-Tactical Bond-Class I	25-Nov-13	AmInvestment Management Sdn Bhd

Source: FIMM



Operational Review

COMPUTERISED UNIT TRUST EXAMINATION (CUTE)

CUTE sessions were conducted in Kuala Lumpur, Petaling Jaya, Penang, Johor Bahru, Ipoh, Kota Kinabalu, Kuantan, Kuching, Alor Setar, Kota Bharu, Kuala Terengganu, Seremban, Melaka, Miri and Sibul.

Table 2 shows the number of candidates registered for CUTE in 2013. The number of candidates registered for CUTE in year 2013 was higher than 2012.

Total
15,841

No. of Registered Candidates 2013

Total
15,661

No. of Registered Candidates 2012

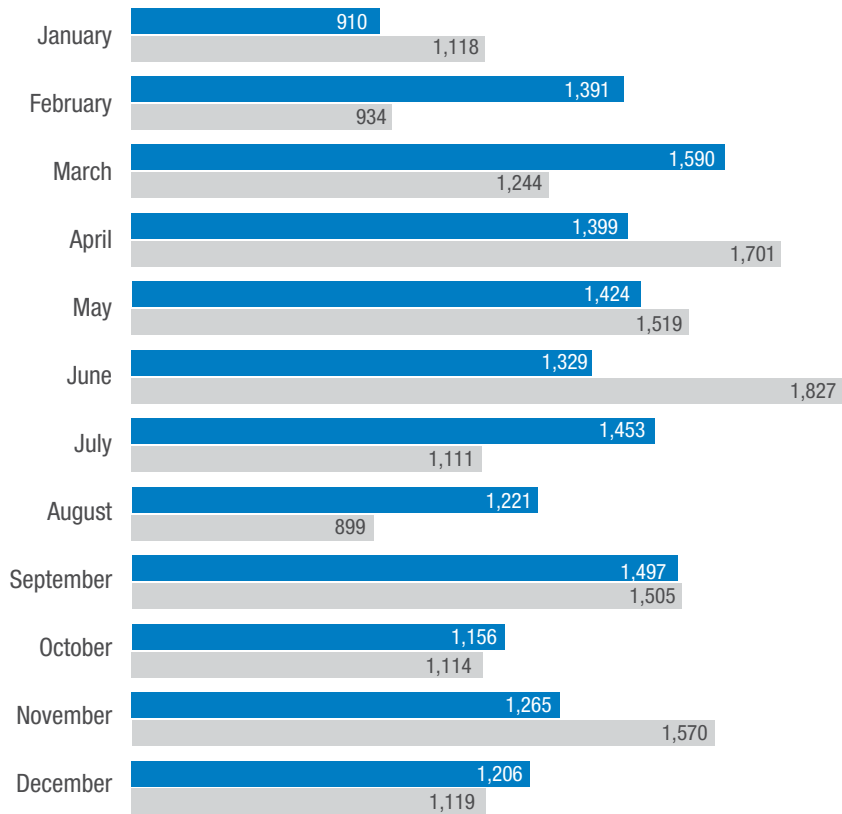


Table 2 : Comparison of CUTE Registration for 2012 and 2013

The total number of Unit Trust Consultants (UTC) (Table 3) stood at 48,821 as at 31 December 2013 compared to 49,530 as at 31 December 2012. From the total of 48,821 registered UTC, 82.4% were UTC of Members and the remaining 17.6% were UTC of IUTA and CUTA.

(Note: As of 31 December 2013, the renewal rate was 84% as a total of 7,917 UTC did not renew their registration for 2014)

Table 3: Number of Registered UTC

MEMBERS

No.	COMPANY NAME	31 December 2013	31 December 2012
1	ABERDEEN ISLAMIC ASSET MANAGEMENT SDN BHD	13	10
2	AFFIN FUND MANAGEMENT BERHAD	16	12
3	AMANAHA MUTUAL BERHAD	22	22
4	AMANAHA SAHAM KEDAH BERHAD	10	9
5	AMANAHA SAHAM NASIONAL BERHAD	518	464
6	AMANAHA SAHAM SARAWAK BERHAD	49	53
7	AMANAHRAYA INVESTMENT MANAGEMENT SDN BHD	24	16
8	AMINVESTMENT SERVICES BERHAD	122	124
9	APEX INVESTMENT SERVICES BERHAD	316	210
10	ARECA CAPITAL SDN BHD	12	11
11	ASM INVESTMENT SERVICES BERHAD <i>(Currently known as PMB Investment Berhad)</i>	124	138
12	BIMB INVESTMENT MANAGEMENT BERHAD	75	51
13	CIMB WEALTH ADVISORS BERHAD <i>(Withdrew registration w.e.f. 29 Nov 2013)</i>	0	4,467
14	CIMB-PRINCIPAL ASSET MANAGEMENT BERHAD	4,595	34
15	EASTSPRING INVESTMENTS BERHAD	2,118	2,246
16	FRANKLIN TEMPLETON GSC ASSET MANAGEMENT SDN BHD	1	0
17	HONG LEONG ASSET MANAGEMENT BERHAD	298	351
18	HWANG INVESTMENT MANAGEMENT BERHAD	377	264
19	ING FUNDS BERHAD <i>(Merged with Kenanga Investors Berhad w.e.f. 8 Jun 2013)</i>	0	1,078
20	INTER-PACIFIC ASSET MANAGEMENT SDN BHD	0	0
21	KAF FUND MANAGEMENT SDN BHD	2	0
22	KAF INVESTMENT FUNDS BERHAD <i>(Formerly known as Alliance Investment Management Berhad)</i>	84	87
23	KENANGA INVESTORS BERHAD	1,193	104

No.	COMPANY NAME	31 December 2013	31 December 2012
24	KFH ASSET MANAGEMENT SDN BHD	0	0
25	KUMPULAN SENTIASA CEMERLANG SDN BHD	1	1
26	LIBRA INVEST BERHAD	43	34
27	MAAKL MUTUAL BERHAD	1,199	1,060
28	MANULIFE ASSET MANAGEMENT SERVICES BERHAD	175	205
29	MAYBANK ASSET MANAGEMENT SDN BHD	3	2
30	MIDF AMANAH ASSET MANAGEMENT BERHAD	5	4
31	OSK-UOB INVESTMENT MANAGEMENT BERHAD <i>(Merged with RHB Asset Management Sdn Bhd w.e.f. 1 Dec 2013)</i>	0	382
32	RHB ISLAMIC INTERNATIONAL ASSET MANAGEMENT BERHAD <i>(Formerly known as OSK-UOB Islamic Fund Management Berhad)</i>	2	2
33	PACIFIC MUTUAL FUND BERHAD	428	453
34	PELABURAN HARTANAH NASIONAL BERHAD	0	4
35	PELABURAN JOHOR BERHAD	7	7
36	PENGURUSAN KUMIPA BERHAD	13	13
37	PERMODALAN BSN BERHAD	6	5
38	PHEIM UNIT TRUSTS BERHAD	9	8
39	PHILLIP MUTUAL BERHAD	363	313
40	PTB UNIT TRUST BERHAD	19	20
41	PUBLIC MUTUAL BERHAD	27,173	28,179
43	RHB ASSET MANAGEMENT SDN BHD <i>(Formerly known as RHB Investment Management Sdn Bhd)</i>	483	128
43	SAHAM SABAH BERHAD	32	26
44	TA INVESTMENT MANAGEMENT BERHAD	297	309
	Sub-Total	40,227	40,906

IUTA* AND CUTA

No.	COMPANY NAME	31 December 2013	31 December 2012
1	A.D. FINANCIAL SDN BHD	15	14
2	AFFIN BANK BERHAD	254	242
3	ALLIANCE BANK MALAYSIA BERHAD	400	397
4	AL RAJHI BANKING & INVESTMENT CORPORATION (MALAYSIA) BERHAD	57	69
5	AMBANK (M) BERHAD	536	509
6	AMINVESTMENT BANK BERHAD	69	63
7	BANK ISLAM MALAYSIA BERHAD	441	386
8	BANK KERJASAMA RAKYAT MALAYSIA BERHAD	53	40

No.	COMPANY NAME	31 December 2013	31 December 2012
9	BANK MUAMALAT MALAYSIA BERHAD	153	-
10	BANK SIMPANAN NASIONAL	62	61
11	CIMB BANK BERHAD	1,006	938
12	CIMB INVESTMENT BANK BERHAD	83	82
13	CIMB ISLAMIC BANK BERHAD	0	0
14	CITIBANK BERHAD	128	141
15	FIN FREEDOM SDN BHD	15	13
16	HARVESTON WEALTH MANAGEMENT SDN BHD <i>(Formerly known as GV Wealth Planners Sdn Bhd)</i>	3	3
17	HONG LEONG BANK BERHAD	794	1,117
18	HONG LEONG ISLAMIC BANK BERHAD	0	0
19	HSBC AMANAH MALAYSIA BERHAD	106	95
20	HSBC BANK MALAYSIA BERHAD	354	338
21	IFAST CAPITAL SDN BHD	52	40
22	INDUSTRIAL AND COMMERCIAL BANK OF CHINA (M) BERHAD	8	0
23	KENANGA INVESTMENT BANK BERHAD	58	14
24	KUWAIT FINANCE HOUSE (MALAYSIA) BERHAD	39	38
25	LEGACY ADVISORY SDN BHD	12	2
26	MALACCA SECURITIES SDN BHD	4	3
26	MALAYAN BANKING BERHAD	1,047	1,035
27	MAYBANK ISLAMIC BERHAD	30	14
28	OCBC AL-AMIN BANK BERHAD	12	11
29	OCBC BANK BERHAD	391	333
30	OSK INVESTMENT BANK BERHAD <i>(Merged with RHB Investment Bank Berhad w.e.f. 13 Apr 2013)</i>	0	237
31	PUBLIC BANK BERHAD	916	911
32	RHB BANK BERHAD	515	499
33	RHB INVESTMENT BANK BERHAD	168	-
34	STANDARD CHARTERED BANK (MALAYSIA) BERHAD	379	472
35	STANDARD CHARTERED SAADIQ BERHAD	37	41
36	STANDARD FINANCIAL ADVISER SDN BHD <i>(Formerly known as Standard Financial Planner Sdn Bhd)</i>	76	79
37	UNITED OVERSEAS BANK (MALAYSIA) BERHAD	313	379
38	WHITMAN INDEPENDENT ADVISORS SDN BHD	8	8
	Sub-Total	8,594	8,624
	GRAND TOTAL	48,821	49,530

* Excluding Members who are IUTA

REGISTRATION OF INSTITUTIONAL UNIT TRUST ADVISERS (IUTA)

As at 31 December 2013, a total of 44 IUTA were registered with FIMM, with addition of 3 new IUTA as shown below, comprising banks, investment banks, unit trust management companies, a stock broking company and an on-line financial services provider.

No.	Name of IUTA	Date of Registration
1	CIMB-PRINCIPAL ASSET MANAGEMENT BERHAD	26 Jul 2013
2	RHB INVESTMENT BANK BERHAD	12 Apr 2013
3	BANK MUAMALAT MALAYSIA BERHAD	9 Apr 2013
4	MANULIFE ASSET MANAGEMENT SERVICES BERHAD	21 Sep 2012
5	INDUSTRIAL AND COMMERCIAL BANK OF CHINA (MALAYSIA) BERHAD	3 Sep 2012
6	MAYBANK ISLAMIC BERHAD	23 Dec 2011
7	KENANGA INVESTMENT BANK BERHAD	14 Oct 2011
8	BANK SIMPANAN NASIONAL	27 May 2010
9	BANK KERJASAMA RAKYAT MALAYSIA BERHAD	6 Jul 2009
10	OCBC AL-AMIN BANK BERHAD	21 Jan 2009
11	STANDARD CHARTERED SAADIQ BERHAD	18 Nov 2008
12	HSBC AMANAH MALAYSIA BERHAD	29 Oct 2008
13	AMANAH SAHAM NASIONAL BERHAD	25 Sep 2008
14	MAAKL MUTUAL BERHAD	5 Aug 2008
15	IFAST CAPITAL SDN BHD	27 Jun 2008
16	RHB ASSET MANAGEMENT SDN BHD <i>(Formerly known as RHB Investment Management Sdn Bhd)</i>	14 May 2008
17	BANK ISLAM MALAYSIA BERHAD	3 Mar 2008
18	ARECA CAPITAL SDN BHD	27 Nov 2007
19	CIMB ISLAMIC BANK BERHAD	29 Aug 2007
20	KUWAIT FINANCE HOUSE (M) BERHAD	27 Aug 2007
21	AL RAJHI BANKING & INVESTMENT CORPORATION (MALAYSIA) BERHAD	4 Jun 2007
22	HONG LEONG ISLAMIC BANK BERHAD	18 May 2007
23	ASM INVESTMENT SERVICES BERHAD	11 Dec 2006
24	CIMB BANK BERHAD	8 Sep 2006
25	TA INVESTMENT MANAGEMENT BERHAD	7 Sep 2006
26	PHILLIP MUTUAL BERHAD	1 May 2005
27	KENANGA INVESTORS BERHAD	15 Apr 2005
28	MALACCA SECURITIES SDN BHD	15 Mar 2005



REGISTRATION OF INSTITUTIONAL UNIT TRUST ADVISERS (IUTA)

No.	Name of IUTA	Date of Registration
29	AMBANK (M) BERHAD	15 Feb 2005
30	HONG LEONG BANK BERHAD	1 Oct 2004
31	AMINVESTMENT BANK BERHAD	1 Sep 2003
32	AFFIN BANK BERHAD	1 Mar 2003
33	RHB BANK BERHAD	1 Feb 2003
34	MALAYAN BANKING BERHAD	15 Sep 2002
35	CIMB INVESTMENT BANK BERHAD	1 May 2002
36	UNITED OVERSEAS BANK (MALAYSIA) BERHAD	15 Mar 2002
37	ALLIANCE BANK (MALAYSIA) BERHAD	1 Aug 2001
38	AMINVESTMENT SERVICES BERHAD	15 Jun 2001
39	APEX INVESTMENT SERVICES BERHAD	1 Nov 2000
40	PUBLIC BANK BERHAD	1 Oct 2000
41	CITIBANK BERHAD	1 May 2000
42	STANDARD CHARTERED BANK (MALAYSIA) BERHAD	1 May 2000
43	HSBC BANK (MALAYSIA) BERHAD	1 May 2000
44	OCBC BANK (MALAYSIA) BERHAD	1 May 2000

REGISTRATION OF CORPORATE UNIT TRUST ADVISERS (CUTA)

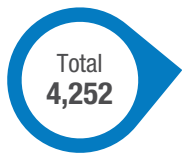
As at 31 December 2013, a total of 6 CUTA were registered with FIMM as shown below:

No.	Name of CUTA	Date of Registration
1	LEGACY ADVISORY SDN BHD	10 Nov 2011
2	HARVESTON WEALTH MANAGEMENT SDN BHD <i>(Formerly known as GV Wealth Planners Sdn Bhd)</i>	11 Feb 2010
3	A.D. FINANCIAL SDN BHD	2 Oct 2009
4	WHITMAN INDEPENDENT ADVISORS SDN BHD	17 Feb 2009
5	FIN FREEDOM SDN BHD	5 Aug 2008
6	STANDARD FINANCIAL ADVISER SDN BHD <i>(Formerly known as Standard Financial Planner Sdn Bhd)</i>	29 Apr 2008

PRIVATE RETIREMENT SCHEME EXAMINATION (PRSE)

PRSE was conducted in Kuala Lumpur, Johor Bahru, Penang, Sarawak and Sabah.

Table 4 shows the number of candidates registered for PRSE in 2013.



No. of Registered Candidates 2013



No. of Registered Candidates 2012

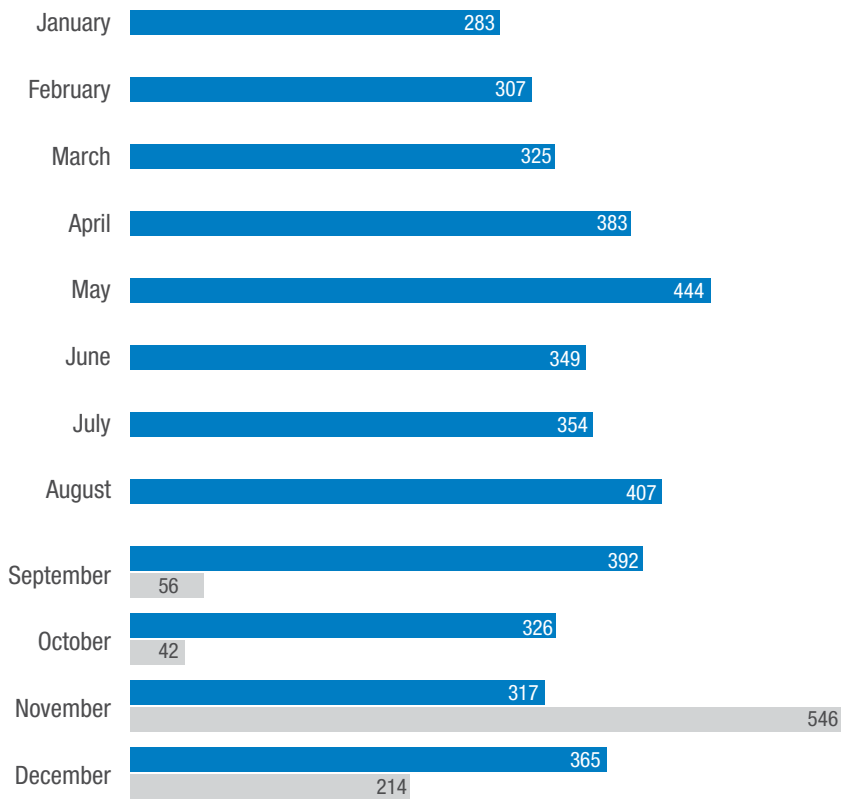


Table 4: Comparison of PRSE Registration for 2012 and 2013



PRIVATE RETIREMENT SCHEME CONSULTANTS

The total number of Private Retirement Scheme Consultants (PRS Consultants) stood at 13,693 as at 31 December 2013. From the total of 13,693 registered PRS Consultants, 82.2% of them were PRS Consultants of PRS Providers and the remaining 17.8% were PRS Consultants of Institutional PRS Advisers and Corporate PRS Advisers.

Table 5: Number of Registered PRS Consultants

PRS PROVIDERS

No.	COMPANY NAME	31 December 2013	31 December 2012
1	AIA PENSION AND ASSET MANAGEMENT SDN BHD	693	-
2	AMINVESTMENT MANAGEMENT SDN BHD	15	-
3	CIMB-PRINCIPAL ASSET MANAGEMENT BERHAD	942	10
4	HWANG INVESTMENT MANAGEMENT BERHAD	282	129
5	ING FUNDS BERHAD <i>(Merged with Kenanga Investors Berhad w.e.f. 8 Jun 2013)</i>	-	762
6	KENANGA INVESTORS BERHAD	778	-
7	MANULIFE ASSET MANAGEMENT SERVICES BERHAD	336	155
8	PUBLIC MUTUAL BERHAD	8,082	3,917
9	RHB ASSET MANAGEMENT SDN BHD <i>(Formerly known as RHB Investment Management Sdn Bhd)</i>	127	48
Sub-Total		11,255	5,021

INSTITUTIONAL PRS ADVISERS

No.	COMPANY NAME	31 December 2013	31 December 2012
1	AMBANK (M) BERHAD	311	-
2	AMINVESTMENT SERVICES BERHAD	36	-
3	ASM INVESTMENT SERVICES BERHAD <i>(Currently known as PMB Investment Berhad) (Commenced operation after 31 Dec 2013)</i>	-	-
4	CIMB BANK BERHAD	582	255
5	CIMB WEALTH ADVISORS BERHAD <i>(Withdrew registration w.e.f. 29 Nov 2013)</i>	-	368
6	CITIBANK BERHAD	109	-
7	IFAST CAPITAL SDN BHD	15	6
8	KENANGA INVESTMENT BANK BERHAD	32	-
9	PHILLIP MUTUAL BERHAD	38	-
10	PUBLIC BANK BERHAD	646	307
11	RHB BANK BERHAD	537	238
Sub-Total		2,306	1,174



PRIVATE RETIREMENT SCHEME CONSULTANTS

CORPORATE PRS ADVISERS

No.	COMPANY NAME	31 December 2013	31 December 2012
1	A.D. FINANCIAL SDN BHD	8	-
2	FIN FREEDOM SDN BHD	13	9
3	HARVESTON WEALTH MANAGEMENT SDN BHD <i>(Formerly known as GV Wealth Planners Sdn Bhd)</i>	7	-
4	LEGACY ADVISORY SDN BHD <i>(Commenced operation after 31 Dec 2013)</i>	-	-
5	STANDARD FINANCIAL ADVISER SDN BHD <i>(Formerly known as Standard Financial Planner Sdn Bhd)</i>	49	14
6	VKA WEALTH MANAGEMENT SDN BHD	47	16
7	WHITMAN INDEPENDENT ADVISORS SDN BHD	8	8
	Sub-Total	132	47
	GRAND TOTAL	13,693	6,242



REGISTRATION OF PRS PROVIDERS

As at 31 December 2013, a total of 8 PRS Providers were registered with FIMM, with the addition of 2 new PRS Providers as shown below:

No.	Name of PRS Provider	Date of Registration
1	KENANGA INVESTORS BERHAD	12 Jun 2013
2	AIA PENSION AND ASSET MANAGEMENT SDN BHD	14 Jan 2013
3	CIMB-PRINCIPAL ASSET MANAGEMENT BERHAD	1 Nov 2012
4	PUBLIC MUTUAL BERHAD	18 Oct 2012
5	AMINVESTMENT MANAGEMENT SDN BHD	16 Oct 2012
6	MANULIFE ASSET MANAGEMENT SERVICES BERHAD	16 Oct 2012
7	RHB ASSET MANAGEMENT SDN BHD <i>(Formerly known as RHB Investment Management Sdn Bhd)</i>	10 Oct 2012
8	HWANG INVESTMENT MANAGEMENT BERHAD	14 Sep 2012

REGISTRATION OF INSTITUTIONAL PRS ADVISERS

As at 31 December 2013, a total of 10 Institutional PRS Advisers were registered with FIMM, comprising banks, investment banks, unit trust management companies and an on-line financial services provider as shown below:

No.	Name of Institutional PRS Adviser	Date of Registration
1	ASM INVESTMENT SERVICES BERHAD <i>(Currently known as PMB Investment Berhad)</i>	4 Nov 2013
2	PHILLIP MUTUAL BERHAD	14 Oct 2013
3	KENANGA INVESTMENT BANK BERHAD	27 Jun 2013
4	CITIBANK BERHAD	7 Jun 2013
5	AMBANK (M) BERHAD	11 Mar 2013
6	AMINVESTMENT SERVICES BERHAD	25 Feb 2013
7	RHB BANK BERHAD	1 Nov 2012
8	IFAST CAPITAL SDN BHD	18 Oct 2012
9	CIMB BANK BERHAD	1 Oct 2012
10	PUBLIC BANK BERHAD	1 Oct 2012

REGISTRATION OF CORPORATE PRS ADVISERS

A total of 7 Corporate PRS Advisers were registered with FIMM as at 31 December 2013 as shown below:

No.	Name of Corporate PRS Adviser	Date of Registration
1	LEGACY ADVISORY SDN BHD	22 Nov 2013
2	A.D. FINANCIAL SDN BHD	1 Nov 2013
3	HARVESTON WEALTH MANAGEMENT SDN BHD <i>(Formerly known as GV Wealth Planners Sdn Bhd)</i>	19 Mar 2013
4	VKA WEALTH MANAGEMENT SDN BHD	19 Nov 2012
5	WHITMAN INDEPENDENT ADVISORS SDN BHD	9 Nov 2012
6	FIN FREEDOM SDN BHD	1 Nov 2012
7	STANDARD FINANCIAL ADVISER SDN BHD <i>(Formerly known as Standard Financial Planner Sdn Bhd)</i>	16 Oct 2012

Initiatives undertaken by FIMM in 2013 to fulfil its regulatory functions include:

Enforcement Activities

FIMM conducted disciplinary proceedings and took actions for misconduct and breach of FIMM’s rules by FIMM Members and Registered Persons. Sanctions meted out ranged from private reprimand for less serious breaches to barring from re-registration in respect of more severe breaches.

FIMM received 20 complaints for the year 2013 which included complaints referred by Securities Commission Malaysia (SC) and Employees Provident Fund respectively. Complaints were mostly related to:

- a) alleged unsatisfactory client services such as failure to provide information regarding performance of funds invested or statements;
- b) misappropriation of clients’ money;
- c) unauthorised investment and redemption;
- d) unethical marketing and distribution of funds; and
- e) matters outside FIMM’s purview such as operational matters of FIMM Members and contractual agreements between Members and their UTC that did not contravene any of the guidelines or rules issued by FIMM or SC.

Enforcement actions taken in 2013:

Type of Actions Taken	UTMC	IUTA	CUTA	UTC	Total
Private Reprimand	0	0	0	1	1
Public Reprimand	0	0	0	0	0
Barring from re-registration	0	0	0	1	1
Public Reprimand and Barring from re-registration	0	0	0	0	0
Total	0	0	0	2	2

A summary of the status of complaints received from January 2013 to 31 December 2013:

No.	Nature of complaint	Action Taken	Pending	Dismissed by DC/CEO	Total
1	Misappropriation of client's money	1	1	–	2
2	Unsatisfactory client services	–	2	2	4
3	Unauthorised investment and redemption	–	2	–	2
4	Unethical marketing and distribution of funds	1	1	–	2
5	Dealings with unapproved funds	–	–	–	–
6	Acting for more than one principal	–	2	–	2
7	Others *	–	4	–	4
8	Outside FIMM's purview	–	1	3	4
	Total	2	13	5	20

* Other complaints include commission payment to 3rd party companies, disrepute to the industry and unauthorised and unethical industry activity.

REPORTS ON INITIATIVES AND ACTIVITIES OF THE COMMITTEES

APPEAL COMMITTEE

CHAIRMAN

En. Abdul Kadir Bin Md. Kassim

RESPONSIBILITIES

Conduct appeal proceedings for purposes of hearing and deciding on appeals against decisions made by Disciplinary Sub-Committee on complaints and disciplinary matters via Appeal Sub-Committee.

ACTIVITIES/INITIATIVES

- There was 1 appeal made by a Registered Person on the decision made against him by the Disciplinary Sub-Committee that was considered by the Appeal Committee in 2013.

ATTENDANCE AT MEETINGS

Members of the Appeal Committee/ Appeal Sub-Committee	Attendance	Remarks
En. Abdul Kadir Bin Md. Kassim <i>(Chairman/Public Interest Director)</i>	1/1	
Datuk Siti Hadzar Binti Mohd Ismail <i>(Public Interest Director)</i>	1/1	
Prof. Dr. Saiful Azhar Bin Rosly <i>(Public Interest Director)</i>	0/1	
Dr. Sieh Lee Mei Ling <i>(Public Interest Director)</i>	1/1	
En. Mohammad Bin Hussin <i>(Elected Director)</i>	-	Appointed w.e.f. 11 December 2013
En. Nor' Azamin Bin Salleh <i>(Elected Director)</i>	0/1	Retired w.e.f. 25 June 2013
Mr. Teng Chee Wai <i>(Elected Director)</i>	1/1	



REPORTS ON INITIATIVES AND ACTIVITIES OF THE COMMITTEES

AUDIT COMMITTEE (AC)

CHAIRMAN

Datuk Siti Hadzar Binti Mohd Ismail

RESPONSIBILITIES

(a) Internal Reporting

To review and report to the Board on the quarterly and annual financial statements. In addition, to make recommendations to the Board to approve the audited annual financial statements after reviewing the followings:

- Any changes of FIMM's significant accounting principles and policies used;
- Significant adjustments resulting from the audit;
- The going-concern assumption;
- Compliance with applicable accounting standards as reported by the Internal auditor;
- Compliance with regulatory and statutory requirements;
- Adequacy and effectiveness of the internal control system;
- Review any related party transactions that may arise between FIMM and any Director or a firm of which the Director is a member, or with a company in which the Director has a substantial financial interest;
- Adequacy of risk management policies and practices to ensure effectiveness;
- Any findings raised in the course of the internal audit operations; and
- Review and appraise the performance of the staff of internal audit function.

(b) External Audit

To report to the Board on:

- The appointment of the external auditor;
- The external auditor's fee and any questions of resignation/dismissal/non-reappointment;
- The nature and scope of the external audit (particularly the identified risk areas) and any additional agreed upon procedures on a regular and timely basis;
- The external audit plan, the external auditors' evaluation of the system of internal controls, discussions of audit results and consider the implications of the external audit findings for the control environment;
- Inquiries of the auditor arising from interim and final audits if there have been any significant disagreement with the Management irrespective of whether they have been resolved (in the absence of the Management, where necessary); and
- The external auditor's management reports and the Management's responses.

REPORTS ON INITIATIVES AND ACTIVITIES OF THE COMMITTEES

AUDIT COMMITTEE (AC)

(c) Internal Audit

(i) To review and approve on an annual basis on:

- Internal audit charter and the authority provided in the internal audit charter;
- The authority provided to the internal audit function. The internal audit function should be independent of the activities they audit and should be performed with impartiality, proficiency and due professional care;
- The proposed internal audit plans for the coming year;
- The internal audit function budget and headcount;
- Significant interim changes to the audit plans; and
- Co-ordination of the audit plans with the external auditors.

(ii) To review and oversee on:

- The findings arising from internal audit reports or other internal investigations;
- The Management's response to internal audit's findings and recommendations;
- Discussion with the Management on any disagreements and the appropriateness of corrective action required of the Management;
- Follow up on the implementation of all recommendations made by internal audit function;

(iii) To conduct ad-hoc meetings with the internal auditors (apart from those scheduled meetings) to discuss on the adequacy of resources and management support necessary for it to perform its duties effectively;

- Periodic reports from the Management on the quality of internal controls in key risk areas and control areas; and

- Internal audit function's compliance with the Institute of Internal Auditors (IIA) Standards for the Professional Practice of Internal Auditing through discussions with the head of internal audit and Management.

(iv) To exclusively determine the budget for the internal audit function; hire/terminate and determine the compensation of the head of internal audit.

(d) Others

(i) To review and report to the Board on inspection and examination reports issued by the relevant regulatory authorities in order to ensure appropriate actions are taken in respect of the findings and where necessary, direct actions to be taken by the Management.

(ii) To report to Securities Commission Malaysia on matter(s) reported by the Audit Committee to the Board that has not been satisfactorily resolved and might have impact on FIMM's functions as an SRO.

ATTENDANCE AT MEETINGS

Members of AC	Attendance
Datuk Siti Hadzar Binti Mohd Ismail <i>(Chairman/Public Interest Director)</i>	4/4
Datuk Wira Jahaya Bin Mat <i>(Public Interest Director)</i>	4/4
Dato' Mohamad Ayob Bin Abu Hassan <i>(Elected Director)</i>	4/4
Mr. George Yap Koi Ming <i>(Public Interest Director)</i>	0/2
Ms. Yeoh Kim Hong <i>(Elected Director)</i>	4/4

REPORTS ON INITIATIVES AND ACTIVITIES OF THE COMMITTEES

AUDIT COMMITTEE (AC)

ACTIVITIES/INITIATIVES

12 March
2013

During the meeting, the Committee agreed to the:

- Proposal of 3-year Internal Audit Strategic Plan (FY2013 – FY2015) and Internal Audit Annual Plan FY2013. The strategic objectives are:
 - i. Internal audit is strategically positioned to contribute to the business performance;
 - ii. Internal audit's processes are enabling and dynamic in meeting business needs; and
 - iii. Internal audit has the right people strategy to deliver its mission and objectives.
- Recommendation of endorsement of the Annual SRO Report 2012 to the Board of Directors.
- Draft audited Financial Statements for the year ended 31 December 2012.
- Issues highlighted in the Internal Control Review Report conducted by BDO Governance Advisory Sdn Bhd (BDOGA).
- Proposal to change auditable area from the planned audit of BDOGA to take into account IT Audit (General Control).

20 June
2013

During the meeting, the Committee reviewed the first quarter Internal Audit Department Activity Status Report.

During the meeting, the Committee agreed to the:

- Proposal of Chapters 4 (Committees of the SRO & Internal Audit Function) and 5 (Delegation of Authority) of the draft Guidelines on Recognised Self-Regulatory Organisation by SC.
- Proposed amendment of Chapter 13.04 and 13.05 of the draft Guidelines on Recognised Self-Regulatory Organisation by SC pertaining to responsible Committee to review the complaints handling.
- Proposed draft Internal Audit Authority Matrix to reflect compliance with Chapter 5 of the Guidelines on Recognised Self-Regulatory Organisation and effective corporate Governance.
- Management report for the financial period ended 30 April 2013.

21 August
2013

During the meeting, the Audit Committee agreed to the:

- Second quarter management report for the financial period ended 30 June 2013.
- Issues highlighted in the internal control review (IT and Procure to Pay Cycle) report conducted by BDOGA.

During the meeting, the Audit Committee reviewed and acknowledged the:

- Status of follow-up audit as at 30 June 2013 for internal control review conducted by BDOGA. The Committee commented the time taken to resolve the issues.
- Second quarter Internal Audit Department Activity Status Report.

28 November
2013

During the meeting, the Audit Committee agreed to the:

- Proposed Audit Plan by external auditor (Morison AnuarulAzizan Chew) for FY2013.
- Proposed Internal Audit Budget FY2014 and Annual Audit Plan FY2014.
- Third quarter management report for the financial period ended 30 September 2013.

During the meeting, the Committee reviewed and acknowledged the:

- Status of follow-up audit as at 30 September 2013 for internal control review conducted by BDOGA.

REPORTS ON INITIATIVES AND ACTIVITIES OF THE COMMITTEES

DISCIPLINARY COMMITTEE (DC)

CHAIRMAN

Datuk Wira Jahaya Bin Mat

RESPONSIBILITIES

- a) Review complaints and disciplinary matters involving Members and Registered Persons and recommend for disciplinary proceedings to be conducted in accordance with the By-laws relating to the Procedure for Disciplinary Proceedings;
- b) Provide clarification and advice on proper mechanisms and adequate measures to handle complaints, including (but not limited to) disciplinary procedures; and
- c) Review quarterly reports of FIMM to Securities Commission Malaysia on complaints received by FIMM, including actions taken by FIMM against any Member and Registered Person.

ATTENDANCE AT MEETINGS

Members of the DC	Attendance
Datuk Wira Jahaya Bin Mat (<i>Chairman/Public Interest Director</i>)	5/5
Datuk Meriam Binti Hj. Ya'acob (<i>Public Interest Director</i>)	5/5
Dato' Mohamad Ayob Bin Abu Hassan (<i>Elected Director</i>)	4/5
Mr. Danny Wong Teck Meng (<i>Elected Director</i>)	5/5
Mr. Ho Seng Yee (<i>Elected Director</i>)	3/5
Ms. Vasantha N Punniamoorthy (<i>Public Interest Director</i>)	3/5
Ms. Yeoh Kim Hong (<i>Elected Director</i>)	4/5

ACTIVITIES/INITIATIVES

1. During the period under review, the DC reviewed 12 complaints.
2. Noted 2 complaints dismissed by the Chief Executive Officer (involving matters not within FIMM's purview).
3. Noted and discussed the quarterly reports on complaints received by FIMM which were submitted to the Securities Commission Malaysia (SC).

REPORTS ON INITIATIVES AND ACTIVITIES OF THE COMMITTEES

DISCIPLINARY SUB-COMMITTEE (DSC)

CHAIRMAN

Datuk Wira Jahaya Bin Mat

RESPONSIBILITIES

- a) Conduct disciplinary proceedings against Members and Registered Persons where necessary; and
- b) Enforce and ensure compliance by Members and Registered Persons with rules, guidelines, by-laws, codes, directives and standards issued by FIMM and relevant regulations and guidelines issued by Securities Commission Malaysia and take actions against Members and Registered Persons for any breach of FIMM's rules, guidelines, by-laws, codes, directives and standards.

ATTENDANCE AT MEETINGS

Members of the DSC	Attendance
Datuk Wira Jahaya Bin Mat (<i>Chairman/Public Interest Director</i>)	10/10
Datuk Meriam Binti Hj. Ya'acob (<i>Public Interest Director</i>)	9/10
Dato' Mohamad Ayob Bin Abu Hassan (<i>Elected Director</i>)	8/10
Mr. Danny Wong Teck Meng (<i>Elected Director</i>)	10/10
Mr. Ho Seng Yee (<i>Elected Director</i>)	4/10
Ms. Vasantha N Punniamoorthy (<i>Public Interest Director</i>)	9/10
Ms. Yeoh Kim Hong (<i>Elected Director</i>)	2/10

ACTIVITIES/INITIATIVES

1. Conducted 10 disciplinary proceedings:
 - i) 6 complaints were dismissed;
 - ii) 1 Registered Person was deregistered;
 - iii) 1 Registered Person was privately reprimanded; and
 - iv) 1 Registered Person was given a caution letter (2 disciplinary proceedings were conducted in respect of this complaint).



REPORTS ON INITIATIVES AND ACTIVITIES OF THE COMMITTEES

INDUSTRY DEVELOPMENT COMMITTEE (IDC)

CHAIRMAN

Prof. Dr. Saiful Azhar Bin Rosly

RESPONSIBILITIES

- a) Provide a medium through which Members and Registered Persons to consult with each other and cooperate with government agencies in connection with issues affecting investment management industry;
- b) Introduce best practices in fund management, fund operations as well as marketing and distribution of funds by developing and issuing industry standards on investment management as well as the marketing and distribution of funds;
- c) Review the Employees Provident Fund (EPF) Members Investment Scheme requirements, evaluation methodology and approve fund evaluation results performed in accordance to the methodology;
- d) Review the current distribution channels and propose measures for improvement and expansion;
- e) Enhance public awareness and confidence in the investment management industry through formulation and promotion of investor awareness programmes in the form of road shows, seminars, newspaper articles, business bulletins, or such other activities as deemed appropriate;
- f) Work closely with the Members, Registered Persons and Securities Commission Malaysia towards promulgation and modification of administrative rules, regulations and interpretations and distribution of products and services, taxation or other areas that impact the investment management industry;
- g) Commission research to identify issues; explore new opportunities for broadening the offerings of investment products and services, in order to facilitate the growth of the investment management industry;
- h) Seek tax incentives and minimises negative tax impacts (where applicable) for the investment management industry, investment products and investors, both direct and indirect, to encourage the public to invest; and
- i) Commission and oversee collection of periodical industry statistics submitted by Members and Registered Persons to facilitate industry development efforts.

INDUSTRY DEVELOPMENT COMMITTEE (IDC)

ATTENDANCE AT MEETINGS

Members of the IDC	Attendance	Remarks
Prof. Dr. Saiful Azhar Bin Rosly <i>(Chairman/Public Interest Director)</i>	5/5	
Datuk Meriam Binti Hj. Ya'acob <i>(Public Interest Director)</i>	5/5	
Dato' Mohamad Ayob Bin Abu Hassan <i>(Elected Director)</i>	3/3	Appointed w.e.f. 20 May 2013
Dato' Idris Bin Kechot <i>(Elected Director)</i>	1/2	Resigned w.e.f. 25 Mar 2013
Dr. Sieh Lee Mei Ling <i>(Public Interest Director)</i>	5/5	
Mr. Danny Wong Teck Meng <i>(Elected Director)</i>	5/5	
Mr. Ho Seng Yee <i>(Elected Director)</i>	1/3	Appointed w.e.f. 20 May 2013
En. Nor' Azamin Bin Salleh <i>(Elected Director)</i>	2/3	Retired w.e.f. 25 Jun 2013
Mr. Teng Chee Wai <i>(Elected Director)</i>	5/5	

ACTIVITIES/INITIATIVES

1. Reclassification of Funds under the Lipper Malaysia Classification

Based on the funds' investment portfolio, a total of 27 unit trust funds were reclassified on 15 July 2013, in line with the criteria prescribed under the Lipper Malaysia Classification (LMC) that was introduced on 1 December 2012.

Following the reclassification, the Lipper Leader Ratings for Consistent Return (CR) of 17 funds were recalculated and assigned to the funds as changes were prompted by the change in fund classification exercise, not fund specific activities. Meanwhile, 10 funds lost CR mainly due to changes in investment objectives as well as insufficient peers in certain fund sectors.

2. Computerised Private Retirement Scheme Examination (CPRE)

Introduced since September 2012, Private Retirement Scheme Examination (PRE) is a qualifying examination for persons who wish to market and distribute Private Retirement Schemes (PRS). PRE ensures that all persons involved in marketing and distribution of PRS must possess a minimum level of knowledge in, and understanding of areas that are in line with the expected minimum quality of advisory, marketing, distribution and related support services for the PRS industry.

The conduct of PRE will be computerised to increase the reach of FIMM examination services to cover all major towns nationwide, in addition to more frequent examination sessions and immediate result announcement. The CPRE is expected to be rolled out in 2014.

INDUSTRY DEVELOPMENT COMMITTEE (IDC)

3. Guidelines on Employees Provident Fund Members Investment Scheme and Fund Management Institutions (EPF Guidelines)

FIMM conducted an industry consultation in January 2013 pertaining to EPF Guidelines. A working group was formed to discuss issues and proposed changes on the EPF Guidelines. EPF has incorporated most of the industry's recommendations and issued the final EPF Guidelines in July 2013.

4. FIMM Internship Programme for Corporate Distributors

In September 2013, FIMM Management submitted a proposal to the Securities Commission Malaysia (SC) to introduce FIMM Corporate Unit Trust Advisers (CUTA)/Corporate PRS Advisers (CPRA) Internship programme which allowed CUTA and/or CPRA to recruit interns as Unit Trusts Consultants (UTC) and/or Private Retirement Scheme Consultants (PRS Consultants) without the need to obtain Capital Markets Services Representative License (CMSRL-Financial Planning).

The objective of this proposal is to enhance the attractiveness of CUTA and CPRA among individuals who aspire to become financial planners by providing an internship opportunity to gain practical experience for such individuals who are currently seeking accreditation to become a licensed financial planning professional to be attached to CUTA and/or CPRA.

Interns engaged by CUTA/CPRA under this internship program must meet several minimum requirements that include completing basic courses in specific financial planning programs and passed Computerised Unit Trust Examination or PRS Examination. This proposal is pending approval from the SC.

5. Revision of Requirement Pertaining to Appointment of Consultants by CUTA and CPRA

In line with the objectives of developing distribution channel that focused on providing financial planning advisory services, Clause 4.6 of the Guidelines on Registration of CUTA (CUTA Guidelines) and Clause 25.3 of the Guidelines on Registration of PRS Distributors and Consultants (PRS Guidelines) were revised on 11 July 2013.

The above revision allows CUTA and CPRA to recruit any person with a Capital Market Representative License in financial planning as Unit Trust Consultants/PRS Consultants. Previously, CUTA and CPRA could appoint Unit Trust Consultants/PRS Consultants from among their full time employees only. Under the revised requirement, the CUTA and CPRA may only operate a single-tier agency structure.

6. Industry Awareness Session for Goods and Services Tax (GST)

To assist the industry in the preparation for the implementation of Goods and Services Tax (GST), FIMM conducted an industry survey to obtain queries and concerns from members and registered persons pertaining to GST in September 2013. The issues compiled forms the critical basis for the FIMM to determine subject scope and level of discussion needed for the industry awareness session.

An industry awareness session will be conducted in February 2014. Senior officers from the Royal Malaysian Customs Department as well as experts in taxation and accounting systems are invited for the session. Furthermore, a self-assessment kit will be issued in the second quarter 2014 to assist the industry in their preparation for GST.

INDUSTRY DEVELOPMENT COMMITTEE (IDC)

7. 2013 Annual Employees Provident Fund Members Investment Scheme (EPF-MIS) Fund Evaluation Exercise

The 2013 EPF-MIS Fund Evaluation exercise resulted 209 funds approved under EPF-MIS, of which, 199 or 95.2% of the funds are existing EPF approved funds, 10 funds were admitted to the list for the first time. Meanwhile, 15 of the existing EPF-MIS funds were suspended, mainly caused by failing to meet the minimum Simple Average Rating for Consistent Returns (SACR) threshold as prescribed by the Employees Provident Fund.

The profile for the approved funds remained largely similar to the previous year with 176 funds or 84.2% fully invested in Malaysia of which 92 funds or 44.0% are equity funds. The result of 2013 EPF-MIS Fund Evaluation exercise was subsequently approved by EPF and made effective on 1 April 2013.

8. Standardised Definition for Single Issuer Limit of the Guidelines on Unit Trust Funds

FIMM proposed to SC to standardise the definition for single issuer limit pertaining to Clause 22, Schedule A (Investment Restrictions and Limits-Core Requirements) of the Guidelines on Unit Trust Funds (Guidelines). In the SC letter dated 25 June 2013, the SC concurred with FIMM's proposal. The interpretation on the said clause in the Guidelines is now standardised between the SC and the industry whereby 20% limit is confirmed to be imposed on the total debentures and not on respective tranche issued by a single issuer.

Standardised interpretation on the above requirement provides added clarity to the regulatory requirements. In addition to facilitating the industry's compliance efforts, the standardisation also ensures that members' investment portfolio in a specific issuance will not be unwarrantedly restricted to a level lower than the same permitted by the Guidelines.

9. Employees Provident Fund Basic Savings Scheme

An industry dialogue was held by EPF with FIMM and industry members on 26 November 2013. At that dialogue, industry members proposed that:

- i) Savings transferred under EPF-MIS and invested in unit trusts should be part of the calculation of EPF Basic Savings minimum threshold;
- ii) Gradual increases in EPF Basic Savings across the span of three years; and
- iii) Continue to allow individuals to decide on their investments and be responsible for their retirement security.

REPORTS ON INITIATIVES AND ACTIVITIES OF THE COMMITTEES

INDUSTRY DEVELOPMENT COMMITTEE (IDC)

While most of the measures were rejected by EPF, EPF were keen to explore the possibility of including the savings, previously transferred under EPF-MIS and invested in unit trusts, in the calculation of EPF Basic Savings minimum threshold.

Two working level meetings were subsequently conducted between FIMM and two industry members with EPF on 29 November 2013 and 5 December 2013 respectively to discuss the interim solution to add the amount transferred by EPF Members to Institutasi Pengurusan Dana (IPD) in the calculation of the threshold as proposed by the industry members.

However, EPF expressed that the value of Asset Under Management (AUM) to be added to EPF Members' balance in Account 1 is not guaranteed and is subjected to fluctuation. Including AUM in the calculation of EPF Basic Savings scheme will potentially result in the failure of the scheme to achieve its objective.

EPF also concluded that while the system changes are expected to be minimal for IPD, adding AUM in the calculation of EPF Basic Savings minimum threshold requires EPF to make major changes in their core system; the system that runs eligibility check to determine whether an EPF Member is eligible to withdraw his/ her savings and invest in unit trusts. On 30 December 2013, EPF issued a rejection letter to all IPD as well as FIMM on the proposed measures.

10. Investor Education and Stakeholder Engagement Initiatives

As we continue to improve the depth of engagement within the industry, progressive efforts were undertaken to encourage the public to gain a better understanding about the benefits of unit trust investments. These efforts were also aimed to increase the number of investors who are able to make wise and informed investment choices.

Integrated education and literacy campaigns were executed through mediums such as radio advertisements, publications, website and events as well as via strategic collaborations.

Details of the activities carried out for the year 2013 are as listed in the table below:

Investor Education

No	Initiatives/Activities	Description	Duration
1	Website Revamp	The website revamp initiative was to provide a platform to enhance the communication between industry stakeholders, public and regulatory bodies as well as to provide relevant information, awareness and education that will facilitate the steady growth of the industry.	Launched in December 2013

REPORTS ON INITIATIVES AND ACTIVITIES OF THE COMMITTEES

INDUSTRY DEVELOPMENT COMMITTEE (IDC)

No	Initiatives/Activities	Description	Duration
2	Radio Campaigns- Sinar. fm, Hitz.fm, Mix.fm & MY.fm	Radio advertisements were run in 3 main languages with the following key messages: <ul style="list-style-type: none"> i. Hassle Free Investments ii. Kids and Future iii. Grow Your Savings 	October – December 2013
3	Print and Digital Media Publications –		November 2013 - Printed and distributed to Members via various events
	i. Brochures/Booklet	i. Brochures and booklet were printed to provide basic understanding on unit trusts and the benefits of investing etc.	
	ii. Comic Strips – media insertion (The Star, Harian Metro, Sin Chew)	ii. The comic strips were to complement the radio campaigns in addressing the need to invest.	
	iii. FIMMTODAY – 4 issues	iii. 4 issues of FIMMTODAY carried the following themes: <ul style="list-style-type: none"> 1) Philosophy of Private Retirement Schemes, 2) Ethics and Governance, 3) Education and 4) The Year in Review – 2013 FIMM Annual Convention. 	
4	Strategic Partnerships and Collaborations		August 2013
	i. Book Launch	i. FIMM launched <i>Investing in Islamic Funds: "A Practitioner's Perspective"</i> by Datuk Noripah Kamso.	
	ii. Fundsupermart.com	ii. Collaborated with Fundsupermart.com in their annual event - Unit Trust Investment Fair	
5	Other Branding Activities - Cash Bum	A one page infomercial to educate investors: <ul style="list-style-type: none"> i. Smart Investor magazine ii. Money Compass magazine 	<ul style="list-style-type: none"> i. September 2013 ii. December 2013

REPORTS ON INITIATIVES AND ACTIVITIES OF THE COMMITTEES

INDUSTRY DEVELOPMENT COMMITTEE (IDC)

Stakeholder Engagement Activities

A few stakeholder engagement activities were carried out during the year to encourage exchange of views and perspectives on industry related subjects and issues. These activities also provided a platform for the members to discuss the challenges and issues that are pertinent to the development of the industry.

No	Event	Venue/Date	Outreach
1	FIMM Seminars	14 seminars conducted nationwide in Peninsular Malaysia, Sabah and Sarawak	1,032 attendees
2	FIMM Annual Convention	Themed " <i>Catalyst for Sustainable Growth</i> ", the event was held on 3 October 2013 at the Sime Darby Convention Centre, Kuala Lumpur	540 attendees
3	Dialogue between CUTA and FIMM	Bukit Kiara Equestrian & Country Resort, Kuala Lumpur, 21 January 2013	25 attendees
4	Briefing Session on Trend Analysis of Complaints Received in a Quarterly Basis	Bukit Kiara Equestrian & Country Resort, Kuala Lumpur, 21 March 2013	45 attendees
5	Briefing Session on Marketing and Distribution Compliance Audit	Bukit Kiara Equestrian & Country Resort, Kuala Lumpur, 21 March 2013	102 attendees
6	FIMM Breakfast Talk – Navigating the Growth in a Changing Landscape: FATCA Regulatory Updates and Operational Challenges for the Asset Management Industry	Berjaya Times Square Hotel, Kuala Lumpur, 6 June 2013	43 attendees
7	Post Registration Assessment Exercise for Private Retirement Schemes	Bukit Kiara Equestrian & Country Resort, Kuala Lumpur, 28 November 2013	35 attendees

REPORTS ON INITIATIVES AND ACTIVITIES OF THE COMMITTEES

NOMINATION AND REMUNERATION COMMITTEE (NRC)

CHAIRMAN

Datuk Meriam Binti Haji Ya'acob

RESPONSIBILITIES

- a) Recommend to the Board the appointment, promotion as well as remuneration and compensation policies of the Senior Management personnel having regard to prevailing market rates for similar roles;
- b) Review annually and recommend to the Board the remuneration and/or compensation framework (including performance-based remuneration) as necessary;
- c) Review and approve leadership and talent development framework;
- d) Review Management performance framework;
- e) Review and approve succession planning framework and performance evaluation system for all employees including the CEO;
- f) Regularly review the structure, size and composition (including the skills, knowledge, experience and diversity) of the Board and make recommendations to the Board with regard to any changes;
- g) Develop and review the annual evaluation process for the Board and Committees, and evaluate the performance of the Board based on the assessment made by Directors and recommending action plan to improve competencies;
- h) Recommend to the Board on nomination of Directors either to fill casual vacancies in the Board or as additional Directors in accordance with the Articles;
- i) Recommend to the Board on nomination of Directors to serve as Committee members and, in consultation with the chairman of the Board, chairpersons of Committees;
- j) Develop job descriptions for Directors and provide Directors with appropriate and timely training, both in the form of an induction programme for new Directors and on an on-going basis for all Directors;
- k) Recommend to the Board and Members a framework for remuneration of Directors and Committee members, including fees, allowances and benefits-in-kind; and
- l) Review and recommend to the Board Professional Indemnity and Liability insurance for Directors and FIMM officers.

 **REPORTS ON INITIATIVES AND
ACTIVITIES OF THE COMMITTEES****NOMINATION AND REMUNERATION COMMITTEE
(NRC)****ATTENDANCE AT MEETINGS**

Members of the NRC	Attendance	Remarks
Datuk Meriam Binti Hj. Ya'acob <i>(Chairman/Public Interest Director)</i>	1/1	
Mr. John Campbell Tupling <i>(Elected Director)</i>	-	Resigned w.e.f. 28 Mar 2013
En. Muhamad Umar Swift <i>(Elected Director)</i>	1/1	
Ms. Vasantha N Punniamoorthy <i>(Public Interest Director)</i>	1/1	

INITIATIVES/ACTIVITIES

1. Discussed and recommended the staff Performance Management and Development Framework to the Board for approval.
2. Discussed and recommended the Association Liability Insurance proposal to the Board.
 - i) Indemnified the Office Bearers of the Federation against loss arising from any claims by reason of any wrongful act in the capacity of the Office Bearer of the Federation.
3. Discussed and recommended FIMM's Code of Ethics and Confidentiality Undertaking Letter to the Board for approval.

REPORTS ON INITIATIVES AND ACTIVITIES OF THE COMMITTEES

RULES COMMITTEE (RC)

CHAIRMAN

Ms. Vasantha N Punniamoorthy

RESPONSIBILITIES

- a) Establish appropriate rules, guidelines, by-laws, codes, directives and standards applicable to Members and Registered Persons and continuously review such rules, guidelines, by-laws, codes, directives and standards to ensure effectiveness and proper regulation;
- b) Establish eligibility requirements and continuously review such requirements to enhance the professionalism;
- c) Establish monitoring and surveillance mechanisms and continuously review such mechanisms for necessary enhancement;
- d) Establish sanctions and penalties in respect of any breach of FIMM rules, guidelines, by-laws, codes, directives or standards and continuously review such sanctions and penalties for effectiveness;
- e) Establish procedures for enforcement of sanctions and penalties and continuously review such procedures for effectiveness;
- f) Work closely with Securities Commission Malaysia and other relevant regulatory authorities to provide a robust framework for investor protection;
- g) Establish parameters for FIMM to conduct inspection, investigation and surveillance and continuously review the adequacy and observance of such parameters vis-a-vis FIMM's enforcement power; and
- h) Ensure FIMM has the necessary purview and enforcement power to regulate Members and Registered Persons.

ATTENDANCE AT MEETINGS

Members of the RC	Attendance
Ms. Vasantha N Punniamoorthy <i>(Chairman/Public Interest Director)</i>	6/7
Datuk Meriam Binti Hj. Ya'acob <i>(Public Interest Director)</i>	7/7
Datuk Wira Jahaya Bin Mat <i>(Public Interest Director)</i>	7/7
Dato' Mohamad Ayob Bin Abu Hassan <i>(Elected Director)</i>	5/7
Dr. Sieh Lee Mei Ling <i>(Public Interest Director)</i>	6/7
Mr. Danny Wong Teck Meng <i>(Elected Director)</i>	2/3
Mr. George Yap Koi Ming <i>(Public Interest Director)</i>	0/5
Mr. Ho Seng Yee <i>(Elected Director)</i>	6/7
Mr. John Campbell Tupling <i>(Elected Director)</i>	1/3
Ms. Yeoh Kim Hong <i>(Elected Director)</i>	7/7

RULES COMMITTEE (RC)**ACTIVITIES/INITIATIVES****1. Bankruptcy Search**

RC deliberated and agreed on bankruptcy search to be conducted on new applicants for registration as consultants prior to such applicants taking FIMM's examination, and annual bankruptcy search to be conducted on existing consultants prior to renewal of their registration.

2. Notification on Marketing and Distribution of Unit Trust Schemes/Private Retirement Schemes

RC deliberated and agreed on a shorter notification period for unit trust scheme/private retirement scheme distributors to inform FIMM of schemes they intend to market and distribute.

3. Registration of Private Retirement Scheme Consultants

RC deliberated and agreed that:

- i) individuals who hold a Capital Markets Services Representative's Licence to carry out the regulated activity of financial planning be eligible for registration as consultants of corporate unit trust advisers (CUTA)/corporate private retirement scheme advisers (CPRA);
- ii) CUTA/CPRA are allowed to operate a single-tier agency structure *vis-a-vis* their consultants.

4. Distribution Agreement

RC deliberated and agreed on the revised requirements pertaining to distribution agreements of unit trust scheme/private retirement scheme

distributors, which include allowing an institutional unit trust adviser (IUTA)/institutional private retirement scheme adviser (IPRA) to enter into a distribution agreement with an online provider (as defined in the Guidelines on Online Transactions and Activities in Relation to Unit Trusts issued by the Securities Commission Malaysia).

5. Third Party Cheques

RC deliberated and agreed on the treatment of third party cheques for purposes of investment and contribution in unit trust schemes and private retirement schemes.

6. Revision of FIMM Rules

RC deliberated on FIMM's revised rules. FIMM embarked on a holistic review and revision exercise involving its current guidelines, by-laws, guidance notes, code, standards and circulars in 2012, with the intention to ensure FIMM's rules are consistent with the securities laws and other applicable laws, the requirements pertaining to self-regulation, and prevailing industry practices. The revision exercise progressed in 2013.

7. Marketing and Distribution Compliance Audit Framework for Unit Trust Funds (Audit Framework)

In 2012, the RC deliberated on the Audit Framework. Subsequently, the RC endorsed the Audit Framework and submission of the same to Securities Commission Malaysia (SC) in November 2012.

RULES COMMITTEE (RC)

The Audit Framework was approved by the SC on 5 February 2013. Following SC's approval, FIMM conducted an industry briefing in March 2013 and the first batch of notices were sent to Members and Registered Persons in April 2013. For the year 2013, the Industry Surveillance team completed the review of 13 Compliance Audit and 54 Compliance Due Diligence checklists issued to Members and Registered Persons.

8. Scope of Audit to be conducted by Private Retirement Scheme Distributors

For the purpose of private retirement scheme distributors, RC deliberated and agreed on the adoption of the audit scope applicable to unit trust scheme distributors.

9. Due Diligence Review (CUTA)

RC deliberated and agreed on allowing the compliance officer of a CUTA to conduct the Due Diligence Review that is required by FIMM under its Audit Framework.

10. Post Registration Assessment Exercise (PRAE) for Private Retirement Schemes (PRS)

The RC deliberated on the PRAE Framework. Subsequently, the RC endorsed the framework in September 2013 and submission of the same to SC.

The PRAE was approved by SC on 1 October 2013. FIMM conducted an industry briefing in November 2013 and the notices are targeted for issuance to registered PRS Providers and Distributors in January and February 2014 respectively.

11. Operational Audit for IUTA / CUTA

In order to strengthen the industry's marketing and distribution practices, newly registered IUTA / CUTA are subjected to an operational audit to ensure their operational readiness for marketing and distribution of unit trust funds.

In 2013, FIMM completed the review of 3 operational audit checklists in total submitted by 2 IUTAs and 1 CUTA respectively.

RC deliberated on the outcome of operational audits conducted in 2013 by newly registered unit trust scheme distributors and approved submission of the audit outcome report to SC.

REPORTS ON INITIATIVES AND ACTIVITIES OF THE COMMITTEES

SYSTEMS AND METHODS COMMITTEE (SAM)

CHAIRMAN

Dr. Sieh Lee Mei Ling

RESPONSIBILITIES

- a) Review business processes, technology and operational processes, system and infrastructure of FIMM to ensure the system and processes are robust;
- b) Develop a strategic framework to enhance processes and information technology infrastructure;
- c) Revamp or establish the information technology infrastructure and policies;
- d) Formulate and implement information technology standards for FIMM to better serve the investment management industry and investors;
- e) Prioritise information technology projects and the resources that serve on it;
- f) Recommend appropriate internal information system infrastructure;
- g) Address information technology issues and practices that have broad implications to the investment management industry, including data processing applications, information security, technology risk management, telecommunications, data center operations and internet activities;
- h) Identify the technology implications of proposing or amending FIMM's rules, guidelines, by-laws, codes, directives and standards;
- i) Review information technology plans; and
- j) Review third party service providers for information technology projects.

ATTENDANCE AT MEETINGS

Members of the SAM	Attendance
Dr. Sieh Lee Mei Ling <i>(Chairman/Public Interest Director)</i>	3/3
Datuk Siti Hadzar Binti Mohd Ismail <i>(Public Interest Director)</i>	3/3
Ms. Chan Foong Sin <i>(Subject Matter Expert)</i>	3/3
Ms. Cheow Kok Lan <i>(Subject Matter Expert)</i>	2/3
En. Muhamad Umar Swift <i>(Elected Director)</i>	2/3
Mr. Richard Tan Koon Eam <i>(Subject Matter Expert)</i>	2/3

ACTIVITIES/INITIATIVES

1. FIMM Website Revamp

SAM concurred with FIMM Management's proposed vendor to revamp the website based on the detailed evaluation process comprising technical, financial and the vendor's ability to fulfill FIMM's requirements as clearly detailed in the Request of Proposal.

2. Enhancement of Registration System

SAM concurred with the quotation to enhance the system to include bankruptcy search and additional column to capture information on Capital Market Services Representative License (CMSRL). The Committee requested the Head of IT to liaise with the vendors to obtain a work schedule.

REPORTS ON INITIATIVES AND ACTIVITIES OF THE COMMITTEES

EDUCATION & EXAMINATION COMMITTEE (EEC)

CHAIRMAN

Dr. Sieh Lee Mei Ling

RESPONSIBILITIES

- a) Support, champion and approve the trainings and development programmes, meetings, seminar/conferences for Members and Registered Persons;
- b) Oversee the management and administration of continuing education programmes for Members and Registered Persons;
- c) Advise Management on the examination for the admission of new Members, Continuing Professional Development (CPD) framework which includes the processing of CPD points applications, exemption for Registered Persons - Unit Trust Consultants (UTC) and Private Retirement Consultants (PRC); recognition of training providers and their courses as well as ensuring quality control on CPD related matters through an internal monitoring system;
- d) Periodically or where necessary to review FIMM's examination syllabus;
- e) Develop, set performance standard and to monitor the Computerised Unit Trust Examination (CUTE) and Private Retirement Scheme Examination (PRSE) especially on the module development; including the examination centre providers;
- f) Oversee the introduction of semi-professional and professional programmes to Members and Registered Persons; and
- g) To measure and monitor the above and to recommend continuing improvement for the development of the Members and Registered Persons.

ATTENDANCE AT MEETINGS

Members of the EEC	Attendance	Remarks
Dr. Sieh Lee Mei Ling <i>(Chairman/Public Interest Director)</i>	2/2	
En. Muhamad Umar Swift <i>(Elected Director)</i>	2/2	
En. Nor' Azamin Bin Salleh <i>(Elected Director)</i>	-	Retired w.e.f. 25 June 2013
Mr. Wong Boon Choy <i>(Subject Matter Expert)</i>	2/2	



REPORTS ON INITIATIVES AND ACTIVITIES OF THE COMMITTEES

EDUCATION & EXAMINATION COMMITTEE (EEC)

ACTIVITIES/INITIATIVES

1. Revised Continuing Professional Development (CPD) Guidelines

The CPD Guidelines was revised in 2013 to provide clarity on the subject scope as well as other requirements under the CPD Guidelines. Additionally, the revisions were also conducted to ensure that the CPD Guidelines are consistent with the applicable laws and the prevailing industry practices.

2. FIMM Seminars

During the period under review, FIMM organised 14 seminars nationwide for 1,032 consultants to enhance their knowledge, skills and competencies.

3. FIMM Annual Convention

FIMM Annual Convention was held on 3 October 2013 at the Sime Darby Convention Centre, Kuala Lumpur.

The theme for this year's convention was "*Catalyst for Sustainable Growth*" – selected with the intent of looking at the consultants, regulators and the investing public as the catalyst for growth in sync with other enablers such as ethical business practices, education and awareness. It focused on how "We" collectively need to take a proactive approach rather than a reactive approach towards the sustainable growth of the industry.

The convention also offered valuable insights on market opportunities and challenges faced by the industry. It was a platform for consultants to exchange and discuss pertinent issues on how growth momentum can be maintained as well as to promote unit trusts as a staple tool in accumulating wealth over a long-term period. The event saw an attendance of 540 attendees.

4. Recognition of FIMM courses by other professional bodies and organisations

During the year, FIMM embarked on a project to seek recognition from other professional bodies and organisations such as Securities Industry Development Corporation, to allocate Continuing Professional Education (CPD) points for courses conducted by FIMM.

This recognition will increase the attractiveness of FIMM courses especially for consultants who are licensed to conduct other regulated activities.

REPORTS ON INITIATIVES AND ACTIVITIES OF THE COMMITTEES

FINANCE COMMITTEE (FC)

CHAIRMAN

Datuk Meriam Binti Hj. Ya'acob

RESPONSIBILITIES

- (a) Ensure stable source of income to enhance independence.
- (b) Review existing revenue and expenses and identify new income sources.
- (c) Review budget strategies & implications and operating and capital budget.

ATTENDANCE AT MEETINGS

Members of the FC	Attendance
Datuk Meriam Binti Hj. Ya'acob (<i>Public Interest Director</i>)	5/5
Mr. Danny Wong Teck Meng (<i>Elected Director</i>)	5/5
En. Muhamad Umar Swift (<i>Elected Director</i>)	5/5
En. Nor' Azamin Bin Salleh (<i>Elected Director</i>)	1/3

ACTIVITIES/INITIATIVES

1. Discussed and recommended the Board to approve FIMM's annual budget.
2. Discussed and recommended the Board to approve FIMM's Discretionary Authority Limits (DAL).
3. Discussed and recommended the Board to approve the office relocation and renovation.

REPORTS ON INITIATIVES AND ACTIVITIES OF THE COMMITTEES

GOVERNANCE COMMITTEE (GC)

CHAIRMAN

Datuk Meriam Binti Hj. Ya'acob

RESPONSIBILITIES

- a) Enhance the governance structure of FIMM as an SRO;
- b) Ensure that FIMM's structure is consistent with the structure of SRO expected by IOSCO and Securities Commission Malaysia (SC);
- c) Monitor and advise the Board on the progress of implementing the strategies and initiatives to be undertaken by FIMM towards becoming an effective SRO;
- d) Review the reports from relevant Committees in charge of the tasks to implement the strategies;
- e) Review periodically, at least annually, the functions and effectiveness of each of FIMM's committees and recommend to the Board such changes that GC deems desirable and such recommendation to the Board will be effected after GC consults the committee concerned;
- f) Monitor corporate governance trends and oversee and evaluate FIMM's corporate governance policies and programs and recommend to the Board such changes as GC deems desirable;
- g) Develop and recommend to the Board a set of corporate governance principles applicable to FIMM and review these principles at least annually; and
- h) Reviewing the Board Charter biennially or whenever necessary, and recommend to the Board any revisions to the said charter.

ATTENDANCE AT MEETINGS

Members of the GC	Attendance	Remarks
Datuk Meriam Binti Hj. Ya'acob <i>(Chairman/Public Interest Director)</i>	3/3	
Datuk Wira Jahaya Bin Mat <i>(Public Interest Director)</i>	2/2	Appointed w.e.f. 20 May 2013
Dato' Mohamad Ayob Bin Abu Hassan <i>(Elected Director)</i>	2/2	Appointed w.e.f. 20 May 2013
Dr. Sieh Lee Mei Ling <i>(Public Interest Director)</i>	2/3	
Mr. Harinder Pal Singh a/l Joga Singh <i>(Elected Director)</i>	-	Appointed w.e.f. 11 Dec 2013
Mr. Ho Seng Yee <i>(Elected Director)</i>	2/3	
En. Muhamad Umar Swift <i>(Elected Director)</i>	3/3	
En. Nor' Azamin Bin Salleh <i>(Elected Director)</i>	1/2	Retired w.e.f. 25 June 2013
Ms. Vasantha N Punniamoorthy <i>(Public Interest Director)</i>	2/2	Appointed w.e.f. 20 May 2013
Ms. Yeoh Kim Hong <i>(Elected Director)</i>	0/2	Appointed w.e.f. 20 May 2013

REPORTS ON INITIATIVES AND ACTIVITIES OF THE COMMITTEES

EXECUTIVE COMMITTEE (EXCO)

CHAIRMAN

En. Abdul Kadir Bin Md. Kassim

RESPONSIBILITIES

- a) The EXCO was set up principally to search, identify and recruit a new Chief Executive Officer by 1 December 2013 and pending the recruitment of the new Chief Executive Officer and, in the absence of the Chief Executive Officer, to facilitate execution of decisions and to provide direction to the Management of FIMM.
- b) Although under the Terms of Reference of the EXCO, the Chairman of FIMM was empowered to exercise the powers prescribed within the Discretionary Authority Limit of the Chief Executive Officer of FIMM, all decisions were made on a consensus basis by the EXCO under the Discretionary Authority Limit.

MEMBERS OF EXCO

Name
En. Abdul Kadir Bin Md. Kassim <i>(Chairman/Public Interest Director)</i>
Datuk Meriam Binti Hj. Ya'acob <i>(Public Interest Director)</i>
Dato' Mohamad Ayob Bin Abu Hassan <i>(Elected Director)</i>

No allowances were paid to any member of the EXCO for the duration of their tenure at EXCO.

The new Chief Executive Officer was identified and his name was submitted to the Securities Commission Malaysia (SC) for approval. The SC's approval was obtained on 23 January 2014.

Given the frequency with which decisions were required to be made, decisions at the EXCO were made by exchange of email and by telephone as these decisions mainly related to day-to-day matters and operations of FIMM. No matters beyond the Discretionary Authority Limit of the Chief Executive Officer were canvassed by the EXCO or executed.

The EXCO was established on 25 September 2013 and dissolved on 31 December 2013.



Financial Reports

DIRECTORS' REPORT

The Directors hereby present their report together with the audited financial statements of the Federation for the financial year ended 31 December 2013.

Principal Activities

The Federation is a recognised self regulatory organisation (“SRO”) for the unit trust industry under section 323(1) of the Capital Markets & Services Act (“CMSA”). As an SRO, the Federation’s principal activity is to conduct its affairs in the best interests of the public and investment management industry while promoting orderly development of the investment management industry. The Federation will encourage and foster among its members conduct, ethics and standards of practice that will best serve, maintain further and protect the interests of investors and the investment management industry. In discharging its obligation, the Federation shall act in the public interest with particular regard to the need for protection of investors.

There have been no significant changes in the nature of these activities during the financial year.

Financial Results

Operating surplus for the financial year	RM2,528,372
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Reserves and Provisions

There were no material transfers to or from reserves or provisions during the financial year under review.

Directors

The Directors who served since the date of the last report are as follows:-

	<u>Appointed date</u>	<u>Resigned date</u>
<u>Public Interest Directors:-</u>		
En. Abdul Kadir bin Md Kassim		
Datuk Wira Jahaya bin Mat		
Dr. Sieh Lee Mei Ling		
Datuk Meriam binti Hj. Ya’acob		
Ms. Vasantha N Punniamoorthy		
Prof. Dr. Saiful Azhar bin Rosly		
Datuk Siti Hadzar binti Mohd Ismail		
Mr. George Yap Koi Ming		25.7.2013*

Directors (cont'd)

	<u>Appointed date</u>	<u>Resigned date</u>
<u>Non-Public Interest Directors:-</u>		
Mr. Ho Seng Yee		
Mr. Teng Chee Wai		
Ms. Yeoh Kim Hong		
Dato' Idris bin Kechot		25.3.2013
Dato' Mohamad Ayob Abu Hassan		
Mr. Danny Wong Teck Meng		
Mr. John Campbell Tupling		28.3.2013
En. Muhamad Umar Swift		
En. Nor' Azamin Bin Salleh		25.6.2013**
Mr. Harinder Pal Singh a/l Joga Singh	10.7.2013	
En. Mohammad bin Hussin	25.7.2013	

* Ceased

** Retired

Directors' Benefits

Since the end of the previous financial year, no Director of the Federation has received or become entitled to receive any benefit (other than a benefit included in the aggregate amount of emoluments received or due and receivable by Directors as shown in the financial statements) by reason of a contract made by the Federation with the Director or with a firm of which the Director is a member, or with a company in which the Director has a substantial financial interest.

There were no agreements during and at the end of the financial year which had the object of enabling Directors to acquire benefits by means of the acquisition of shares in or debentures of the Federation or any other body corporate.

Other Statutory Information

- (a) Before the statement of profit or loss and other comprehensive income and statement of financial position of the Federation were made out, the Directors took reasonable steps:-
- (i) to ascertain that action had been taken in relation to the writing off of bad debts and the making of allowance for doubtful debts and satisfied themselves that all known bad debts had been written off and that adequate allowance had been made for doubtful debts; and
 - (ii) to ensure that any current assets which were unlikely to realise their value as shown in the accounting records in the ordinary course of business had been written down to an amount which they might be expected so to realise.

Other Statutory Information (cont'd)

- (b) At the date of this report, the Directors are not aware of any circumstances which would render:-
- (i) the amount written off for bad debts or the amount of the allowance for doubtful debts in the financial statements of the Federation inadequate to any substantial extent; or
 - (ii) the values attributed to the current assets in the financial statements of the Federation misleading; or
 - (iii) adherence to the existing method of valuation of assets or liabilities of the Federation misleading or inappropriate; or
 - (iv) any amount stated in the financial statements of the Federation misleading.
- (c) No contingent or other liabilities of the Federation have become enforceable, or are likely to become enforceable within the period of twelve months after the end of the financial year which, in the opinion of the Directors, will or may affect the ability of the Federation to meet its obligations as and when they fall due.
- (d) At the date of this report, there does not exist:-
- (i) any charge on the assets of the Federation which has arisen since the end of the financial year which secures the liabilities of any other person; or
 - (ii) any contingent liability in respect of the Federation which has arisen since the end of the financial year.
- (e) In the opinion of the Directors:-
- (i) the results of the operations of the Federation for the financial year ended 31 December 2013 have not been substantially affected by any item, transaction or event of a material and unusual nature; and
 - (ii) there has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature likely to affect substantially the results of the operations of the Federation for the financial year in which this report is made.

Auditors

The auditors, Morison Anuarul Azizan Chew, have expressed their willingness to accept re-appointment.

Signed in accordance with a resolution of the Directors.



ABDUL KADIR BIN MD KASSIM



DATUK SITI HADZAR BINTI MOHD ISMAIL

KUALA LUMPUR
25 MARCH 2014



STATEMENT BY DIRECTORS

pursuant to Section 169(15) of the
Companies Act, 1965

We, ABDUL KADIR BIN MD KASSIM and DATUK SITI HADZAR BINTI MOHD ISMAIL, being two of the Directors of FEDERATION OF INVESTMENT MANAGERS MALAYSIA, do hereby state that, in the opinion of the Directors, the financial statements set out on pages 72 to 95 are drawn up in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the Companies Act, 1965 in Malaysia so as to give a true and fair view of the financial position of the Federation as at 31 December 2013 and of the results of its operations and the cash flow of the Federation for the financial year ended on that date.

Signed in accordance with a resolution of the Directors.

ABDUL KADIR BIN MD KASSIM

DATUK SITI HADZAR BINTI MOHD ISMAIL

KUALA LUMPUR
25 MARCH 2014

STATUTORY DECLARATION

pursuant to Section 169(16) of the
Companies Act, 1965

I, NORMALA BINTI MOHAMED, being the Officer primarily responsible for the financial management of FEDERATION OF INVESTMENT MANAGERS MALAYSIA, do solemnly and sincerely declare that the financial statements set out on pages 72 to 95 are to the best of my knowledge and belief, correct and I make this solemn declaration conscientiously believing the same to be true and by virtue of the provisions of the Statutory Declarations Act, 1960.

Subscribed and solemnly declared by)
the abovenamed NORMALA BINTI MOHAMED)
at KUALA LUMPUR in the Federal Territory this)
25 MARCH 2014)



NORMALA BINTI MOHAMED

Before me,



COMMISSIONER FOR OATHS

No. 86, Tingkat Bawah
Jalan Putra
50350 Kuala Lumpur



INDEPENDENT AUDITORS' REPORT

to the Members of Federation of Investment Managers Malaysia

Report on the Financial Statements

We have audited the accompanying financial statements of Federation of Investment Managers Malaysia, which comprise the statement of financial position as at 31 December 2013, and the statement of profit or loss and other comprehensive income, statement of changes in accumulated fund and statement of cash flow for the financial year then ended, and a summary of significant accounting policies and other explanatory notes, as set out on pages 72 to 95.

Directors' Responsibility for the Financial Statements

The Directors of the Federation are responsible for the preparation of financial statements that give a true and fair view in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the Companies Act, 1965 in Malaysia and for such internal control as the Directors determine are necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with approved standards on auditing in Malaysia. These standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to Federation's preparation of financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Federation's internal control. An audit also involves evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.



INDEPENDENT AUDITORS' REPORT

to the Members of Federation of Investment
Managers Malaysia

Opinion

In our opinion, the financial statements are properly drawn up in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the Companies Act, 1965 in Malaysia so as to give a true and fair view of the financial position of the Federation as at 31 December 2013 and of its financial performance and cash flow for the financial year then ended.

Report on Other Legal and Regulatory Requirements

In accordance with the requirements of the Companies Act, 1965 in Malaysia, we also report in our opinion that the accounting and other records and the registers required by the Act to be kept by the Federation have been properly kept in accordance with the provisions of the Act.

Other Matters

This report is solely made to the members of the Federation, as a body, in accordance with Section 174 of the Companies Act, 1965 in Malaysia and for no other purpose. We do not assume any responsibility to any other person for the content of this report.

MORISON ANUARUL AZIZAN CHEW
Firm Number: AF 001977
Chartered Accountants

SATHIEA SEELEAN A/L MANICKAM
Approved Number: 1729/05/14 (J/PH)
Partner of Firm

KUALA LUMPUR
25 MARCH 2014

STATEMENT OF FINANCIAL POSITION

as at 31 December 2013

	Note	2013 RM	2012 RM
Non-Current Asset			
Property, plant and equipment	3	1,041,249	439,062
Current Assets			
Other receivables	4	614,314	413,872
Fixed deposits with a financial institution	5	21,449,971	19,502,867
Cash and bank balances		235,662	757,946
		22,299,947	20,674,685
Current Liabilities			
Other payables	6	1,727,514	1,969,009
Provision for taxation		48,981	105,962
		1,776,495	2,074,971
Net current assets		20,523,452	18,599,714
		21,564,701	19,038,776
Financed By:-			
Accumulated fund	7	9,067,309	7,130,507
SRO requirement reserve	8	12,422,970	11,831,400
		21,490,279	18,961,907
Non-Current Liability			
Deferred tax liability	9	74,422	76,869
		21,564,701	19,038,776

The accompanying notes form an integral part of the financial statements.



STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

for the Financial Year Ended
31 December 2013

	Note	2013 RM	2012 RM
Revenue	10	10,740,381	10,159,713
Other income	11	814,518	766,741
Administration expenses	12	(4,999,611)	(4,184,679)
Staff costs	13	(3,671,406)	(3,448,250)
Excess of revenue over expenditure		2,883,882	3,293,525
Taxation	14	(355,510)	(422,152)
Operating surplus and total comprehensive income for the financial year		2,528,372	2,871,373

The accompanying notes form an integral part of the financial statements.

STATEMENT OF CHANGES IN ACCUMULATED FUND

for the Financial Year Ended
31 December 2013

		I----- Non-Distributable -----I SRO Accumulated fund requirement fund reserve RM RM		Total RM
	Note			
At 1 January 2013		7,130,507	11,831,400	18,961,907
Transfer to SRO requirement reserve	8	(591,570)	591,570	–
Total comprehensive income for the financial year		2,528,372	–	2,528,372
At 31 December 2013		9,067,309	12,422,970	21,490,279
At 1 January 2012		4,822,534	11,268,000	16,090,534
Transfer to SRO requirement reserve	8	(563,400)	563,400	–
Total comprehensive income for the financial year		2,871,373	–	2,871,373
At 31 December 2012		7,130,507	11,831,400	18,961,907

The accompanying notes form an integral part of the financial statements.



STATEMENT OF CASH FLOW

for the Financial Year Ended 31 December 2013

	2013 RM	2012 RM
Cash Flows From Operating Activities		
Excess of revenue over expenditure	2,883,882	3,293,525
Adjustment for:-		
Depreciation of property, plant and equipment	204,181	182,720
Bad debt written off		
– non-trade	1,300	–
Property, plant and equipment written off	1,213	–
Gain on disposal of property, plant and equipment	–	(51,000)
Interest income	(666,957)	(601,273)
Excess of operating revenue over expenditure before working capital changes	2,423,619	2,823,972
(Increase)/Decrease in working capital		
Other receivables	(201,742)	(19,254)
Other payables	(241,495)	789,510
	(443,237)	770,256
Cash generated from operations	1,980,382	3,594,288
Tax paid	(414,938)	(480,332)
Net cash generated from operating activities	1,565,444	3,113,896
Cash Flows From Investing Activities		
Purchase of property, plant and equipment	(807,581)	(221,328)
Proceeds from disposal of property, plant and equipment	–	51,000
Interest received	666,957	601,273
Net cash (used in)/generated from investing activities	(140,624)	430,945
Net increase in cash and cash equivalents	1,424,820	3,544,841
Cash and cash equivalents at beginning of the financial year	20,260,813	16,715,972
Cash and cash equivalents at end of the financial year	21,685,633	20,260,813
Cash and cash equivalents at end of the financial year comprises:-		
Fixed deposits with a financial institution	21,449,971	19,502,867
Cash and bank balances	235,662	757,946
	21,685,633	20,260,813

The accompanying notes form an integral part of the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

1. Corporate Information

The Federation is a recognised self regulatory organisation (“SRO”) for the unit trust industry under section 323(1) of the Capital Markets & Services Act (“CMSA”). As an SRO, the Federation’s principal activity is to conduct its affairs in the best interests of the public and investment management industry while promoting orderly development of the investment management industry. The Federation will encourage and foster among its members conduct, ethics and standards of practice that will best serve, maintain further and protect the interests of investors and the investment management industry. In discharging its obligation, the Federation shall act in the public interest with particular regard to the need for protection of investors.

The Federation is a company limited by guarantee, incorporated in Malaysia under the Companies Act, 1965 and domiciled in Malaysia.

The registered office of the Federation is located at 16th Floor, Wisma Sime Darby, Jalan Raja Laut, 50350 Kuala Lumpur.

The principal place of business is located at 19-06-1, 6th Floor, PNB Damansara, 19, Lorong Dungun, Damansara Heights, 50490 Kuala Lumpur.

2. Significant Accounting Policies

(a) Basis of accounting

The financial statements of the Federation have been prepared under the historical cost convention unless otherwise stated in the accounting policies below and in accordance with Malaysian Financial Reporting Standards (“MFRSs”), International Financial Reporting Standards and the provision of the Companies Act, 1965 in Malaysia.

Accounting standards, amendments to accounting standards and interpretations that are effective for the Federation’s financial year beginning on or after 1 January 2013 are as follows:

- MFRS 10, “Consolidated Financial Statements”
- MFRS 11 “Joint arrangements”
- MFRS 12, “Disclosures of Interests in Other Entities”
- MFRS 13, “Fair Value Measurement”
- The revised MFRS 127, “Separate Financial Statements”
- The revised MFRS 128, “Investments in Associates and Joint Ventures”
- Amendments to MFRS 101 “Presentation of items of other comprehensive income”
- Amendment to MFRS 119, “Employee benefits”
- Amendment to MFRS 7, “Financial Instruments: Disclosures”
- Amendments to MFRS 10, 11 & 12 “Consolidated Financial Statements, Joint Arrangements and Disclosure of Interests in Other Entities: Transition Guidance”
- Annual improvements 2009 – 2011 Cycle
- IC Interpretation 20 “Stripping costs in the production phase of a surface mine”

2. Significant Accounting Policies (cont'd)

(a) Basis of accounting (cont'd)

The impact of the above accounting standards, amendments to accounting standards and interpretation effective during the financial year is not material to the financial results and position of the Federation.

Accounting standards, amendments to accounting standards and interpretations that are applicable for the Federation in the following periods but are not yet effective:

- (i) Financial year beginning on/after 1 January 2014

Amendments to MFRS 132 Financial Instruments: Presentation

These amendments clarifies the meaning of “currently has a legally enforceable right of set-off” that the right of set-off must be available today (not contingent on a future event) and legally enforceable for all counterparties in the normal course of business and is not contingent on a future event. It clarifies that some gross settlement mechanisms with features that are effectively equivalent to net settlement will satisfy the MFRS 132 offsetting criteria.

Amendments to MFRS 136 Impairment of assets

These Amendments removed certain disclosures of the recoverable amount of CGUs which had been included in MFRS 136 by the issuance of MFRS 13.

IC Interpretation 21 Levies

This Interpretation provides guidance that accounting for an obligation to pay a levy that is not income tax. The interpretation clarifies that a liability to pay a levy is recognised when the obligating event occurs. Obligating event is the event identified by the legislation that triggers the payment of the levy.

- (ii) Financial year beginning on/after 1 January 2015

MFRS 9 Financial Instruments

This Standard addresses the classification and measurement of financial assets and financial liabilities. All financial assets shall be classified into two measurement categories: those measured as at fair value and those measured at amortised cost at initial recognition. This classification depends on the Federation’s business model for managing the financial assets and the contractual cash flow characteristics of the instrument. The Standard retains most of the MFRS 139 requirements for financial liabilities. The main change is that, in cases where the fair value option is taken for financial liabilities, the part of a fair value change due to an entity’s own credit risk is recorded in other comprehensive income, unless this creates an accounting mismatch.

2. Significant Accounting Policies (cont'd)

(a) Basis of accounting (cont'd)

The impact of MFRS 9 is still being assessed. Aside from the above mentioned, the adoption of the accounting Standards, amendments to accounting standards and interpretations are not expected to have a material impact to the financial statements of the Federation.

Accounting standards, amendments to accounting standards and interpretations that are not relevant and not yet effective for the Federation are as follows:

- Amendments to MFRS 139 Novation of Derivatives and Continuation of Hedge Accounting
- Amendments to MFRS 10, MFRS 12 and MFRS 127 “Investment Entities”

The Federation plans to adopt the abovementioned MFRSs, IC Interpretations and amendments to MFRSs which are relevant to the Federation’s operations when they become effective.

The Directors of the Federation anticipate that the application of the above MFRSs, IC Interpretations and amendments to MFRSs will have no material impact on the financial statements of the Federation.

(b) Significant accounting estimates and judgements

Estimates, assumptions concerning the future and judgements are made in the preparation of the financial statements. They affect the application of the Federation’s accounting policies, reported amounts of assets, liabilities, income and expenses, and disclosures made. They are assessed on an on-going basis and are based on historical experience and other relevant factors, including expectations of future events that are believed to be reasonable under the circumstances.

The key assumptions concerning the future and other key sources of estimation or uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are set out below.

(i) Income taxes

There are certain transactions and computations for which the ultimate tax determination is uncertain during the ordinary course of business. Significant judgement is involved especially in determining tax base allowances and deductibility of certain expenses in determining the Federation-wide provision for income taxes. The Federation recognises liabilities for expected tax issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recognised, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

2. Significant Accounting Policies (cont'd)

(b) Significant accounting estimates and judgements (cont'd)

(ii) Depreciation of property, plant and equipment

The costs of property, plant and equipment are depreciated on a straight-line basis over the useful lives of the property, plant and equipment. Management estimates the useful lives of the property, plant and equipment as stated in Note 2(d). These are common life expectancies applied in the industries.

Changes in the expected level of usage and technological developments could impact the economic useful lives and the residual values of these assets, therefore future depreciation charges could be revised.

(iii) Provisions for liabilities

Provisions for liabilities are recognised in accordance with accounting policy in Note 2(j). To determine whether it is probable that an outflow of resources will be required to settle the obligation and a reliable estimate of the amount can be made, the Federation takes into consideration factors such as existence of legal/contractual agreements, past historical experience, external advisors' assessments and other available information.

(iv) Fair value of financial instruments

Where the fair value of financial assets and financial liabilities recorded in the statement of financial position cannot be derived from active markets, they are determined using valuation techniques including discounted cash flow method. The inputs to these valuation models are taken from observable markets where possible. However, when this is considered unfeasible, a degree of judgement is made in establishing fair values. The judgements made include having considered a host of factors including liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

(c) Functional and presentation currency

The financial statements are presented in Ringgit Malaysia ("RM") which is the Federation's functional and presentation currency.

(d) Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses. The policy for the recognition and measurement of impairment losses is in accordance with Note 2(e).

2. Significant Accounting Policies (cont'd)

(d) Property, plant and equipment (cont'd)

All property, plant and equipment are depreciated on a straight-line basis at rates calculated to write off the cost of the assets to their residual values over their estimated useful lives as follows:-

Office equipment	5 years
Furniture and fittings	10 years
Office renovations	3 years
Motor vehicles	5 years

Depreciation methods, useful lives and residual values are reassessed at the reporting date.

When significant parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Gains or losses on disposals are determined by comparing proceeds with carrying amount and are included in statement of profit or loss and other comprehensive income.

(e) Impairment of non-financial assets

The carrying values of assets are reviewed for impairment when there is an indication that the assets might be impaired. If any such indication exists, impairment is measured by comparing the carrying values of the assets with their recoverable amounts. The recoverable amount is the higher of an asset's net selling price and its value in use, which is measured by reference to discounted future cash flows. An impairment loss is charged to the statement of profit or loss and other comprehensive income immediately.

Subsequent increase in the recoverable amount of an asset is treated as reversal of the previous impairment loss and is recognised to the extent of the carrying amount of the asset that would have been determined (net of amortisation and depreciation) had no impairment loss been recognised. The reversal is recognised in the statement of profit or loss and other comprehensive income immediately.

(f) Financial assets

Financial assets are recognised in the statement of financial position when the Federation have become a party to the contractual provisions of the instruments.

The Federation classifies its financial assets as loans and receivables. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition and re-evaluates this at every reporting date except for financial assets at fair value through profit or loss.

2. Significant Accounting Policies (cont'd)

(f) Financial assets (cont'd)

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are unquoted in an active market. They arise when the Federation provides money, goods or services directly to a debtor with no intention of trading the receivable. They are included in current assets, except for maturities greater than 12 months after the reporting date. These are classified as non-current assets. Loans and receivables are classified as trade and other receivables in the statement of financial position.

Subsequent to initial recognition, loans and receivables are carried at amortised cost using the effective interest method. Gains and losses are recognised in statement of profit or loss and other comprehensive income when the loans and receivables are derecognised or impaired, and through the amortisation process.

A financial asset is derecognised where the contractual right to receive cash flows from the asset has expired. On derecognition of a financial asset in its entirety, the difference between the carrying amount and the sum of the consideration received and any cumulative gain or loss that had been recognised in other comprehensive income is recognised in statement of profit or loss and other comprehensive income.

(g) Impairment of financial assets

A financial asset is considered to be impaired if objective evidence indicates that one or more events have had a negative effect on the estimated future cash flows of that asset. For an equity instrument, a significant or prolonged decline in fair value below its cost is also considered objective evidence of impairment.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount, and the present value of the estimated future cash flows discounted at the original effective interest rate.

Individually significant financial assets are tested for impairment on an individual basis. The remaining financial assets are assessed collectively in groups that share similar credit risk characteristics.

All impairment losses are recognised in statement of profit or loss and other comprehensive income.

An impairment loss is reversed if the reversal can be related objectively to an event occurring after the impairment loss was recognised. For financial assets measured at amortised costs, the reversal is recognised in statement of profit or loss and other comprehensive income.

2. Significant Accounting Policies (cont'd)

(h) Financial liabilities

Other payables are classified as financial liabilities in the statement of financial position as there is a contractual obligation to make cash payments to another entity and is contractually obliged to settle the liabilities in cash.

Financial liabilities are initially recognised at fair value plus transaction costs, and are subsequently measured at amortised cost using the effective interest method, except when the Federation designates the liabilities at fair value through profit or loss. Financial liabilities are designated at fair value through profit or loss when:-

- (i) they are acquired or incurred for the purpose of selling or repurchasing in the near term;
- (ii) the designation eliminates or significantly reduces measurement or recognition inconsistencies that would otherwise arise from measuring financial liabilities or recognising gains or losses on them; or
- (iii) the financial liability contains an embedded derivative that would need to be separately recorded.

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires.

(i) Cash and cash equivalents

Cash and cash equivalents consist of cash in hand, bank balances and deposits with a financial institution and highly liquid investments which have an insignificant risk of changes in value. For the purpose of the cash flow statement, cash and cash equivalents are presented net of pledged deposits.

(j) Provisions for liabilities

Provisions for liabilities are recognised when the Federation has a present obligation as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate of the amount can be made. Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate. Where the effect of the time value of money is material, the amount of a provision is the present value of the expenditure expected to be required to settle the obligation.

2. Significant Accounting Policies (cont'd)

(k) Income tax

Income tax on the profit or loss for the year comprises current and deferred tax. Current tax is the expected amount of income taxes payable in respect of the taxable profit for the year and is measured using the tax rates that have been enacted at the reporting date.

Deferred tax is recognised on the liability method for all temporary differences between the carrying amount of assets or liabilities in the statement of financial position and its tax base at the reporting date. Deferred tax liabilities are recognised for all taxable temporary differences and deferred tax assets are recognised for all deductible temporary differences, unused tax losses and unused tax credits to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences, unused tax losses and unused tax credits can be utilised.

Deferred tax asset and liability is measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on the tax rates that have been enacted or substantively enacted by the reporting date. The carrying amount of a deferred tax asset is reviewed at each reporting date and is reduced to the extent that it becomes probable that sufficient future taxable profit will be available.

(l) Revenue recognition

(i) Subscriptions

Annual subscriptions receivable from members are accounted for under the accruals method of accounting.

(ii) Advance billings

Annual subscriptions received over the period of subscriptions for each calendar year are recognised as revenue evenly in the statement of profit or loss and other comprehensive income on a monthly basis over the 12 months of each financial year.

(iii) Application and examination fees

Application and examination fees are recognised upon the receipt of application and the holding of examination respectively.

(iv) Interest income

Interest income is recognised as it accrues using the weighted average method in profit or loss.

2. Significant Accounting Policies (cont'd)

(m) Employee benefits

(i) Short term employee benefits

Wages, salaries, bonuses and social security contributions are recognised as an expense in the year in which the associated services are rendered by employees of the Federation.

Short term accumulating compensated absences such as paid annual leave are recognised when services are rendered by employees that increase their entitlement to future compensation absences. Short term non-accumulating compensated absences such as sick and medical leave are recognised when the absences occur. The expected cost of accumulating compensated absences is measured as additional amount expected to be paid as a result of the unused entitlement that has accumulated at the statement of financial position date.

(ii) Statutory contribution plans

As required by law, companies in Malaysia make contributions to the Employees Provident Fund (“EPF”). Such contributions are recognised as an expense in the statement of profit or loss and other comprehensive income as incurred.

(iii) Private Retirement Scheme (“PRS”)

Contributions made by the Federation to registered PRS for eligible employees are recognised as an expense in the statement of profit or loss and other comprehensive income as incurred.



3. Property, Plant and Equipment

	Office equipment RM	Furniture and fittings RM	Office renovations RM	Motor vehicles RM	Total RM
Cost					
At 1.1.2013	1,895,093	237,873	324,205	169,223	2,626,394
Additions	126,174	111,157	570,250	—	807,581
Write-off	(22,875)	—	(324,205)	—	(347,080)
At 31.12.2013	1,998,392	349,030	570,250	169,223	3,086,895
Accumulated depreciation					
At 1.1.2013	1,684,604	167,429	315,729	19,570	2,187,332
Charge for the financial year	112,044	19,669	38,624	33,844	204,181
Write-off	(22,875)	—	(322,992)	—	(345,867)
At 31.12.2013	1,773,773	187,098	31,361	53,414	2,045,646
Carrying amount					
At 31.12.2013	224,619	161,932	538,889	115,809	1,041,249



3. Property, Plant and Equipment (Cont'd)

	Office equipment RM	Furniture and fittings RM	Office renovations RM	Motor vehicles RM	Total RM
Cost					
At 1.1.2012	1,835,421	237,873	324,205	155,811	2,553,310
Additions	59,672	—	—	161,656	221,328
Disposal	—	—	—	(148,244)	(148,244)
At 31.12.2012	1,895,093	237,873	324,205	169,223	2,626,394
Accumulated depreciation					
At 1.1.2012	1,563,905	149,893	288,923	150,135	2,152,856
Charge for the financial year	120,699	17,536	26,806	17,679	182,720
Disposal	—	—	—	(148,244)	(148,244)
At 31.12.2012	1,684,604	167,429	315,729	19,570	2,187,332
Carrying amount					
At 31.12.2012	210,489	70,444	8,476	149,653	439,062

NOTES TO THE FINANCIAL STATEMENTS

4. Other Receivables

	2013 RM	2012 RM
Other receivables	114,907	96,101
Deposits	407,737	188,590
Prepayments	91,670	129,181
	614,314	413,872

5. Fixed Deposits with a Financial Institution

The fixed deposits interest range from 3.00% to 3.05% (2012: 3.00% to 3.25%) per annum.

6. Other Payables

	2013 RM	2012 RM
Other payables	233,128	363,190
Accruals		
– Staff bonus and benefit	553,163	638,500
– Directors' attendance fees	433,250	497,500
– Others	178,381	161,523
Advance billings	329,592	308,296
	1,727,514	1,969,009

7. Accumulated Fund

Accumulated fund represents the reserve available to be utilised for the general operations and capital expenditure of the Federation.

NOTES TO THE FINANCIAL STATEMENTS

8. SRO Requirement Reserve

	2013 RM	2012 RM
At 1 January	11,831,400	11,268,000
Transfer from accumulated fund	591,570	563,400
At 31 December	12,422,970	11,831,400

The Federation is a recognised Self Regulatory Organisation (“SRO”) for the unit trust industry under Section 323(1) of the Capital Markets & Services Act 2007 (“CMSA”).

To ensure there is sufficient financial resources to fund its operations and in reference to Article 15(A)(1) of the Federation’s Articles of Association, the Federation is required to maintain an SRO Requirement Reserve which fulfills the following criteria:-

- (i) Pegged at a 3-year multiple of operating expenditure (inclusive of anticipated capital expenditure) based on its first year of establishment; and
- (ii) For subsequent years, the reserve should factor an annual increase of 5%.

Any refund of subscription fees to its members may only commence when the targeted SRO Requirement Reserve amount has been achieved and after consultation with the Securities Commission.

9. Deferred Tax Liability

	2013 RM	2012 RM
Accelerated capital allowances:-		
At 1 January	76,869	86,762
Under provision in prior year	4,118	5,253
Recognised in statement of profit or loss and other comprehensive income	(6,565)	(15,146)
At 31 December	74,422	76,869

NOTES TO THE FINANCIAL STATEMENTS

10. Revenue

Revenue represents:-

- (a) application and annual subscription fees from members, Institutional Unit Trust Advisers, Corporate Unit Trust Advisers and Unit Trust Consultants' examination fees received or receivables.
- (b) application and annual subscription fees from members, Institutional Private Retirement Advisers and Private Retirement Consultants' examination fees received or receivables.

11. Other Income

	2013 RM	2012 RM
Conference fees received	103,950	111,550
Gain on disposal of property, plant and equipment	–	51,000
Interest income	666,957	601,273
Sundry income	43,611	2,918
	814,518	766,741

12. Administration Expenses

Administration expenses consist of:-

	Note	2013 RM	2012 RM
Auditors' remuneration			
– external audit		20,000	18,000
– internal audit		18,000	54,000
Depreciation of property, plant and equipment		204,181	182,720
Key management personnel compensation	15	194,400	263,172
Other project expenses		30,210	31,826
Rental of premises		597,651	343,560
UTC seminar expenses		267,345	292,269
Examination expenses		1,324,011	1,331,654
Bad debt written off			
– non-trade		1,300	–
Property, plant and equipment written off		1,213	–
Directors' attendance fees		433,250	538,500

NOTES TO THE FINANCIAL STATEMENTS

13. Staff Costs

	2013 RM	2012 RM
Staff costs (excluding Directors)	3,671,406	3,448,250

Included in staff costs (excluding Directors) are:-

- (a) contributions made to the Employees Provident Fund under a statutory contribution plan for the Federation amounting to RM411,187 (2012: RM351,386).
- (b) contributions made to registered Private Retirement Scheme for eligible employees of the Federation amounting to RM17,964 (2012: RM6,786).

14. Taxation

	2013 RM	2012 RM
Estimated income tax payable:		
– Current financial year	514,464	425,072
– (Over)/Under provision in prior year	(156,507)	6,973
	357,957	432,045
Deferred tax:		
– Relating to origination and reversal of temporary difference	(6,565)	(15,146)
– Under provision in prior year	4,118	5,253
	(2,447)	(9,893)
Tax expense for the financial year	355,510	422,152

Income tax is calculated at the statutory tax rate of 26% (2012: 26%) of the estimated assessable operating surplus and total comprehensive income for the financial year.

NOTES TO THE FINANCIAL STATEMENTS

14. Taxation (cont'd)

A reconciliation of income tax expense applicable to excess of revenue over expenditure at the statutory income tax rate to income tax expense at the effective income tax rate of the Federation is as follows:-

	2013 RM	2012 RM
Excess of revenue over expenditure	2,883,882	3,293,525
Tax at applicable tax rate of 26% (2012: 26%)*	749,809	856,317
Expenses not deductible for tax purposes	151,500	171,337
Tax exempt income	(381,735)	(606,053)
(Over)/Under provision of current taxation in prior year	(156,507)	6,973
Under provision of deferred taxation in prior year	4,118	5,253
Effect of differential tax rates	(11,675)	(11,675)
Tax expense for the financial year	355,510	422,152

* The Federation is treated as a 'Trade Association' under Section 53(3) of the Income Tax Act 1967, under which its income is taxed at scale rates. The effect of differential tax rates above is a result of the disparity between statutory tax rate of 26% (2012: 26%) and the scale rates applicable to the Federation.

15. Key Management Personnel Compensation

	2013 RM	2012 RM
Other key management personnel		
– Short term employee benefits	194,400	263,172

Key management personnel comprise persons other than the Directors of the Federation, who have authority and responsibility for planning, directing and controlling the activities of the Federation either directly or indirectly.

16. Financial Instruments

(a) Financial risk management objectives and policies

The Federation's financial risk management policy is to ensure that adequate financial resources are available for the development of the Federation's operations whilst managing its financial risks, including interest rate risk, credit risk, liquidity and cash flow risk.

(b) Interest rate risk

The Federation's income and operating cash flows are substantially independent of changes in market interest rates. Excess funds which are placed in short term fixed deposits based on the prevailing rates are not significantly exposed to interest rate risk as they are stated at amortised costs.

Exposure to interest rate risk

The interest rate profile of the Federation's significant interest-bearing financial instruments, based on carrying amounts as at the end of the reporting period was:-

	2013 RM	2012 RM
Fixed rate instruments		
Financial asset:-		
Fixed deposits with a financial institution	21,449,971	19,502,867

(c) Credit risk

The Federation's exposure to credit risk arises mainly from receivables. Receivables are monitored on an ongoing basis via management reporting procedure and action is taken to recover debts when due.

At reporting date, there was no significant concentration of credit risk. The maximum exposure to credit risk for the Federation is the carrying amount of the financial assets shown in the statement of financial position.

(d) Liquidity and cash flow risk

The Federation's exposure to liquidity risk arises principally from its other payables.

The Federation also maintains a certain level of cash and cash convertible investments to meet its working capital requirements.

NOTES TO THE FINANCIAL STATEMENTS

16. Financial Instruments (cont'd)

- (d) Liquidity and cash flow risk (cont'd)

Maturity analysis

The table below summarises the maturity profile of the Federation's financial liability as at the end of the reporting period based on undiscounted contractual payments.

	Carrying amount RM	On demand or within one year RM
Financial liability:-		
Other payables	1,727,514	1,727,514

- (e) Fair values

The carrying amounts of cash and cash equivalents, other receivables and other payables approximate fair value due to the relatively short term nature of these financial instruments.

17. Capital Management

The Federation is not subject to externally imposed capital requirement as it does not have any external borrowings.

18. Date of Authorisation for Issue

The financial statements of the Federation for the financial year ended 31 December 2013 were authorised for issue in accordance with a resolution of the Board of Directors on 25 March 2014.

DETAILED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

for the Financial Year Ended
31 December 2013

	2013 RM	2012 RM
Revenue		
<u>Unit Trust</u>		
Members' subscription	6,084,379	6,223,666
Members' application fees	5,000	10,000
Institutional Unit Trust Advisers (IUTAs)		
– application fees	3,750	2,500
– annual fees	600,000	500,000
Corporate Unit Trust Advisers (CUTAs)		
– application fees	2,000	–
– annual fees	3,000	3,500
	6,698,129	6,739,666
<u>Private Retirement Scheme (PRSs)</u>		
Members' subscription	20,571	10,000
Members' application fees	–	10,000
Institutional Private Retirement Advisers (IPRAs)		
– annual fees	10,000	–
Corporate Private Retirement Advisers (CPRAs)		
– application fees	–	2,000
– annual fees	500	500
	31,071	22,500
Examination fees	3,373,088	2,789,603
Re-registration fees	638,093	607,944
	10,740,381	10,159,713
<u>Other income</u>		
Interest income	666,957	601,273
Books/Materials sales	–	18
Conference income	103,950	111,550
Sundry income	43,611	2,900
Gain on disposal of property, plant and equipment	–	51,000
	814,518	766,741
Less: Administration expenses		
Auditors' remuneration		
– external audit	(20,000)	(18,000)
– internal audit	(18,000)	(54,000)
Advertisement	(19,275)	(11,651)

This statement does not form part of the audited financial statements and is for management purpose only.

DETAILED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

for the Financial Year Ended 31 December 2013

	2013 RM	2012 RM
AGM expenses	(30,258)	(31,816)
Attendance fees	(433,250)	(538,500)
Bad debt written off		
– non-trade	(1,300)	–
Bank charges	(3,876)	(3,473)
Bankruptcy search on UTCs	(30,614)	(5,123)
Board and committee meetings expenses	(4,308)	(6,472)
Computer network and system maintenance expenses	(155,986)	(181,911)
Courier and postage	(3,382)	(3,866)
Depreciation	(204,181)	(182,720)
Entertainment	(779)	(435)
Examination expenses	(1,324,011)	(1,331,654)
Filing and stamping fees	(3,077)	(47)
Fund analytics expenses	(20,916)	(23,531)
Handphone claims	(13,954)	(9,518)
Insurance	(40,591)	(4,802)
Library books	–	(892)
Magazines and periodicals	(8,582)	(6,854)
Other project expenses	(30,210)	(31,826)
Printing and stationery	(52,204)	(41,924)
Professional fees	(87,458)	(57,781)
Promotion – Billboard/Media advertisements	(709,756)	(561,077)
Property, plant and equipment written off	(1,213)	–
PRs expenses	(20,394)	(13,190)
Rental	(597,651)	(343,560)
Secondment from Securities Commission Malaysia (SC)	(400,177)	–
Secretarial fees	(1,200)	(1,200)
Service tax	(20,168)	(45,311)
Study tour/conference	(97,660)	(94,597)
Sundry expenses	(6,432)	(8,730)
Telephone and faxes	(54,032)	(57,039)
Travelling and accommodation	(140,934)	(78,388)
UTCs expenses	(124,463)	(91,083)
UTCs seminar expenses	(267,345)	(292,269)
Upkeep of office	(19,537)	(17,801)
Upkeep of office equipment	(556)	(2,059)
Water and electricity	(31,881)	(31,579)
	(4,999,611)	(4,184,679)
Staff costs	(3,671,406)	(3,448,250)
Excess of revenue over expenditure	2,883,882	3,293,525
Taxation	(355,510)	(422,152)
Operating surplus and total comprehensive income for the year	2,528,372	2,871,373

This statement does not form part of the audited financial statements and is for management purpose only.

CALENDAR OF EVENTS

JANUARY

21 January 2013
Dialogue between CUTA and FIMM

MARCH

21 March 2013
Briefing on Trend Analysis of Complaints
Received in a Quarterly Basis

21 March 2013
Briefing on Marketing and Distribution
Compliance Audit

MAY

14 May 2013
FIMM Seminar, Kuala Lumpur

16 May 2013
FIMM Seminar, Melaka

21 May 2013
FIMM Seminar, Kuching

23 May 2013
FIMM Seminar, Kota Kinabalu

28 May 2013
FIMM Seminar, Kuala Lumpur



JUNE

4 June 2013
FIMM Seminar, Kuantan

6 June 2013
FIMM Breakfast Talk : Navigating
the Growth in a Changing Landscape
– FATCA Regulatory Updates and
Operational Challenges for the Asset
Management Industry

11 June 2013
FIMM Seminar, Kuala Lumpur

13 June 2013
FIMM Seminar, Johor Bahru

19 June 2013
FIMM Seminar, Penang

25 June 2013
19th Annual General Meeting

27 June 2013
FIMM Seminar, Kuantan

CALENDAR OF EVENTS



JULY

6 July 2013
FIMM's Annual Golf Tournament

22 July 2013
Meeting with EPF on Employees Provident Fund Members Investment Scheme and Fund Management Institution (EPF Guidelines)

AUGUST

20 August 2013
FIMM Seminar, Penang

22 August 2013
FIMM Seminar, Kuala Lumpur

26 August 2013
Book Launch : Investing in Islamic Funds – A Practitioner's Perspective by Datuk Noripah Kamso

27 August 2013
FIMM Seminar, Kuching

29 August 2013
FIMM Seminar, Kota Kinabalu



OCTOBER

3 October 2013
FIMM Annual Convention

NOVEMBER

28 November 2013
Briefing on Post Registration Assessment Exercise for Private Retirement Schemes (PRS)



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FEDERATION OF INVESTMENT MANAGERS MALAYSIA
(Incorporated in Malaysia)
(272577-P)

PROXY FORM

I,
(FULL NAME IN BLOCK LETTERS)

of
being the Authorised Representative of the Member [being a member of Federation of Investment Managers Malaysia ("FIMM")] HEREBY APPOINT the ***Chairman of the Meeting** or
of
(being a person entitled to vote at a general meeting of FIMM in accordance with and subject to the Articles of Association of FIMM) as my proxy to vote for me on my behalf at the 20th Annual General Meeting of FIMM to be held on Monday, 23 June 2014 at 10:00 a.m. and at any adjournment of that meeting.

Resolutions	For	Against
<p>Ordinary Resolution 1</p> <p>To pass the following resolution pursuant to Section 129(6) of the Companies Act, 1965:-</p> <p>“That pursuant to Section 129(6) of the Companies Act, 1965, En. Abdul Kadir Bin Md. Kassim who is over age of seventy (70) years, be and is hereby re-appointed as Director of the Company and to hold office until the conclusion of the next Annual General Meeting.”</p>		
<p>Ordinary Resolution 2</p> <p>To re-appoint Messrs. Morison Anuarul Azizan Chew as Auditors of FIMM to hold office until the conclusion of the next Annual General Meeting of FIMM and to authorise the Directors to fix their remuneration.</p>		

Signed this day of 2014.

.....
Signature

Notes:

1. A member of FIMM entitled to attend and vote at this meeting is entitled to appoint a proxy to attend and vote in his stead.
2. *A proxy appointed to attend and vote at the Annual General Meeting of FIMM shall be either: (a) Chairman of the Meeting or (b) any other person who may but need not be a member of FIMM.
3. *If you wish to appoint any person other than the Chairman of the Meeting as proxy, please insert the full name of the proxy (in block letters) in the space provided and delete the words “the Chairman of the Meeting.”
4. The instrument appointing a proxy shall be in writing under the hand of the appointer or of his attorney and the Directors may, but shall not be bound to, require evidence of the authority of the appointer or his attorney.
5. The instrument appointing a proxy may specify the manner in which the proxy is to vote in respect of a particular resolution, where an instrument of proxy so provides, the proxy is not entitled to vote on the resolution except as specified in the instrument.
6. Please indicate with an “x” in the spaces provided, how you wish your vote to be cast. Any alteration to the instrument appointing a proxy must be initialised.
7. The Proxy Form must be deposited at the Registered Office of FIMM at Level 7, Menara Milenium, Jalan Damanlela, Pusat Bandar Damansara, Damansara Heights, 50490 Kuala Lumpur (Attn: Ms. Mak Chooi Peng/Ms. Stella Lee/Ms. Chan Chia Xuan) (Tel No: 03-2084 9000; Fax No: 03-2094 9940) not later than **10:00 a.m. on 21 June 2014.**

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STAMP

Federation of Investment Managers Malaysia

19-06-01, 6th Floor, PNB Damansara, No. 19, Lorong Dungun,
Damansara Heights, 50490 Kuala Lumpur.

Tel : 03-2093 2600 Fax ; 03-2093 2700

Email : info@fimm.com.my

Website : www.fimm.com.my

Second fold