

ANNUAL REPORT 2017

> Investors' Interest, Our Priority >

CORPORATE REVIEW

- 02** Notice of Annual General Meeting
- 06** Corporate Information
- 08** Board of Directors Attendance Record
- 10** Chairman's Statement
- 12** Board of Directors

INDUSTRY REVIEW

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

OPERATIONAL REVIEW

- 29** Computerised Unit Trust Examination (CUTE)
- 30** Unit Trust Scheme Consultants (UTS Consultants)
- 32** Institutional Unit Trust Advisers (IUTA) and Corporate Unit Trust Advisers (CUTA)
- 34** Registration of IUTA
- 36** Registration of CUTA
- 37** Private Retirement Scheme Examination (PRSE)
- 38** Private Retirement Scheme (PRS) Consultants
- 39** Corporate PRS Advisers
- 40** Registration of PRS Providers
- 40** Registration of Institutional PRS Advisers
- 41** Registration of Corporate PRS Advisers
- 42** Enforcement
- 45** Industry Development Committee (IDC)
- 52** - Private Retirement Scheme Sub-Committee (PRSSC)
- 53** Regulatory Committee (RC)
- 55** Disciplinary Committee (DC)
- 56** Disciplinary Sub-Committee (DSC)
- 57** Appeal Committee (AC)
- 58** Nomination and Remuneration Committee (NRC)
- 59** Procurement Committee (PC)
- 60** Audit and Risk Committee (ARC)

FINANCIAL REPORT

- 63** Directors' Report
- 66** Statement by Directors
- 67** Statutory Declaration
- 68** Independent Auditors' Report to the Members
- 71** Statement of Financial Position
- 72** Statement of Profit or Loss and Other Comprehensive Income
- 73** Statement of Changes in Accumulated Fund
- 74** Statement of Cash Flows
- 75** Notes to the Financial Statements
- 93** Detailed Statement of Profit or Loss and Other Comprehensive Income

CALENDAR OF EVENTS

- 96** Calendar of Events 2017

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the Twenty-Forth (24th) Annual General Meeting of Federation of Investment Managers Malaysia (FIMM) will be held at Banyan & Casuarina Room, Ground Floor, Sime Darby Convention Centre, 1A, Jalan Bukit Kiara 1, 60000 Kuala Lumpur, on Monday, 11 June 2018, at 3.00 p.m. for the following purposes:

Agenda

Ordinary Business

1. To receive the Audited Financial Statements for the financial year ended 31 December 2017 and the reports of the Directors and Auditors thereon.

Refer to Explanatory Note 1

2. (a) To note the total attendance fee of RM592,000 paid to members of the Board of Directors (Board) and Committees for meeting attendances in the year 2017 and the total attendance fee of RM8,000 paid to non-members of the Board for Board Committees meeting attendances in the year 2017.
(b) To note the total annual allowance of RM36,000 paid to the Chairman for the financial year ended 31 December 2017.

Notification

3. To re-appoint Datuk Siti Hadzar binti Mohd Ismail as a member of the Board of FIMM and to hold office until the conclusion of the next Annual General Meeting (**AGM**) of FIMM pursuant to Article 29(c) of FIMM's Article of Association.

Ordinary Resolution 1

Refer to Explanatory Note 2

4. (a) To approve the revision and proposed payment of attendance fee of RM3,000.00 payable to Chairman of the Board and RM1,500.00 payable to Chairman of Board Committees for attendance at Board and Board Committees meetings respectively with effect from 1 January 2018 and subsequent to note their attendance fee for the following year onwards.

Ordinary Resolution 2

Refer to Explanatory Note 3

- (b) To approve the proposed payment of attendance fee of RM500.00 payable to Public Interest Directors for attendance at any official meetings/dialogues with effect from 1 January 2018 and subsequent to note their attendance fee for the following year onwards.

Ordinary Resolution 3

Refer to Explanatory Note 3

- (c) To approve the proposed payment of annual allowance of RM12,000.00 payable to Public Interest Directors with effect from 1 January 2018 and subsequent to note their annual allowance for the following year onwards. **Ordinary Resolution 4**

Refer to Explanatory Note 3

5. To consider and if thought fit, to pass the following resolution:

“THAT Messrs Ernst & Young, having consented to act, be and are hereby appointed as Auditors of FIMM in place of the retiring Auditors, Messrs Morison Anuaral Azizan Chew, and to hold office until the conclusion of the next AGM of FIMM, at a remuneration to be determined by the Board of Directors.” **Ordinary Resolution 5**

Refer to Explanatory Note 4

6. To transact any other ordinary business for which due notice has been given.

By Order of the Board,

Chua Siew Chuan (MAICSA 0777689)

Tan Ley Theng (MAICSA 7030358)

Company Secretaries

Dated: 18 May 2018

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 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 (Attn: Ms. Tan Ley Theng / Ms. Carmen Chew) not less than forty-eight (48) hours before the time appointed for holding the meeting or at any adjournment thereof.

Explanatory Notes:**1. Audited Financial Statements for the Financial Year Ended 31 December 2017**

This Agenda item is meant for discussion only, as the provision of Section 340(1)(a) of the Companies Act 2016 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. Resolution 1 - Re-appointment of Datuk Siti Hadzar binti Mohd Ismail as Member of the Board of FIMM

If passed, Datuk Siti Hadzar binti Mohd Ismail who has attained the age of 70 years at the forthcoming AGM to be held on 11 June 2018 pursuant to Article 29(c) of FIMM's Article of Association will hold office until the conclusion of the next AGM.

3. Resolutions 2, 3 and 4 – Attendance Fee and Annual Allowance

- (a) FIMM is seeking Member's approval on the proposed payment of attendance fee payable to Chairman of the Board and Chairman of the Board Committees with effect from 1 January 2018 and subsequent to note their attendance fee for the following year onwards in accordance with the proposed revised attendance fee as below:

	Attendance Fee	
	Existing (RM/per meeting)	Proposed Revised (RM/per meeting)
Chairman of the Board	RM2,000.00	RM3,000.00
Chairman of the Board Committees (including Sub-Committees)	RM1,000.00	RM1,500.00

- (b) FIMM is seeking Members' approval on the proposed payment to the Public Interest Directors as described below:
- Fee of RM500.00 for each attendance at any official meetings/dialogues with effect from 1 January 2018 and subsequent to note their attendance fee for the following year onwards.
 - Annual allowance of RM12,000.00 with effect from 1 January 2018 and subsequent to note their annual allowance for the following year onwards.

4. Resolution 5 – Appointment of Auditors

The retiring Auditors, Messrs Morison Anuarul Azizan Chew, have expressed their intention not to seek re-appointment at the 24th AGM.

The Board of Directors has proposed the nomination of Messrs Ernst & Young for appointment as Auditors of FIMM in place of the retiring Auditors, Messrs Morison Anuarul Azizan Chew, to the members for approval at the 24th AGM.

FIMM has received the consent to act in writing from Messrs Ernst & Young pursuant to Section 264(5) of the Companies Act 2016.

*Last date and time for lodging the aforesaid instrument:
Saturday, 9 June 2018 at 3.00 p.m.*

Corporate Information

BOARD OF DIRECTORS

Datuk Siti Hadzar binti Mohd Ismail
Chairman / Public Interest Director

Dato' Mohd Sallehuddin bin Othman
Public Interest Director

Tuan Muniandy a/l Kannyappan J.M.N.
Public Interest Director

Ms. Koid Swee Lian
Public Interest Director

En. Nik Mohd Hasyudeen bin Yusoff
Public Interest Director

Ms. Che Zakiah binti Che Din
Public Interest Director
[Appointed w.e.f. 27 November 2017]

En. Mohd Ridzal bin Mohd Sheriff
Public Interest Director
[Appointed w.e.f. 27 November 2017]

En. Mohammad bin Hussin
Amanah Saham Nasional Berhad

Ms. Yeoh Kim Hong
Public Mutual Berhad

Dato' Mohamad Ayob bin Abu Hassan
Affin Hwang Asset Management Berhad

Mr. Harinder Pal Singh a/l Joga Singh
AmFunds Management Berhad

Mr. Ismitz Matthew De Alwis
Kenanga Investors Berhad

Mr. Wong Teck Meng
Areca Capital Sdn Bhd

Datuk Noripah binti Kamso
Public Interest Director
[Ceased w.e.f. 5 August 2017]

Dato' Fauziah binti Yaacob
Public Interest Director
[Ceased w.e.f. 11 September 2017]

Mr. Ho Seng Yee
RHB Asset Management Sdn Bhd
[Retired w.e.f. 31 December 2017]

MANAGEMENT**Dato' Norazharuddin bin Abu Talib**

Chief Executive Officer

*[Appointed w.e.f. 17 July 2017]***Encik Fariq bin Hassan**

Interim Chief Executive Officer

*[Resigned w.e.f. 4 July 2017]***COMPANY SECRETARIES****Ms. Chua Siew Chuan**

MAICSA 0777689 PRACTITIONER

Ms. Tan Ley Theng

MAICSA 7030358 PRACTITIONER

REGISTERED OFFICE**Securities Services (Holdings) Sdn Bhd**

Level 7, Menara Milenium,
Jalan Damanlela,
Pusat Bandar Damansara,
50490 Kuala Lumpur
Tel: 603-2084 9000
Fax: 603-2094 9940

AUDITOR & TAX CONSULTANT**Morison Anuarul Azizan Chew**

(AF 001977)

18, Jalan Pinggir 1/64,
Jalan Kolam Air Off Jalan Sultan
Azlan Shah (Jalan Ipoh),
51200 Kuala Lumpur
Tel: 603-4048 2888
Fax: 603-4048 2999

BANKERS**Malayan Banking Berhad**

Ground Floor, Block C,
Kompleks Pejabat Damansara,
Jalan Semantan, Bukit Damansara,
50490 Kuala Lumpur
Tel: 603-2095 3259
Fax: 603-2094 4291

Malayan Banking Berhad

AG 1,2,9 & 10,
Ground Floor, Plaza Pekeliling,
2, Jalan Tun Razak,
50400 Kuala Lumpur
Tel: 603-4041 6049
Fax: 603-4041 5161

Board of Directors Attendance Record

	25 January 2017	17 March 2017	24 March 2017 (Special)
PUBLIC INTEREST DIRECTORS	Datuk Siti Hadzar binti Mohd Ismail Chairman	1	1
	Dato' Mohd Sallehuddin bin Othman	1	1
	Ms. Koid Swee Lian	1	1
	Tuan Muniandy Kannyappan J.M.N.	1	1
	En. Nik Mohd Hasyudeen bin Yusoff	0	1
	Ms. Che Zakiah binti Che Din [Appointed w.e.f. 27 November 2017]		
	En. Mohd Ridzal bin Mohd Sheriff [Appointed w.e.f. 27 November 2017]		
	Dato' Fauziah binti Yaacob [Ceased w.e.f. 11 September 2017]	1	1
ELECTED DIRECTORS	Datuk Noripah binti Kamso [Ceased w.e.f. 5 August 2017]	1	1
	En. Mohammad bin Hussin	1	0
	Ms. Yeoh Kim Hong	1	1
	Dato' Mohamad Ayob bin Abu Hassan	1	1
	Mr. Ho Seng Yee	1	1
	Mr. Harinder Pal Singh	1	1
	Mr. Ismitz Matthew De Alwis	1	0
	Mr. Wong Teck Meng	1	1

10 April 2017 (Special)	25 April 2017	4 May 2017 (Special)	6 June 2017	26 July 2017 (Special)	24 August 2017	31 October 2017	15 November 2017 (Special)	5 December 2017	TOTAL
1	1	1	1	1	1	1	1	1	12
1	1	1	1	1	1	1	1	1	12
1	1	0	1	1	1	1	1	1	11
1	1	1	1	1	1	1	1	1	12
0	1	1	1	1	0	1	1	1	8
								0	0
								1	1
1	1	1	1	1	1				8
0	0	0	1	1					5
1	0	1	1	1	1	1	0	1	9
1	1	1	1	1	1	1	1	1	12
1	1	1	1	1	1	1	0	1	11
1	1	1	1	1	0	0	1	0	9
1	1	1	1	1	1	1	1	1	12
0	1	1	0	0	1	0	1	1	7
1	1	1	1	1	1	1	0	1	11

Chairman's Statement



**DATUK SITI HADZAR
BINTI MOHD ISMAIL**
CHAIRMAN /
PUBLIC INTEREST DIRECTOR

“**Going forward, we look at 2018 as a year of further investment in the industry as well as continued value-creation for the unit trust industry.**”

On behalf of the Board and management of FIMM, we are pleased to present the FIMM Annual Report for the Financial Year ending 31 December 2017.

Financial Year 2017 saw the start of implementation of FIMM Five Year Strategic Blueprint, as well as several corporate developments that were targeted to re-position the industry towards greater and sustainable growth in the future. Going forward, we look at 2018 as a year of further investment in the industry as well as continued value-creation for the unit trust industry.

I would like to take this opportunity to record our appreciation to our Public Interest Directors, Datuk Noripah Kamso and Dato' Fauziah Yacop, as well as Industry Director, Mr Ho Seng Yee, who have retired from the Board. At the same time, we welcome Ms Che Zakiah Che Din and Mr Mohd Ridzal Mohd Sheriff who have joined the Board as Public Interest Directors.

On behalf of the Board, we extend our appreciation and gratitude to FIMM's management and staff for their efforts as well as the industry players for their support and contributions. Moving forward, let us ensure 2018 as a year of further growth and continued value-creation for the industry.

I would like to express my appreciation to the Board of Directors for the contributions and support. We look forward to your continued wisdom and support in the year ahead towards a year of further growth and continued value-creation for the unit trust industry.

Datuk Siti Hadzar binti Mohd Ismail
Chairman/Public Interest Director

Board of Directors



Front row (left to-right):
Datuk Siti Hadzar Binti Mohd Ismail (Chairman) | Ms. Yeoh Kim Hong



Back row (left to-right):

Mr. Wong Teck Meng | Ms. Koid Swee Lian | Tuan Muniandy Kannyappan J.M.N | En. Mohd Ridzal bin Mohd Sheriff | En. Nik Mohd Hasyudeen bin Yusoff | Dato' Mohamad Ayob bin Abu Hassan | En. Mohammad bin Hussin

Not in the picture:

Dato' Mohd Sallehuddin bin Othman | Ms. Che Zakiah binti Che Din | Mr. Harinder Pal Singh | Mr. Ismitz Matthew De Alwis



Industry Review

15 Analysis of the Net Asset Value (NAV) of the Industry

18 New Funds Launched

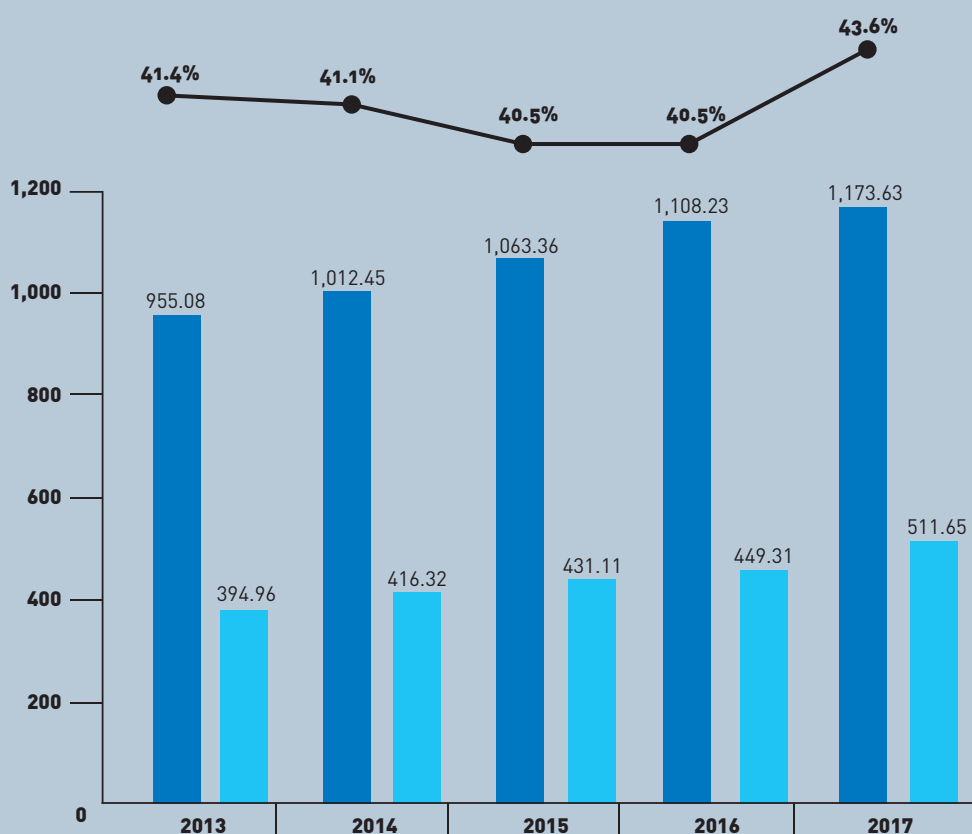
Analysis of the Net Asset Value (NAV) of the Industry

Unit Trust Funds

The year 2017 has seen a broad-based rally in asset returns and earnings among capital markets globally, mainly driven by improving global growth and accommodative monetary policies, as well as better growth prospects, robust trades and commodity price stability.

Against this backdrop, the Net Asset Value (NAV) of unit trust funds (includes wholesale funds) increased 13.9% to RM511.65 billion as at end of December 2017, representing 43.6% of Gross Domestic Product (GDP) (Chart 1).

Chart 1: Total NAV vs Malaysia's GDP as at 31 December (in RM billion)



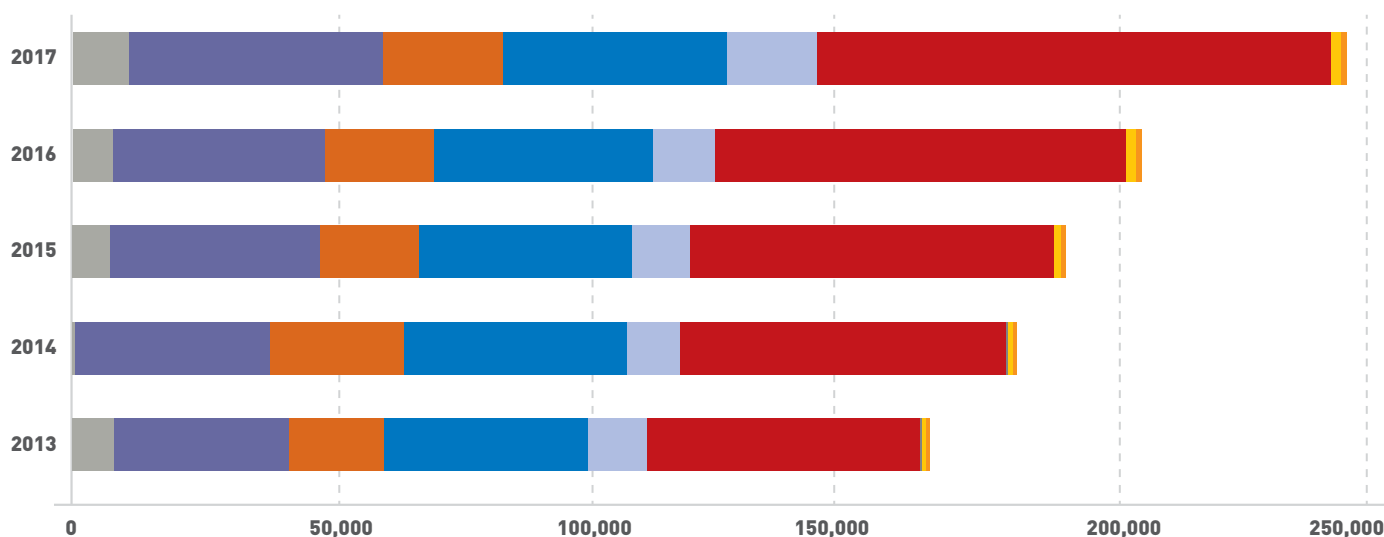
Source: Securities Commission and Bank Negara Malaysia

Note: GDP have been revised to real GDP.

Total NAV include NAV from retail funds and wholesale funds.

—●— % of NAV / Malaysia GDP
 ■ Malaysia GDP
 ■ NAV

Chart 2: NAV by Types of Funds as at 31 December (2013-2017) (RM million)



	2013	2014	2015	2016	2017
ETF-EQUITY	319.59 0.19%	329.18 0.18%	378.02 0.20%	439.51 0.22%	472.61 0.19%
ETF-BOND GENERAL	684.34 0.42%	685.89 0.38%	1,341.88 0.71%	1,442.30 0.71%	1,450.55 0.60%
GUARANTEED/PROTECTED	182.46 0.11%	82.09 0.05%	1.51 0.00%	1.57 0.00%	- 0.00%
ISLAMIC	52,623.94 32.10%	62,727.23 34.85%	69,549.28 36.73%	79,101.26 38.81%	98,540.00 40.54%
MIXED ASSET	11,049.04 6.74%	10,036.29 5.57%	10,652.55 5.63%	11,687.32 5.73%	16,536.49 6.80%
MONEY MARKET	39,374.63 24.02%	42,811.37 23.78%	41,301.01 21.81%	42,405.36 20.80%	43,785.65 18.01%
BOND	18,507.29 11.29%	25,666.93 14.26%	18,544.43 9.79%	20,656.70 10.13%	22,444.90 9.23%
EQUITY	33,355.54 20.35%	36,932.56 20.52%	40,708.96 21.50%	40,547.42 19.90%	49,231.41 20.25%
OTHERS	7,842.12 4.78%	732.91 0.41%	6,880.88 3.63%	7,543.32 3.70%	10,597.92 4.36%
TOTAL	163,938.95 100.00%	180,004.45 100.00%	189,358.52 100.00%	203,824.76 100.00%	243,059.53 100.00%

Source: Lipper, FIMM and Bursa Malaysia. Based on respondent private funds (including wholesale funds) as categorised by Lipper and adopted by members.

Notes:

1. Based on Lipper's fund investment objectives, these funds have been grouped into the following eight types:

(a) *ETF-Bond & Equity*: Includes both bond and equity ETF.

(b) *Guaranteed/ Protected*: Comprises conventional Capital Guaranteed funds and Capital Protected funds.

(c) *Islamic*: Includes Islamic Bond funds, Islamic Equity funds, Islamic Guaranteed / Protected funds, Islamic Mixed Asset funds and Islamic Money Market funds.

(d) *Mixed Asset*: Includes conventional Mixed Asset MYR Balanced funds, Mixed Asset Other Aggressive funds, Mixed Asset Other Conservative funds and Mixed Asset Other Flexible funds.

(e) *Money Market*: Includes all conventional money market funds.

(f) *Bond*: Includes all conventional bond funds invested in Malaysian assets and abroad.

(g) *Equity*: Includes all conventional equity funds invested in local markets and abroad.

(h) *Others*: Includes Target Maturity funds, Commodities funds, Hedge / Fixed Income Arbitrage funds as well as funds yet to be classified.

2. The private sector fund classification may differ between the Securities Commission Malaysia and Lipper.

3. The above excludes Real-Estate Investment Trusts (REIT) and Private Retirement Schemes as insufficient fund data were captured by Lipper.

4. The above includes 162 wholesale funds, with a total NAV of RM47.3 billion, that are managed by FIMM members and captured by Lipper.

Private unit trust funds (excluding federal and state funds) saw NAV increased by 19.2% over the year and stood at RM243.1 billion as at end of December 2017 (Chart 2). Overall, equity funds and money market funds (including Islamic funds) made up the biggest portions of NAV at 40.6% and 34.4% respectively.

In 2017, Islamic funds (inclusive of all types of assets) continued to grow significantly. The year also recorded the eleventh consecutive year of firm growth in Islamic funds with total NAV stood at RM98.5 billion as at end of 2017, a remarkable increase of 24.6% as compared to 2016.

Conventional equity funds recorded NAV of RM49.2 billion as at end of 2017, increasing by RM8.7 billion or 21.4% as compared to 2016. Conventional bond funds increased by RM1.8 billion to RM22.4 billion in 2017 followed by conventional money market funds which increased marginally by RM1.4 billion to RM43.8 billion.

As at 31 December 2017, the total number of wholesale funds managed by FIMM members stood at 162 or 86.2% of total number of wholesale funds launched in the market. Based on the NAV collated from these participating wholesale funds managed by FIMM members, the total NAV dropped by 15.2% over the year and stood at RM47.3 billion which collectively made up over 88.6% of the total assets of wholesale funds at 31 December 2017 (RM53.3 billion).

Exchange Traded Funds (ETFs)

The listing of TradePlus Shariah Gold Tracker on 6 December 2017 brings the total ETFs listed on the Main Market of Bursa Malaysia as at 31 December 2017 to 9, with a total market capitalization of RM1.94 billion. This is an increase of 2.1% compared to a total market capitalization of RM1.90 billion as at 31 December 2016.

Real Estate Investment Trusts (REITs)

The total number of listed real estate investment trusts (REITs) was 18 (including a stapled group) as at 31 December 2017 with a total market capitalization of RM46.48 billion, an increase of 5.18% from RM44.19 billion recorded as at 31 December 2016. The 18 trusts is inclusive of KIP Real Estate Investment Trust which was listed on the Main Market of Bursa Malaysia on 6 February 2017.

Private Retirement Schemes (PRS)

The private retirement scheme (PRS) has made great strides since its inception five years ago. It continues to demonstrate sustained growth with net asset value totaling RM2.23 billion at the end of 2017, an increase of 46.71% compared to a total NAV of RM1.52 billion as at 31 December 2016.

Total number of PRS funds remained at 56 funds as at 31 December 2017. The funds comprised 37 core funds and 19 noncore funds while 31 were conventional funds and 25 were Islamic funds.

New Funds Launched

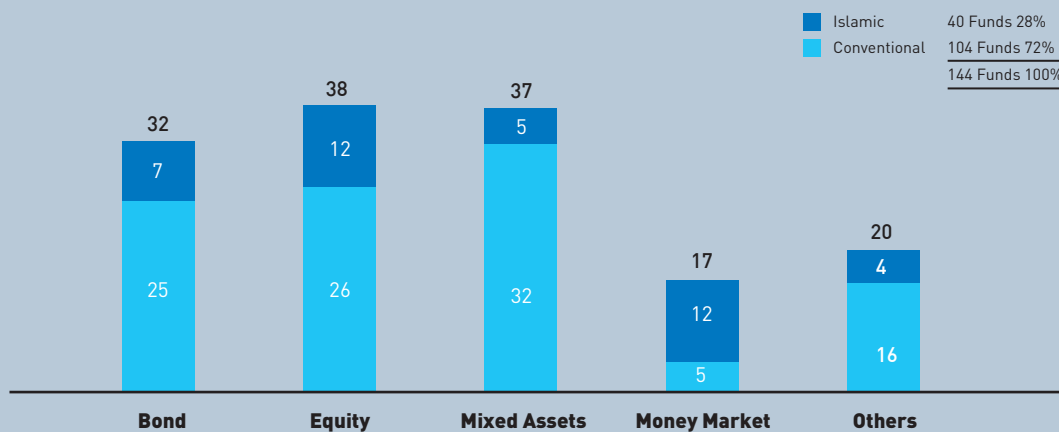
A total of 144 unit trust funds were launched in 2017 (including unit trust funds and wholesale funds. Each class of fund is accounted for as separate fund). Conventional funds continued to populate most part of the list and equity funds being the largest among new funds launched with 26.4% (Chart 3).

Mixed asset funds and bond funds added 37 and 32 new funds respectively during the year. 17 new money market funds were launched in addition to 20 new funds under others category.

Among new fund offerings, 53 or 36.8% (Chart 4) are funds with more than 50% of assets mandated to be invested locally; whereas 91 funds or 63.2% are funds investing predominantly in overseas (foreign-focused unit trusts). Bond funds formed 31.9% of the foreign-focused funds. In term of composition of foreign funds, 36 or 39.6% of the foreign-focused funds were structured as non-specialized unit trust funds while 55 (wholesale funds) or 60.4% were offered through feeder funds structure.

There were no new PRS funds were launched in 2017.

Chart 3: New Funds Launched in 2017-By Asset Class



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

Note: The above excludes REITS and ETFs and include 84 wholesale funds launched by FIMM members. Difference fund classes within a same fund were accounted for as separate funds.

Chart 4: New Funds Launched in 2017 - By Geographical Spread and Structure

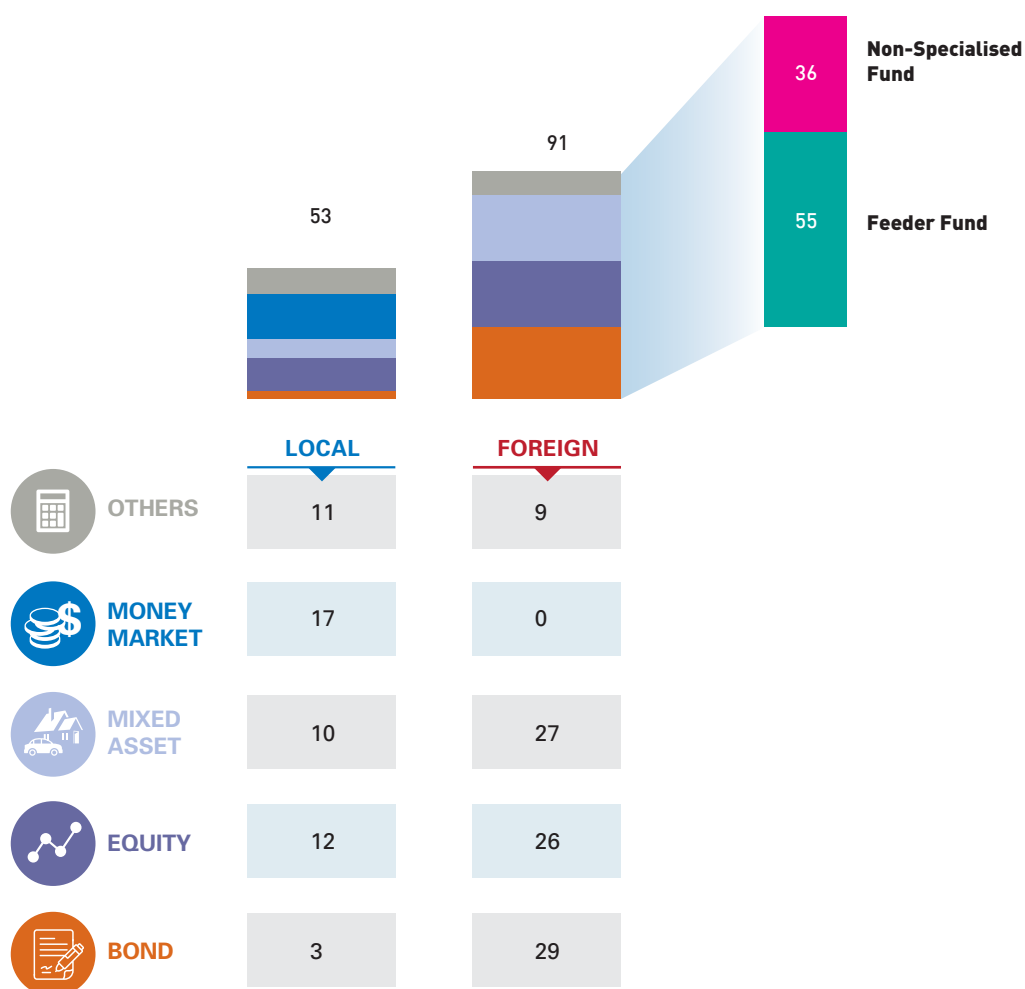


Table 1: List of New Funds Launched in 2017

Unit Trust			
No	Fund Name	Launch Date	Management Companies
1.	CIMB-PRINCIPAL EMERGING MARKETS MULTI ASSET - CLASS MYR*	6-Jan-2017	CIMB-PRINCIPAL ASSET MANAGEMENT BERHAD
2.	CIMB-PRINCIPAL EMERGING MARKETS MULTI ASSET - CLASS USD*	6-Jan-2017	CIMB-PRINCIPAL ASSET MANAGEMENT BERHAD
3.	HONG LEONG SEA-5 EQUITY	9-Jan-2017	HONG LEONG ASSET MANAGEMENT BHD
4.	PUBLIC NAVIGATOR GROWTH	9-Jan-2017	PUBLIC MUTUAL BERHAD
5.	CIMB-PRINCIPAL ASIA PACIFIC DYNAMIC MIXED ASSET - CLASS MYR	9-Jan-2017	CIMB-PRINCIPAL ASSET MANAGEMENT BERHAD
6.	CIMB-PRINCIPAL ASIA PACIFIC DYNAMIC MIXED ASSET - CLASS USD	9-Jan-2017	CIMB-PRINCIPAL ASSET MANAGEMENT BERHAD
7.	CIMB-PRINCIPAL PREFERRED SECURITIES - CLASS USD*	11-Jan-2017	CIMB-PRINCIPAL ASSET MANAGEMENT BERHAD
8.	CIMB-PRINCIPAL PREFERRED SECURITIES - CLASS MYR*	11-Jan-2017	CIMB-PRINCIPAL ASSET MANAGEMENT BERHAD
9.	PACIFIC ASIAN INCOME*	12-Jan-2017	PACIFIC MUTUAL FUND BHD
10.	RHB FOCUS INCOME BOND - SERIES 8	17-Jan-2017	RHB ASSET MANAGEMENT SDN BHD
11.	AFFIN HWANG AIIMAN 12M INCOME 1*	23-Jan-2017	AFFIN HWANG ASSET MANAGEMENT BERHAD
12.	CIMB-PRINCIPAL GLOBAL TITANS - CLASS USD	25-Jan-2017	CIMB-PRINCIPAL ASSET MANAGEMENT BERHAD
13.	UNITED TARGET INCOME BOND 12	25-Jan-2017	UOB ASSET MANAGEMENT (MALAYSIA) BERHAD
14.	ASEAN EQUITY	25-Jan-2017	SATURNA SDN BHD
15.	ARECA DIVIDEND INCOME	15-Feb-2017	ARECA CAPITAL SDN BHD
16.	CIMB-PRINCIPAL EMERGING MARKETS MULTI ASSET - CLASS MYR-HEDGED*	27-Feb-2017	CIMB-PRINCIPAL ASSET MANAGEMENT BERHAD
17.	CIMB-PRINCIPAL TOTAL RETURN BOND 6	1-Mar-2017	CIMB-PRINCIPAL ASSET MANAGEMENT BERHAD
18.	AFFIN HWANG WORLD SERIES - US SHORT DURATION HIGH INCOME - USD CLASS*	3-Mar-2017	AFFIN HWANG ASSET MANAGEMENT BERHAD
19.	AFFIN HWANG WORLD SERIES - US SHORT DURATION HIGH INCOME - MYR CLASS*	3-Mar-2017	AFFIN HWANG ASSET MANAGEMENT BERHAD
20.	AFFIN HWANG WORLD SERIES - US SHORT DURATION HIGH INCOME - MYR HEDGED-CLASS*	3-Mar-2017	AFFIN HWANG ASSET MANAGEMENT BERHAD

Unit Trust

No	Fund Name	Launch Date	Management Companies
21.	AFFIN HWANG WORLD SERIES - US SHORT DURATION HIGH INCOME - SGD HEDGED-CLASS*	3-Mar-2017	AFFIN HWANG ASSET MANAGEMENT BERHAD
22.	AFFIN HWANG WORLD SERIES - US SHORT DURATION HIGH INCOME - AUD HEDGED-CLASS*	3-Mar-2017	AFFIN HWANG ASSET MANAGEMENT BERHAD
23.	AFFIN HWANG WORLD SERIES - US SHORT DURATION HIGH INCOME - GBP HEDGED-CLASS*	3-Mar-2017	AFFIN HWANG ASSET MANAGEMENT BERHAD
24.	RHB ISLAMIC INCOME PLUS 6*	7-Mar-2017	RHB ASSET MANAGEMENT SDN BHD
25.	CIMB-PRINCIPAL US MORTGAGE - CLASS USD*	8-Mar-2017	CIMB-PRINCIPAL ASSET MANAGEMENT BERHAD
26.	CIMB-PRINCIPAL US MORTGAGE - CLASS MYR-HEDGED*	8-Mar-2017	CIMB-PRINCIPAL ASSET MANAGEMENT BERHAD
27.	CIMB-PRINCIPAL US MORTGAGE - CLASS AUD-HEDGED*	8-Mar-2017	CIMB-PRINCIPAL ASSET CLASS MANAGEMENT BERHAD
28.	CIMB-PRINCIPAL US MORTGAGE - CLASS SGD-HEDGED*	8-Mar-2017	CIMB-PRINCIPAL ASSET MANAGEMENT BERHAD
29.	RHB GLOBAL SUKUK – SERIES 2	8-Mar-2017	RHB ISLAMIC INTERNATIONAL ASSET MANAGEMENT BERHAD
30.	BIMB-ARABESQUE MALAYSIA SHARIAH-ESG EQUITY - RM CLASS	9-Mar-2017	BIMB INVESTMENT MANAGEMENT BERHAD
31.	BIMB-ARABESQUE MALAYSIA SHARIAH-ESG EQUITY - USD CLASS	9-Mar-2017	BIMB INVESTMENT MANAGEMENT BERHAD
32.	BIMB-ARABESQUE MALAYSIA SHARIAH-ESG EQUITY - EUR CLASS	9-Mar-2017	BIMB INVESTMENT MANAGEMENT BERHAD
33.	BIMB-ARABESQUE MALAYSIA SHARIAH-ESG EQUITY - SGD CLASS	9-Mar-2017	BIMB INVESTMENT MANAGEMENT BERHAD
34.	AFFIN HWANG WHOLESALE EQUITY*	10-Mar-2017	AFFIN HWANG ASSET MANAGEMENT BERHAD
35.	MAYBANK CONSTANT INCOME 6	17-Mar-2017	MAYBANK ASSET MANAGEMENT SDN BHD
36.	EASTSPRING INVESTMENTS TARGET INCOME 6	28-Mar-2017	EASTSPRING INVESTMENTS BERHAD
37.	PB ISLAMIC SMALLCAP	28-Mar-2017	PUBLIC MUTUAL BERHAD
38.	PACIFIC DYNAMIC GLOBAL ISLAMIC	28-Mar-2017	PACIFIC MUTUAL FUND BHD

Unit Trust			
No	Fund Name	Launch Date	Management Companies
39.	CIMB-PRINCIPAL PREFERRED SECURITIES - MYR-HEDGED*	30-Mar-2017	CIMB-PRINCIPAL ASSET CLASS MANAGEMENT BERHAD
40.	INTERPAC SOCIAL ENTERPRISE* AND RESPONSIBILITY	14-Apr-2017	INTER-PACIFIC ASSET MANAGEMENT SDN BHD
41.	PACIFIC OCBC CASH*	19-Apr-2017	PACIFIC MUTUAL FUND BHD
42.	AMINCOME REGULAR 3	2-May-2017	AMFUNDS MANAGEMENT BERHAD
43.	MAMG GLOBAL CONSTANT INCOME	15-May-2017	MAYBANK ASSET MANAGEMENT SDN BHD
44.	AFFIN HWANG WORLD SERIES - ASIAN BOND*	19-May-2017	AFFIN HWANG ASSET MANAGEMENT BERHAD
45.	EASTSPRING INVESTMENTS ISLAMIC SMALL-CAP	25-May-2017	EASTSPRING INVESTMENTS BERHAD
46.	AFFIN HWANG FLEXI 6*	1-Jun-2017	AFFIN HWANG ASSET MANAGEMENT BERHAD
47.	RHB DANA MAHER	2-Jun-2017	RHB ISLAMIC INTERNATIONAL ASSET MANAGEMENT BERHAD
48.	AFFIN HWANG WORLD SERIES - GLOBAL BALANCED - GBP HEDGED-CLASS	6-Jun-2017	AFFIN HWANG ASSET MANAGEMENT BERHAD
49.	AFFIN HWANG WHOLESALE CORPORATE BOND*	6-Jun-2017	AFFIN HWANG ASSET MANAGEMENT BERHAD
50.	AFFIN HWANG WHOLESALE GOVERNMENT BOND*	6-Jun-2017	AFFIN HWANG ASSET MANAGEMENT BERHAD
51.	BSN ISLAMIC MAXIMIZER	15-Jun-2017	PERMODALAN BSN BERHAD
52.	BSN ISLAMIC TACTICAL	15-Jun-2017	PERMODALAN BSN BERHAD
53.	CIMB-PRINCIPAL DEPOSIT 2 - CLASS A	19-Jun-2017	CIMB-PRINCIPAL ASSET MANAGEMENT BERHAD
54.	CIMB-PRINCIPAL DEPOSIT 2 - CLASS B	19-Jun-2017	CIMB-PRINCIPAL ASSET MANAGEMENT BERHAD
55.	CIMB-PRINCIPAL DEPOSIT 2 - CLASS C	19-Jun-2017	CIMB-PRINCIPAL ASSET MANAGEMENT BERHAD
56.	HONG LEONG DANA AL-IZDIHAR	20-Jun-2017	HONG LEONG ASSET MANAGEMENT BHD
57.	AFFIN HWANG WHOLESALE INCOME*	23-Jun-2017	AFFIN HWANG ASSET MANAGEMENT BERHAD
58.	ICD GLOBAL SUSTAINABLE	23-Jun-2017	SATURNA SDN BHD

Unit Trust

No	Fund Name	Launch Date	Management Companies
59.	AFFIN HWANG 6M INCOME 13*	30-Jun-2017	AFFIN HWANG ASSET MANAGEMENT BERHAD
60.	CIMB-PRINCIPAL EMERGING MARKETS MULTI ASSET - CLASS AUD-HEDGED*	1-Jul-2017	CIMB-PRINCIPAL ASSET MANAGEMENT BERHAD
61.	CIMB-PRINCIPAL EMERGING MARKETS MULTI ASSET - CLASS SGD-HEDGED*	1-Jul-2017	CIMB-PRINCIPAL ASSET MANAGEMENT BERHAD
62.	CIMB-PRINCIPAL CHINA MULTI ASSET INCOME - CLASS MYR HEDGED*	3-Jul-2017	CIMB-PRINCIPAL ASSET MANAGEMENT BERHAD
63.	CIMB-PRINCIPAL CHINA MULTI ASSET INCOME - CLASS USD*	3-Jul-2017	CIMB-PRINCIPAL ASSET MANAGEMENT BERHAD
64.	RHB EMERGING INCOME - RM CLASS*	4-Jul-2017	RHB ASSET MANAGEMENT SDN BHD
65.	RHB EMERGING INCOME - USD CLASS*	4-Jul-2017	RHB ASSET MANAGEMENT SDN BHD
66.	MIDF AMANAH SHARIAH EQUITY*	5-Jul-2017	MIDF AMANAH ASSET MANAGEMENT BERHAD
67.	PHILLIP GLOBAL FUTURES*	12-Jul-2017	PHILLIP MUTUAL BERHAD
68.	TA BALANCE INCOME	14-Jul-2017	TA INVESTMENT MANAGEMENT BERHAD
69.	PUBLIC E-FLEXI ALLOCATION	14-Jul-2017	PUBLIC MUTUAL BERHAD
70.	AMB GLOBAL INCOME TRUST	17-Jul-2017	AMANAH MUTUAL BERHAD
71.	HONG LEONG STRATEGIC OPPORTUNITY II*	17-Jul-2017	HONG LEONG ASSET MANAGEMENT BHD
72.	ADVANTAGE GLOBAL HIGH INCOME BOND - USD CLASS*	20-Jul-2017	AMFUNDS MANAGEMENT BERHAD
73.	ADVANTAGE GLOBAL HIGH INCOME BOND - RM CLASS*	20-Jul-2017	AMFUNDS MANAGEMENT BERHAD
74.	BSN DANA SHARIAH MONEY MARKET	1-Aug-2017	PERMODALAN BSN BERHAD
75.	CIMB-PRINCIPAL CONSERVATIVE BOND - CLASS A	8-Aug-2017	CIMB-PRINCIPAL ASSET MANAGEMENT BERHAD
76.	CIMB-PRINCIPAL CONSERVATIVE BOND - CLASS C	8-Aug-2017	CIMB-PRINCIPAL ASSET MANAGEMENT BERHAD
77.	AFFIN HWANG WORLD SERIES - CHINA GROWTH - USD CLASS*	14-Aug-2017	AFFIN HWANG ASSET MANAGEMENT BERHAD
78.	AFFIN HWANG WORLD SERIES - CHINA GROWTH - MYR-HEDGED CLASS*	14-Aug-2017	AFFIN HWANG ASSET MANAGEMENT BERHAD

Unit Trust			
No	Fund Name	Launch Date	Management Companies
79.	PB ASIA PACIFIC DIVIDEND	15-Aug-2017	PUBLIC MUTUAL BERHAD
80.	AFFIN HWANG INCOME FOCUS 1*	24-Aug-2017	AFFIN HWANG ASSET MANAGEMENT BERHAD
81.	ARECA SITUATIONAL INCOME 2.0*	28-Aug-2017	ARECA CAPITAL SDN BHD
82.	RHB GLOBAL SUKUK - RM CLASS A	8-Sep-2017	RHB ISLAMIC INTERNATIONAL ASSET MANAGEMENT BERHAD
83.	RHB GLOBAL SUKUK - RM CLASS B	8-Sep-2017	RHB ISLAMIC INTERNATIONAL ASSET MANAGEMENT BERHAD
84.	RHB GLOBAL SUKUK - USD CLASS A	8-Sep-2017	RHB ISLAMIC INTERNATIONAL ASSET MANAGEMENT BERHAD
85.	RHB GLOBAL SUKUK - USD CLASS B	8-Sep-2017	RHB ISLAMIC INTERNATIONAL ASSET MANAGEMENT BERHAD
86.	RHB GLOBAL SUKUK - SGD CLASS A	8-Sep-2017	RHB ISLAMIC INTERNATIONAL ASSET MANAGEMENT BERHAD
87.	RHB GLOBAL SUKUK - SGD CLASS B	8-Sep-2017	RHB ISLAMIC INTERNATIONAL ASSET MANAGEMENT BERHAD
88.	AMISLAMIC INCOME REGULAR 1	12-Sep-2017	AMFUNDS MANAGEMENT BERHAD
89.	MAYBANK SHARIAH CASH*	15-Sep-2017	MAYBANK ASSET MANAGEMENT SDN BHD
90.	CIMB ISLAMIC GLOBAL EQUITY - CLASS MYR	19-Sep-2017	CIMB-PRINCIPAL ASSET MANAGEMENT BERHAD
91.	KENANGA AUD ALTERNATIVE INCOME 1 - CLASS AUD*	26-Sep-2017	KENANGA INVESTORS BERHAD
92.	KENANGA AUD ALTERNATIVE INCOME 1 - CLASS MYR*	26-Sep-2017	KENANGA INVESTORS BERHAD
93.	PUBLIC ISLAMIC GLOBAL EQUITY	26-Sep-2017	PUBLIC MUTUAL BERHAD
94.	UNITED ABSOLUTE RETURN EQUITY*	28-Sep-2017	UOB ASSET MANAGEMENT (MALAYSIA) BERHAD
95.	UNITED GLOBAL DURABLE EQUITY - SGD HEDGED CLASS*	2-Oct-2017	UOB ASSET MANAGEMENT (MALAYSIA) BERHAD
96.	UNITED GLOBAL DURABLE EQUITY - AUD HEDGED CLASS*	2-Oct-2017	UOB ASSET MANAGEMENT (MALAYSIA) BERHAD
97.	UNITED GLOBAL DURABLE EQUITY - GBP HEDGED CLASS*	2-Oct-2017	UOB ASSET MANAGEMENT (MALAYSIA) BERHAD
98.	UNITED GLOBAL INCOME FOCUS - AUD HEDGED CLASS*	2-Oct-2017	UOB ASSET MANAGEMENT (MALAYSIA) BERHAD

Unit Trust

No	Fund Name	Launch Date	Management Companies
99.	UNITED GLOBAL INCOME FOCUS - GBP HEDGED CLASS*	2-Oct-2017	UOB ASSET MANAGEMENT (MALAYSIA) BERHAD
100.	UNITED GLOBAL INCOME FOCUS - MYR CLASS*	2-Oct-2017	UOB ASSET MANAGEMENT (MALAYSIA) BERHAD
101.	UNITED GLOBAL INCOME FOCUS - MYR HEDGED CLASS*	2-Oct-2017	UOB ASSET MANAGEMENT (MALAYSIA) BERHAD
102.	UNITED GLOBAL INCOME FOCUS - SGD HEDGED CLASS*	2-Oct-2017	UOB ASSET MANAGEMENT (MALAYSIA) BERHAD
103.	UNITED GLOBAL INCOME FOCUS - USD CLASS*	2-Oct-2017	UOB ASSET MANAGEMENT (MALAYSIA) BERHAD
104.	AMANAHRAYA SYARIAH CASH MANAGEMENT	10-Oct-2017	AMANAHRAYA INVESTMENT MANAGEMENT SDN BHD
105.	CIMB-PRINCIPAL GLOBAL INCOME - CLASS USD*	11-Oct-2017	CIMB-PRINCIPAL ASSET MANAGEMENT BERHAD
106.	CIMB-PRINCIPAL GLOBAL INCOME - CLASS AUD-HEDGED*	11-Oct-2017	CIMB-PRINCIPAL ASSET MANAGEMENT BERHAD
107.	CIMB-PRINCIPAL GLOBAL INCOME - CLASS GBP-HEDGED*	11-Oct-2017	CIMB-PRINCIPAL ASSET MANAGEMENT BERHAD
108.	CIMB-PRINCIPAL GLOBAL INCOME - CLASS MYR-HEDGED*	11-Oct-2017	CIMB-PRINCIPAL ASSET MANAGEMENT BERHAD
109.	CIMB-PRINCIPAL GLOBAL INCOME - CLASS SGD-HEDGED*	11-Oct-2017	CIMB-PRINCIPAL ASSET MANAGEMENT BERHAD
110.	AFFIN HWANG INCOME II*	16-Oct-2017	AFFIN HWANG ASSET MANAGEMENT BERHAD
111.	UNITED GLOBAL TECHNOLOGY - AUD HEDGED CLASS*	23-Oct-2017	UOB ASSET MANAGEMENT (MALAYSIA) BERHAD
112.	UNITED GLOBAL TECHNOLOGY - GBP HEDGED CLASS*	23-Oct-2017	UOB ASSET MANAGEMENT (MALAYSIA) BERHAD
113.	UNITED GLOBAL TECHNOLOGY - MYR CLASS*	23-Oct-2017	UOB ASSET MANAGEMENT (MALAYSIA) BERHAD
114.	UNITED GLOBAL TECHNOLOGY - MYR HEDGED CLASS*	23-Oct-2017	UOB ASSET MANAGEMENT (MALAYSIA) BERHAD
115.	UNITED GLOBAL TECHNOLOGY - SGD HEDGED CLASS*	23-Oct-2017	UOB ASSET MANAGEMENT (MALAYSIA) BERHAD
116.	UNITED GLOBAL TECHNOLOGY - USD CLASS*	23-Oct-2017	UOB ASSET MANAGEMENT (MALAYSIA) BERHAD
117.	PUBLIC ASEAN GROWTH	26-Oct-2017	PUBLIC MUTUAL BERHAD

Unit Trust

No	Fund Name	Launch Date	Management Companies
118.	PUBLIC GREATER CHINA	26-Oct-2017	PUBLIC MUTUAL BERHAD
119.	UNITED ISLAMIC CASH MANAGEMENT	3-Nov-2017	UOB ASSET MANAGEMENT (MALAYSIA) BERHAD
120.	CIMB ISLAMIC DEPOSIT 2 - CLASS A	7-Nov-2017	CIMB-PRINCIPAL ASSET MANAGEMENT BERHAD
121.	CIMB ISLAMIC DEPOSIT 2 - CLASS B	7-Nov-2017	CIMB-PRINCIPAL ASSET MANAGEMENT BERHAD
122.	CIMB ISLAMIC DEPOSIT 2 - CLASS C	7-Nov-2017	CIMB-PRINCIPAL ASSET MANAGEMENT BERHAD
123.	RHB GLOBAL REAL ESTATE EQUITY - RM CLASS*	13-Nov-2017	RHB ASSET MANAGEMENT SDN BHD
124.	AFFIN HWANG INCOME FOCUS 3*	15-Nov-2017	AFFIN HWANG ASSET MANAGEMENT BERHAD
125.	AFFIN HWANG AIIMAN 6M INCOME 4*	15-Nov-2017	AFFIN HWANG ASSET MANAGEMENT BERHAD
126.	KENANGA GLOBAL MULTI ASSET - CLASS USD*	20-Nov-2017	KENANGA INVESTORS BERHAD
127.	KENANGA GLOBAL MULTI ASSET - CLASS MYR*	20-Nov-2017	KENANGA INVESTORS BERHAD
128.	AMBOND SELECT 1*	21-Nov-2017	AMFUNDS MANAGEMENT BERHAD
129.	AMBOND SELECT 2*	21-Nov-2017	AMFUNDS MANAGEMENT BERHAD
130.	CIMB ISLAMIC AGGRESSIVE WHOLESALE FUND-OF-FUNDS*	24-Nov-2017	CIMB-PRINCIPAL ASSET MANAGEMENT BERHAD
131.	CIMB ISLAMIC BALANCED WHOLESALE FUND-OF-FUNDS*	24-Nov-2017	CIMB-PRINCIPAL ASSET MANAGEMENT BERHAD
132.	CIMB ISLAMIC CONSERVATIVE WHOLESALE FUND-OF-FUNDS*	24-Nov-2017	CIMB-PRINCIPAL ASSET MANAGEMENT BERHAD
133.	AMISLAMIC CASH MANAGEMENT - CLASS A	27-Nov-2017	AMFUNDS MANAGEMENT BERHAD
134.	AMISLAMIC CASH MANAGEMENT - CLASS B	27-Nov-2017	AMFUNDS MANAGEMENT BERHAD
135.	AMISLAMIC CASH MANAGEMENT - CLASS C	27-Nov-2017	AMFUNDS MANAGEMENT BERHAD
136.	AFFIN HWANG MULTI-ASSET 2 - USD CLASS*	28-Nov-2017	AFFIN HWANG ASSET MANAGEMENT BERHAD
137.	AFFIN HWANG MULTI-ASSET 2 - SGD CLASS*	28-Nov-2017	AFFIN HWANG ASSET MANAGEMENT BERHAD
138.	AFFIN HWANG MULTI-ASSET 2 - MYR CLASS*	28-Nov-2017	AFFIN HWANG ASSET MANAGEMENT BERHAD

Unit Trust

No	Fund Name	Launch Date	Management Companies
139.	AFFIN HWANG FLEXI 7*	28-Nov-2017	AFFIN HWANG ASSET MANAGEMENT BERHAD
140.	ADVANTAGE GLOBAL HIGH INCOME BOND - RM-HEDGED CLASS*	6-Dec-2017	AMFUNDS MANAGEMENT BERHAD
141.	MANULIFE ASIA PACIFIC INCOME AND GROWTH-RM CLASS	12-Dec-2017	MANULIFE ASSET MANAGEMENT SERVICES BERHAD
142.	MANULIFE ASIA PACIFIC INCOME AND GROWTH-RM HEDGED CLASS	12-Dec-2017	MANULIFE ASSET MANAGEMENT SERVICES BERHAD
143.	AFFIN HWANG AIIMAN GLOBAL SUKUK - MYR-HEDGED CLASS	14-Dec-2017	AFFIN HWANG ASSET MANAGEMENT BERHAD
144.	PUBLIC WHOLESALE VIETNAM EQUITY*	29-Dec-2017	PUBLIC MUTUAL BERHAD

Exchange Traded Funds

No	Fund Name	Launch Date	Management Companies
1.	TRADEPLUS SHARIAH GOLD TRACKER	28-Nov-2017	AFFIN HWANG ASSET MANAGEMENT BHD

Real Estate Investment Trusts

No	Fund Name	Launch Date	Management Companies
1.	KIP REAL ESTATE INVESTMENT TRUST	6-Feb-2017	KIP REIT MANAGEMENT SDN BHD

* Wholesale funds

Source: SC and FIMM.

Operational Review

- | | |
|---|---|
| 29 Computerised Unit Trust Examination (CUTE) | 42 Enforcement |
| 30 Unit Trust Scheme Consultants (UTS Consultants) | 45 Industry Development Committee (IDC) |
| 32 Institutional Unit Trust Advisers (IUTA) and Corporate Unit Trust Advisers (CUTA) | 52 - Private Retirement Scheme Sub-Committee (PRSSC) |
| 34 Registration of IUTA | 53 Regulatory Committee (RC) |
| 36 Registration of CUTA | 55 Disciplinary Committee (DC) |
| 37 Private Retirement Scheme Examination (PRSE) | 56 Disciplinary Sub-Committee (DSC) |
| 38 Private Retirement Scheme (PRS) Consultants | 57 Appeal Committee (AC) |
| 39 Corporate PRS Advisers | 58 Nomination and Remuneration Committee (NRC) |
| 40 Registration of PRS Providers | 59 Procurement Committee (PC) |
| 40 Registration of Institutional PRS Advisers | 60 Audit and Risk Committee (ARC) |
| 41 Registration of Corporate PRS Advisers | |

Computerised Unit Trust Examination (CUTE)

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

Table 2 below shows the number of candidates registered for CUTE in 2017. The number of candidates registered for CUTE in year 2017 is higher than 2016.

Examination Session	No. of Registered Candidates 2017	No. of Registered Candidates 2016
JAN	1,080	1,643
FEB	1,519	1,356
MAR	1,382	2,115
APR	2,171	2,054
MAY	1,803	2,135
JUN	1,912	2,072
JUL	1,644	1,288
AUG	1,983	1,599
SEP	1,420	1,777
OCT	2,174	1,579
NOV	2,391	1,657
DEC	1,815	1,545
TOTAL	21,294	20,820

Unit Trust Scheme Consultants (UTS Consultants)

The total number of UTS Consultants (UTC) (Table 3a&b) stood at 57,296 as at 31 December 2017 compared to 54,308 as at 31 December 2016. From the total of 57,296 registered UTC, 82.2% were UTC of Members and the remaining 17.8.% were UTC of IUTA and CUTA.

(Note: As of 31 December 2017, the renewal rate was 86.8% as a total of 8,743 UTC did not renew their registration for 2018)

Table 3a: Number of Registered UTC (Members)

No	Company Name	31 Dec 2017	31 Dec 2016
1.	ABERDEEN ISLAMIC ASSET MANAGEMENT SDN BHD	19	21
2.	AFFIN HWANG ASSET MANAGEMENT BERHAD	582	511
3.	AMANAH MUTUAL BERHAD	27	28
4.	AMANAH SAHAM NASIONAL BERHAD	680	640
5.	AMANAH SAHAM SARAWAK BERHAD	16	55
6.	AMANAHRAYA INVESTMENT MANAGEMENT SDN BHD	37	29
7.	AMFUNDS MANAGEMENT BERHAD	71	95
8.	APEX INVESTMENT SERVICES BERHAD	64	64
9.	ARECA CAPITAL SDN BHD	29	19
10.	BIMB INVESTMENT MANAGEMENT BERHAD	71	81
11.	CIMB-PRINCIPAL ASSET MANAGEMENT BERHAD	6,009	6,169
12.	EASTSPRING INVESTMENTS BERHAD	1,830	1,926
13.	FRANKLIN TEMPLETON GSC ASSET MANAGEMENT SDN BHD	2	4
14.	HONG LEONG ASSET MANAGEMENT BERHAD	203	216
15.	INTER-PACIFIC ASSET MANAGEMENT SDN BHD	3	2
16.	KAF INVESTMENT FUNDS BERHAD	63	59
17.	KEDAH ISLAMIC ASSET MANAGEMENT BERHAD	1	12
18.	KENANGA INVESTORS BERHAD	1,572	1,266
19.	LIBRA INVEST BERHAD	36	39
20.	MANULIFE ASSET MANAGEMENT SERVICES BERHAD	2,278	1,875
21.	MAYBANK ASSET MANAGEMENT SDN BHD	8	17

No	Company Name	31 Dec 2017	31 Dec 2016
22.	MIDF AMANAH ASSET MANAGEMENT BERHAD	5	5
23.	PACIFIC MUTUAL FUND BERHAD	314	340
24.	PENGURUSAN KUMIPA BERHAD	13	13
25.	PERMODALAN BSN BERHAD	5	5
26.	PHEIM UNIT TRUSTS BERHAD	3	6
27.	PHILLIP MUTUAL BERHAD	1219	961
28.	PMB INVESTMENT BERHAD	525	315
29.	PTB UNIT TRUST BERHAD	18	18
30.	PUBLIC MUTUAL BERHAD	29,958	28,951
31.	RHB ASSET MANAGEMENT SDN BHD	1153	1,010
32.	RHB ISLAMIC INTERNATIONAL ASSET MANAGEMENT BERHAD	3	3
33.	SAHAM SABAH BERHAD	38	38
34.	SATURNA SDN BHD	2	2
35.	TA INVESTMENT MANAGEMENT BERHAD	201	242
36.	UOB ASSET MANAGEMENT (MALAYSIA) BERHAD	16	16
	Sub-Total	47,074	45,053

Institutional Unit Trust Advisers (IUTA) and Corporate Unit Trust Advisers (CUTA)

Table 3b: IUTA and CUTA

No	Company Name	31 Dec 2017	31 Dec 2016
1.	A.D. FINANCIAL SDN BHD	18	13
2.	AFFIN BANK BERHAD	250	242
3.	AIIMAN ASSET MANAGEMENT SDN BHD	1	0
4.	ALLIANCE BANK MALAYSIA BERHAD	244	275
5.	AL RAJHI BANKING & INVESTMENT CORPORATION (MALAYSIA) BERHAD	53	47
6.	AMBANK (M) BERHAD	620	630
7.	AMBANK ISLAMIC BERHAD	3	0
8.	AMINVESTMENT BANK BERHAD	59	61
9.	BANK ISLAM MALAYSIA BERHAD	407	394
10.	BANK KERJASAMA RAKYAT MALAYSIA BERHAD	33	38
11.	BANK MUAMALAT MALAYSIA BERHAD	186	122
12.	BANK OF CHINA(MALAYSIA) BERHAD	20	0
13.	BANK SIMPANAN NASIONAL	51	53
14.	BILL MORRISONS WEALTH MANAGEMENT SDN BHD	2	0
15.	BLUEPRINT PLANING SDN BHD	8	8
16.	CC ADVISORY SDN BHD	2	0
17.	CIMB BANK BERHAD	1,136	1,135
18.	CIMB INVESTMENT BANK BERHAD	85	83
19.	CITIBANK BERHAD	85	90
20.	ETALAGE SDN BHD	6	3
21.	EXCELLENTE CONSULTANCY SDN BHD	11	0
22.	FA ADVISORY SDN BHD	63	47
23.	FIN FREEDOM SDN BHD	11	18
24.	GENEXUS ADVISORY SDN BHD	3	0
25.	HARVESTON WEALTH MANAGEMENT SDN BHD	30	22

No	Company Name	31 Dec 2017	31 Dec 2016
26.	HONG LEONG BANK BERHAD	1001	991
27.	HSBC AMANAH MALAYSIA BERHAD	90	100
28.	HSBC BANK MALAYSIA BERHAD	266	276
29.	iFAST CAPITAL SDN BHD	25	24
30.	INDUSTRIAL AND COMMERCIAL BANK OF CHINA (MALAYSIA) BERHAD	13	17
31.	KENANGA INVESTMENT BANK BERHAD	6	9
32.	KUWAIT FINANCE HOUSE (MALAYSIA) BERHAD	34	42
33.	LEGACY ADVISORY SDN BHD	21	17
34.	MALAYAN BANKING BERHAD	1,604	1,027
35.	MAYBANK ISLAMIC BERHAD	18	18
36.	OCBC AL-AMIN BANK BERHAD	41	37
37.	MAGNISAVE GROUP SDN BHD	0	0
38.	OCBC BANK BERHAD	519	471
39.	PUBLIC BANK BERHAD	944	925
40.	RHB BANK BERHAD	927	803
41.	RHB INVESTMENT BANK BERHAD	252	256
42.	RHB ISLAMIC BANK BERHAD	22	18
43.	STANDARD CHARTERED BANK MALAYSIA BERHAD	325	309
44.	STANDARD CHARTERED SAADIQ BERHAD	22	17
45.	STANDARD FINANCIAL ADVISER SDN BHD	80	71
46.	UNITED OVERSEAS BANK (MALAYSIA) BERHAD	482	449
47.	VKA WEALTH PLANNERS SDN BHD	121	76
48.	WHITMAN INDEPENDENT ADVISORS SDN BHD	22	21
	Sub-Total	10,222	9,255
	GRAND TOTAL	57,296	54,308

**The above are excluding members who are IUTAs.*

Registration of IUTA

As at 31 December 2017, a total of 49 IUTA were registered with FIMM, with addition of 3 new IUTA as shown below, comprising banks, investment banks, unit trust management companies and an on-line financial services provider.

No	Name of IUTA	Date of Registration
1.	AIIMAN ASSET MANAGEMENT SDN BHD	27 Nov 2017
2.	ALLIANCE ISLAMIC BANK BERHAD	24 Nov 2017
3.	BANK OF CHINA (MALAYSIA) BERHAD	15 Sep 2017
4.	AMBANK ISLAMIC BERHAD	13 Sep 2016
5.	AMANAHRAYA INVESTMENT MANAGEMENT BERHAD	18 Mar 2016
6.	INDUSTRIAL AND COMMERCIAL BANK OF CHINA (MALAYSIA) BERHAD	11 Sep 2015
7.	RHB ISLAMIC BANK BERHAD	8 Apr 2015
8.	AFFIN HWANG ASSET MANAGEMENT BERHAD	9 Mar 2015
9.	KAF INVESTMENT FUNDS BERHAD	17 Oct 2014
10.	CIMB-PRINCIPAL ASSET MANAGEMENT BERHAD	26 July 2013
11.	RHB INVESTMENT BANK BERHAD	12 April 2013
12.	BANK MUAMALAT MALAYSIA BERHAD	9 April 2013
13.	MAYBANK ISLAMIC BERHAD	23 Dec 2011
14.	KENANGA INVESTMENT BANK BERHAD	14 Oct 2011
15.	BANK SIMPANAN NASIONAL	27 May 2010
16.	BANK KERJASAMA RAKYAT MALAYSIA BERHAD	6 July 2009
17.	OCBC AL-AMIN BANK BERHAD	21 Jan 2009
18.	STANDARD CHARTERED SAADIQ BERHAD	18 Nov 2008
19.	HSBC AMANAH MALAYSIA BERHAD	29 Oct 2008
20.	AMANAH SAHAM NASIONAL BERHAD	25 Sep 2008
21.	iFAST CAPITAL SDN BHD	27 Jun 2008
22.	RHB ASSET MANAGEMENT SDN BHD	14 May 2008
23.	BANK ISLAM MALAYSIA BERHAD	3 Mar 2008
24.	ARECA CAPITAL SDN BHD	27 Nov 2007

No	Name of IUTA	Date of Registration
25.	CIMB ISLAMIC BANK BERHAD	29 Aug 2007
26.	KUWAIT FINANCE HOUSE (MALAYSIA) BERHAD	27 Aug 2007
27.	AL RAJHI BANKING & INVESTMENT CORPORATION (MALAYSIA) BERHAD	4 Jun 2007
28.	HONG LEONG ISLAMIC BANK BERHAD	18 May 2007
29.	PMB INVESTMENT BERHAD	11 Dec 2006
30.	CIMB BANK BERHAD	8 Sep 2006
31.	TA INVESTMENT MANAGEMENT BERHAD	7 Sep 2006
32.	PHILLIP MUTUAL BERHAD	1 May 2005
33.	KENANGA INVESTORS BERHAD	15 Apr 2005
34.	AMBANK (M) BERHAD	15 Feb 2005
35.	HONG LEONG BANK BERHAD	1 Oct 2004
36.	AMINVESTMENT BANK BERHAD	1 Sep 2003
37.	AFFIN BANK BERHAD	1 Mar 2003
38.	RHB BANK BERHAD	1 Feb 2003
39.	MALAYAN BANKING BERHAD	15 Sep 2002
40.	CIMB INVESTMENT BANK BERHAD	1 May 2002
41.	UNITED OVERSEAS BANK (MALAYSIA) BERHAD	15 Mar 2002
42.	ALLIANCE BANK MALAYSIA BERHAD	1 Aug 2001
43.	AMFUNDS MANAGEMENT BERHAD	15 Jun 2001
44.	APEX INVESTMENT SERVICES BERHAD	1 Nov 2000
45.	PUBLIC BANK BERHAD	1 Oct 2000
46.	OCBC BANK (MALAYSIA) BERHAD	1 May 2000
47.	HSBC BANK MALAYSIA BERHAD	1 May 2000
48.	STANDARD CHARTERED BANK MALAYSIA BERHAD	1 May 2000
49.	CITIBANK BERHAD	1 May 2000

Registration of CUTA

As at 31 December 2017, a total of 15 CUTA were registered with FIMM as shown below:

No	Name of CUTA	Date of Registration
1.	MAGNISAVE GROUP SDN BHD	19 Dec 2017
2.	CC ADVISORY SDN BHD	12 Sep 2017
3.	BILL MORRISONS WEALTH MANAGEMENT SDN BHD	17 Jul 2017
4.	GENEXUS ADVISORY SDN BHD	28 Jun 2017
5.	EXCELLENTE CONSULTANCY SDN BHD	17 Mar 2017
6.	ETALAGE SDN BHD	7 Sep 2016
7.	VKA WEALTH PLANNERS SDN BHD	16 Jan 2015
8.	BLUEPRINT PLANNING SDN BHD	9 July 2014
9.	FA ADVISORY SDN BHD	12 June 2014
10.	LEGACY ADVISORY SDN BHD	10 Nov 2011
11.	HARVESTON WEALTH MANAGEMENT SDN BHD	11 Feb 2010
12.	A.D. FINANCIAL SDN BHD	2 Oct 2009
13.	WHITMAN INDEPENDENT ADVISORS SDN BHD	17 Feb 2009
14.	FIN FREEDOM SDN BHD	5 Aug 2008
15.	STANDARD FINANCIAL ADVISER SDN BHD	29 Apr 2008

Private Retirement Scheme Examination (PRSE)

PRSE was conducted in Kuala Lumpur, Penang, Johor Bahru, Kuching, Kota Kinabalu, Ipoh, Alor Setar, Kota Bahru, Kuantan, Temerloh, Melaka, Kuala Terengganu, Muar, Sibul, Miri, Tawau and Bintulu.

Table 4 shows the number of candidates registered or PRSE in 2017.

Table 4: Comparison of PRSE Registration for 2016 and 2017

Examination Session	No. of Registered Candidates 2017	No. of Registered Candidates 2016
JAN	177	270
FEB	269	302
MAR	304	179
APR	303	427
MAY	379	237
JUN	204	422
JUL	403	198
AUG	577	349
SEP	321	259
OCT	276	300
NOV	631	352
DEC	272	308
TOTAL	4,116	3,603

Private Retirement Scheme (PRS) Consultants

The total number of Private Retirement Schemes Consultants (PRS Consultants) stood at 20,646 as at 31 December 2017. From the total of 20,646 registered PRS Consultants, 82% of them were PRS Consultants of PRS Providers and the remaining 18% were PRS Consultants of Institutional PRS Advisers and Corporate PRS Advisers.

Table 5: Number of Registered PRS Consultants

PRS Providers			
No	Company Name	31 Dec 2017	31 Dec 2016
1.	AFFIN HWANG ASSET MANAGEMENT BERHAD	349	325
2.	AIA PENSION AND ASSET MANAGEMENT SDN BHD	2,685	2,744
3.	AMFUNDS MANAGEMENT BERHAD	31	39
4.	CIMB-PRINCIPAL ASSET MANAGEMENT BERHAD	1,630	1,602
5.	KENANGA INVESTORS BERHAD*	717	690
6.	MANULIFE ASSET MANAGEMENT SERVICES BERHAD	611	553
7.	PUBLIC MUTUAL BERHAD	10,703	9,771
8.	RHB ASSET MANAGEMENT SDN BHD	198	175
	Sub-Total	16,924	15,899

*Registered with FIMM as PRS Provider and Institutional PRS Adviser

Institutional PRS Advisers			
No	Company Name	31 Dec 2017	31 Dec 2016
1.	AMBank (M) BERHAD	495	452
2.	BANK MUAMALAT MALAYSIA BERHAD	41	47
3.	CIMB BANK BERHAD	1050	884
4.	CITIBANK BERHAD	84	85
5.	iFAST CAPITAL SDN BHD	23	16
6.	KENANGA INVESTMENT BANK BERHAD	3	6
7.	PHILLIP MUTUAL BERHAD	306	257
9.	PUBLIC BANK BERHAD	801	742
10.	RHB BANK BERHAD	568	496
11.	TA INVESTMENT MANAGEMENT BERHAD	13	13
	Sub-Total	3,384	2,998

*Registered with FIMM as PRS Provider and Institutional PRS Adviser

Corporate PRS Advisers

No	Company Name	31 Dec 2017	31 Dec 2016
1.	A.D. FINANCIAL SDN BHD	15	9
2.	BILL MORRISONS WEALTH MANAGEMENT SDN BHD	2	0
3.	BLUEPRINT PLANNING SDN BHD	7	6
4.	CC ADVISORY SDN BHD	0	0
5.	ETALAGE SDN BHD	5	3
6.	EXCELLENTE CONSULTANCY SDN BHD	12	0
7.	FA ADVISORY SDN BHD	57	42
8.	FIN FREEDOM SDN BHD	11	17
9.	GENEXUS ADVISORY SDN BHD	3	0
10.	HARVESTON WEALTH MANAGEMENT SDN BHD	32	22
11.	LEGACY ADVISORY SDN BHD	16	12
12.	MAGNISAVE GROUP SDN BHD	0	0
13.	STANDARD FINANCIAL ADVISER SDN BHD	66	56
14.	VKA WEALTH MANAGEMENT SDN BHD	90	72
15.	WHITMAN INDEPENDENT ADVISORS SDN BHD	22	17
	Sub-Total	338	256
	GRAND TOTAL	20,646	19,153

Registration of PRS Providers

As at 31 December 2017, a total of 8 PRS Providers were registered with FIMM.

No	NAME OF PRS PROVIDERS	Date of Registration
1.	AMFUNDS MANAGEMENT BERHAD	1 Dec 2014
2.	KENANGA INVESTORS BERHAD	12 Jun2013
3.	AIA PENSION AND ASSET MANAGEMENT SDN BHD	14 Jan2013
4.	CIMB-PRINCIPAL ASSET MANAGEMENT BERHAD	1 Nov 2012
5.	PUBLIC MUTUAL BERHAD	18 Oct 2012
6.	MANULIFE ASSET MANAGEMENT SERVICES BERHAD	16 Oct 2012
7.	RHB ASSET MANAGEMENT SDN BHD	10 Oct 2012
8.	AFFIN HWANG ASSET MANAGEMENT BERHAD	14 Sep 2012

Registration of Institutional PRS Advisers

As at 31 December 2017, a total of 11 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 ADVISERS	Date of Registration
1.	KENANGA INVESTORS BERHAD	11 Dec 2015
2.	BANK MUAMALAT MALAYSIA BERHAD	23 Sep 2015
3.	TA INVESTMENT MANAGEMENT BERHAD	24 Apr 2015
4.	PHILLIP MUTUAL BERHAD	14 Oct 2013
5.	KENANGA INVESTMENT BANK BERHAD	27 Jun 2013
6.	CITIBANK BERHAD	7 Jun 2013
7.	AMBANK (M) BERHAD	11 Mar 2013
8.	RHB BANK BERHAD	1 Nov 2012
9.	iFAST CAPITAL SDN BHD	18 Oct 2012
10.	PUBLIC BANK BERHAD	1 Oct 2012
11.	CIMB BANK BERHAD	1 Oct 2012

Registration of Corporate PRS Advisers

A total of fifteen (15) Corporate PRS Advisers were registered with FIMM as at 31 December 2017 as shown below:

No	NAME OF CORPORATE PRS ADVISERS	Date of Registration
1.	MAGNISAVE GROUP SDN BHD	19 Dec 2017
2.	CC ADVISORY SDN BHD	12 Sep 2017
3.	BILL MORRISONS WEALTH MANAGEMENT SDN BHD	17 Jul 2017
4.	GENEXUS ADVISORY SDN BHD	28 Jun 2017
5.	EXCELLENTE CONSULTANCY SDN BHD	17 Mar 2017
6.	ETALAGE SDN BHD	7 Sep 2016
7.	BLUEPRINT PLANNING SDN BHD	22 Aug 2014
8.	FA ADVISORY SDN BHD	24 Jun 2014
9.	LEGACY ADVISORY SDN BHD	22 Nov 2013
10.	A.D. FINANCIAL SDN BHD	1 Nov 2013
11.	HARVESTON WEALTH MANAGEMENT SDN BHD	19 Mar 2013
12.	VKA WEALTH MANAGEMENT SDN BHD	19 Nov 2012
13.	WHITMAN INDEPENDENT ADVISORS SDN BHD	9 Nov 2012
14.	FIN FREEDOM SDN BHD	1 Nov 2012
15.	STANDARD FINANCIAL ADVISER SDN BHD	16 Oct 2012

Enforcement

IN 2017, FIMM RECEIVED A TOTAL OF 44 complaints on misconducts of registered persons related to the marketing and distribution of Unit Trust Schemes (UTS) which includes complaints referred by the Securities Commission Malaysia, Distributors and complaints lodged with FIMM by investors.

Nature of Complaints Received by FIMM

The nature of complaints received by FIMM in 2017 are as follows:

- i. Unethical conduct involving distribution and marketing of unit trust funds
- ii. Unsatisfactory client services
- iii. Unauthorised investment and redemption
- iv. Misappropriation of investor's monies
- v. Acting for more than one principals
- vi. Dealing with unapproved funds

Enforcement actions taken in 2017

- i) As at 31 December 2017, a total of 21 sanctions were imposed by FIMM for various misconducts and breaches of FIMM Rules by FIMM's Registered Person, based on findings of investigation conducted on such misconducts and breaches.
- ii) Details on the sanctions imposed based on the nature of misconduct are listed below:

No	Nature of misconduct	Private Reprimand	Public Reprimand	Revocation/ Barring from Registration and Public Reprimand	Fine	Suspension	Written warning	Attend relevant training and courses	Total
1.	*Unethical conduct involving distribution and marketing of funds	5	4	2	1	2	3	1	18
2.	Making negative statement regarding unit trust industry	-	1	-				1	2
3.	Acting for more than 1 principal	1		-					1
TOTAL		6	5	2	1	2	3	2	21

**Unethical conduct involving distribution and marketing of funds comprise requesting or allowing investors to pre-sign or pre-thumbprint investment form, dealing with investor's investment while being unlicensed, submitting investment/redemption form without investor's consent, and allowing unregistered person to use UTS consultant's name to market and distribute UTS.*

iii) The details of Public Reprimand imposed by FIMM based on description of misconduct and parties in breach are as follows:

No	Parties in breach	Brief Description of Misconduct	Action Taken	Date of Action
1.	Nurul Hikmah binti Abd Ghafar ("Nurul Hikmah")	Nurul Hikmah was found to be in breach of Clause 3.1.3 (a) of FIMM's Code of Ethics and Rules of Professional Conduct for dealing with the investment of an investor between 16 March 2015 and 26 March 2015 after her resignation as a Unit Trust Consultant (UTC) from CIMB-Principal Asset Management by way of submitting the investment transaction forms of the investor under another UTC's name without the consent of the investor.	i. Public Reprimand; ii. Suspension of Nurul Hikmah's registration as a UTC with FIMM for 1 year period effective from 3 March 2017; and iii. Nurul Hikmah was required to attend courses relating to "Compliance to ethics and professional conduct" and "Compliance with Anti-Money Laundering, Anti-Terrorism Financing and Proceeds of Unlawful Activities Act 2001 focusing on "Know Your Customer".	3 March 2017
2.	Muniza Binti Abdul Jalil ("Muniza")	Muniza was found to be in breach of Clause 3.1.11 (g) of FIMM's Code of Ethics and Rules of Professional Conduct for requesting an investor to pre-sign investment transaction forms between 9 April 2012 and 15 October 2015 for the purpose of investment.	i. Public Reprimand; and ii. Revocation of Muniza's registration as a UTC with FIMM with the effect of barring her from future registration with FIMM as a UTC.	3 March 2017
3.	Syed Mahadzir Fadaak Bin Syed Jamil Fadaak ("Syed Mahadzir")	Syed Mahadzir was found to be in breach of Clause 3.1.3 (a) of FIMM's Code of Ethics and Rules of Professional Conduct for submitting 4 forms to Phillip Mutual between 21 May 2015 and 18 August 2015 for 5 switching fund transactions without the consent of the investor. Syed Mahadzir was also found to be in breach of Clause 3.1.3 (a) of FIMM's Code of Ethics and Rules of Professional Conduct for appointing Encik Shahrulnizam Bin Atan, an unregistered person between May 2014 and 3 September 2015 to market and distribute unit trust funds.	i. Public Reprimand; and ii. Revocation of Syed Mahadzir's registration as a UTC with FIMM with the effect of barring him from future registration with FIMM as a UTC.	3 March 2017
4.	Mohammad Effendi bin Iskandar ("Effendi")	Effendi was found to be in breach of Clause 3.1.3(a) of FIMM's Code of Ethics and Rules of Professional Conduct for allowing unregistered persons to use his name in marketing and distributing unit trust schemes.	i. Public Reprimand; and ii. Suspension of Effendi's registration as a UTC with FIMM for 1 year period effective from 11 May 2017	11 May 2017
5.	Afyan bin Mat Rawi ("Afyan")	Afyan was found to be in breach of Clause 3.1.3 (a) of FIMM's Code of Ethics and Rules of Professional Conduct for making misleading statements in an article entitled "Pilih Pelaburan Selamat" dated 6.3.2017 published in newspaper Sinar Harian. Afyan was also found to be in breach of Clause 3.1.6 of the Code for making negative statements concerning unit trust industry on Facebook with the account name "Neraka Wang" on 3 June 2017	i. Public Reprimand; and ii. Afyan was required to attend courses relating to "Ethics and Professional Conduct" and the Securities Commission's "Guidelines on Unit Trust Scheme Advertisement and Promotional Materials".	18 December 2017

Disciplinary Proceedings held in 2017

In 2017, there were five (5) disciplinary proceedings conducted under the FIMM By-Laws relating to the procedure for Disciplinary Proceedings by the Disciplinary Sub-Committee (DSC) of FIMM and the details are as follows:

Month	Number of disciplinary proceedings held	Number of cases heard	Number of UTS consultants involved	Sanctions imposed by DSC	Dismissed by DSC
March	2	4	8	12	-
May	1	1	1	2	-
June	1	1	1	-	1
December	1 (Continuation of disciplinary proceedings that was held in July 2017)	(Continuation of disciplinary proceedings for 1 case that was held in July 2017)	2 UTS consultants were involved in 1	1 Private Reprimand was imposed only on 1 UTS consultant	1 No sanction was imposed on 1 UTS consultant and the case against the consultant was dismissed
TOTAL	5	7	12	15	2

Subsequently, with the implementation of FIMM's Consolidated Rules (FCR) on 1 June 2016, there were three (3) disciplinary proceedings conducted under the FCR by the Disciplinary Committee (DC) of FIMM and the details are as follows:

Month	Number of disciplinary proceedings held	Number of cases heard	Number of UTS consultants involved	Sanctions imposed DC	Dismissed by DC
December	3	3	4	6	-
TOTAL	3	3	4	6	-

Industry Development Committee (IDC)

The IDC is headed by En Nik Mohd Hasyudeen bin Yusoff and it is responsible to:

- Provide a forum for discussion on matters relating to the investment management industry to enhance confidence and raise public awareness in the industry;
- Act as a conduit for consultation and cooperation between registered persons and the SC and other authorities on matters concerning the industry;
- Review, develop and introduce best practices including standards for fund management, fund operations and marketing and distribution of funds;
- Conduct research on relevant areas and review industry statistics to facilitate growth of the industry; and
- Approve the training, examination syllabus and development programmes, meetings, seminars and conferences for registered persons and consultants.

A total of eight (8) IDC meetings was held for the financial year ended 31 December 2017. Members of the IDC together with details of their attendance at the IDC meetings held during the year, are as follows:

Members	Membership / Designation	Attendance at IDC meetings	Remarks
En Nik Mohd Hasyudeen bin Yusoff	Chairman/ PID	8/8	
Dato' Mohd Sallehuddin bin Othman	PID	4/5	Appointed w.e.f. 25 April 2017
Tn Muniandy Kannyappan J.M.N.	PID	8/8	
Ms Koid Swee Lian	PID	8/8	
En Mohd Ridzal bin Mohd Sheriff	PID	0/0	Appointed w.e.f. 5 December 2017
Ms Yeoh Kim Hong	ED	7/8	
En Mohammad bin Hussin	ED	4/8	
Dato' Mohamad Ayob bin Abu Hassan	ED	8/8	
Mr Harinder Pal Singh a/l Joga Singh	ED	7/8	
Mr Ismitz Matthew De Alwis	ED	7/8	
Mr Wong Teck Meng	ED	7/8	
Pn Munirah binti Khairuddin	Subject Matter Expert	4/8	
Datuk Noripah binti Kamso	PID	2/5	Ceased w.e.f. 5 August 2017
Dato' Fauziah binti Yaacob	PID	3/3	Appointed w.e.f. 25 April 2017; and Ceased w.e.f. 11 September 2017
Mr Ho Seng Yee	ED	5/8	Ceased w.e.f. 31 December 2017

ACTIVITIES / INITIATIVES

1.0 FIMM 5-Year Strategic Blueprint (FIMM Blueprint)

FIMM felt that there was a need for the industry and FIMM to assess the latest trends and to map an effective response to landscape challenges through the development of a focused strategic direction over the next five (5) years.

Several brainstorming sessions were held within FIMM to scope the initial framework for the FIMM Blueprint, strategic themes and key focus areas in addition to extensive research which was conducted in ascertaining changes in landscape, collating and establishing industry statistics. A survey was sent out to FIMM members and distributors. This was followed by a series of stakeholder engagement sessions during April 2017.

The feedback from the survey and stakeholder engagements affirmed landscape changes were having a significant bearing on growth strategies. Broad support was expressed for the proposed framework, the strategic theme and the key focus areas. Industry discussions focused on the need to

discover new growth opportunities to reduce dependence on traditional growth drivers. In addition, there was a need to foster an enabling environment to facilitate intermediaries to respond more efficiently to the challenges from a changing landscape and to meet future investor needs.

The key focus over the next five (5) years should therefore be to accelerate the pace of innovation in products, marketing and distribution; increase capture of efficiencies from technology, enhance the role of FIMM in protecting investors and as a focal point for coordination, and strengthen education, training and branding to mitigate potential risks to investor confidence. The focus and priorities would be reflected in FIMM's annual operation plan.

The FIMM Blueprint was finalised, and the Board approved it on 27 July 2017.

A copy of the FIMM Blueprint was submitted to SC on 28 July 2017, and subsequently presented to SC on 21 September 2017.

2.0 Engagement with Industry Experts on Development of the UTS, PRS and Asset Management Industry

2.1 Annual EPF Members Investment Scheme (EPF-MIS) Fund Evaluation

In 2017, FIMM continued to carry out the annual evaluation exercise for the purpose of assisting EPF to determine the list of funds qualified for EPF-MIS. The annual evaluation has resulted in a total of 278 funds approved under EPF-MIS, out of which, 263 or 94.6% of the funds were existing EPF approved funds, 6 funds were reinstated and 9 new funds being admitted to EPF-MIS for the first time. Meanwhile, 41 of the existing EPF approved funds were suspended, and the increase in the minimum Simple Average Rating for Consistent Returns (SACR) from 2.00 to 2.33 in 2017 is the major contributing factor.

The profile for the approved funds remained largely similar to the previous year with 140 or 52.0% of funds are equity funds. Notwithstanding the above, number of funds with 100% of assets invested in Malaysia were reduced markedly to 176 funds or 65.4% (2016: 184 funds or 78.6%), in tandem with the abolishment of 30% overseas investment limits by EPF that took effect on 1 August 2016. The list of approved funds came into force on 17 April 2017.

2.2 Liberalisation of criteria for appointment of external fund managers for funds approved under EPF-MIS

Prior to the liberalisation, Institutusi Pengurusan Dana (IPDs) are only allowed to appoint fund managers that are licensed under the CMSA as external fund managers for funds approved under EPF-MIS. On 16 January 2017, as proposed by FIMM, the restrictions were liberalised whereby foreign fund managers not licensed by SC but are fully-owned subsidiaries of the IPD are permitted to be appointed as external fund managers for funds approved under EPF-MIS.

In addition to offering EPF members more investment choices, the liberalisation also helps to grow the number of fund managers that expand across border and contribute towards internationalization of Malaysian investment management sector.

2.3 Industry briefing on Elektronik Pilihan Pelaburan Ahli (ePPA) under EPF-MIS

On 30 November 2017, FIMM jointly conducted an industry briefing with EPF to share best practices for submission of applications under EPF-MIS via ePPA. During the session, EPF conducted a refresher to FIMM Members on the techniques of affixing thumbprints in the KWSP 9N forms to increase the success rate of applications submitted to and approved by EPF, whilst FIMM briefed on the requirements on prohibiting pre-thumbprint application forms and case studies on imposition of sanctions for non-compliance with these requirements.

A video jointly developed by FIMM and EPF on do's and don'ts in affixing thumbprints on KWSP 9N forms was launched during the briefing and subsequently made available to FIMM Members for their onwards distribution to Consultants.

2.4 CEO Tea Talk

On 30 November 2017, FIMM engaged an external speaker from Quantifeed, a financial engineering and solutions firm, to present on creating better digital investment solutions.

Senior representatives from FIMM members actively participated in the discussion during the session, especially on common business models/market entry strategies that fund managers/wealth managers in other jurisdictions are adopting to embrace digitisation, potential pitfalls in introducing digital investment solution as well as best practices in addressing cyber security issues.

3.0 Engagement with the Securities Commission Malaysia (SC)

3.1 To clarify on the requirements for distribution of advertisement and promotional materials in social media

On 17 October 2017, SC issued its revised Q&A on the Guidelines on the Online Transaction and Activities in Relation to Unit Trusts (Online Guidelines) providing clarity that the conduct of selling, marketing, distributing, promoting and advertising products in social media does not fall under the definition of "online activities in relation to unit trusts" as defined in the Online Guidelines. The revised Q&A addressed industry's concerns and clarified that prior approval from the SC is not required in distributing approved promotional materials in social media. Instead, such promotional material are subjected to other guidelines and FIMM's code applicable for marketing and promotional activities.

4.0 Engagement with the Inland Revenue Board of Malaysia (IRBM)

4.1 Industry briefing on Common Reporting Standard (CRS)

On 17 May 2017, FIMM conducted the industry briefing jointly with Deloitte Tax Services Sdn Bhd, with an aim to offer a platform for FIMM members and distributors to clarify their doubts that include types of accounts involved and party responsible for reporting especially for circumstances which were not addressed by the CRS Guidelines and Guidance issued by the Organisation for Economic Co-operation and Development (OECD) and Inland Revenue Board of Malaysia (IRBM).

Issues such as unclear provisions on the party responsible for reporting for investors under nominee arrangement as well as private mandates were subsequently forwarded to IRBM for their clarification and decision.

4.2 Common Reporting Standard (CRS)

On 7 June 2017, IRBM concurred with FIMM's proposals for clients' accounts for investments made under EPF-MIS to be categorized as Excluded Account under CRS. Additionally, IRBM clarified that for private investment mandate, fund management companies will be the reporting party for clients' investments accounts. Similarly, Institutional Unit Trust Advisers (IUTAs) will be the party responsible for CRS reporting for investors of UTS under the nominee system.

The above approval and clarification has eased FIMM members and distributors' efforts in complying with, and implementing CRS.

4.3 Withholding Tax (WHT)

Given the divided views among tax advisers and agents pertaining to applicability of WHT on foreign brokerage fee, FIMM met with IRBM on 22 August 2017 to clarify the WHT status on specific types of fees and charges incurred by funds and/or FIMM members.

IRBM clarified, among others, that brokerage fees payable to foreign brokers as well as clearing fee and transaction levy payable to foreign exchanges are not liable for WHT. The clear status and applicability of WHT on the respective fees and charges helps FIMM members' efforts in complying with, and executing WHT.

5.0 Raising Professional Standards and Knowledge of UTS and PRS Consultants

In 2017, FIMM organised events and seminars aimed at strengthening professional standards, knowledge and skills as well as fostering a culture of continuous learning among UTS and PRS consultants. Some of the events and seminars enabled consultants to collect Continuing Professional Development (CPD) / Continuing Professional Education (CPE) points.

Details of the activities are as follows:

5.1 2017 FIMM Seminars

A total of 14 seminars were conducted from February to October 2017 in 7 states. The seminars attracted a total of 1012 registered participants, out of which, 950 participants attended the seminars.

FIMM continue to incorporate short briefing on code of ethics and complaint proceedings before the seminar start in proper. The session was delivered by FIMM and was well received among participants.

Participants gave good rating to speakers and event management. FIMM will continuously looked at upgrading the quality of services to take on board comments and feedback from seminar participants on quality choice of speakers and range of topics to be covered in future seminars.

Details of seminars organised for UTS and PRS consultants in 2017 are as follows:

No.	Session	Speaker	Topic
1	23 Feb 2017 Sime Darby Convention Centre Kuala Lumpur	Perthpal Singh Khosa	InterAction-Challenging the Process in Changing Times
2	9 Mar 2017 Sime Darby Convention Centre Kuala Lumpur	Azhar Iskandar Hew	Practical Aspects in Estate Planning for Muslims and Non-Muslims
3	16 Mar 2017 Vistana Hotel Kuantan	Ooi Kok Hwa	Managing Individual Investor Portfolios and Strategic Asset Allocation
4	28 Mar 2017 Sime Darby Convention Centre Kuala Lumpur	Azhar Iskandar Hew	Practical Aspects in Estate Planning for Muslims and Non-Muslims
5	6 Apr 2017 Hilton Hotel Kuching	Farhan Lee Abdullah	Market Misconduct in the Capital Market
6	19 Apr 2017 Grandis Hotel Kota Kinabalu	Zairulnizad Shahrim	Islamic Equity Capital Market and Sukuk
7	27 Apr 2017 Grand Paragon Hotel Johor Bahru	Jagdeep Singh a/l Joginder Singh	Global Economic Rebalancing
8	18 May 2017 Sunway Hotel Seberang Jaya Penang	Yong Eu Chu Muhammad Fua'ad Abd Rahman	A Simple Yet Practical Financial Plan Roadmap to Success
9	26 July 2017 Grandis Hotel Kota Kinabalu	Azhar Iskandar Hew	Practical Aspects in Estate Planning for Muslims and Non-Muslims

No.	Session	Speaker	Topic
10	3 Aug 2017 Sime Darby Convention Centre Kuala Lumpur	Muhammad Fua'ad Abd Rahman	Personality Plus Selling Workshop
11	10 Aug 2017 Tower Regency Hotel Ipoh	Dr Ch'ng Huck Khoon	Brilliant Investment Strategies in Current Economic Climate
12	22 Aug 2017 The Gurney Resort Hotel & Residence Penang	Dr Ch'ng Huck Khoon	Brilliant Investment Strategies in Current Economic Climate
13	14 Sep 2017 Grand Margherita Hotel Kuching	Zairulnizad Shahrim	Islamic Equity Capital Market and Sukuk
14	26 Oct 2017 Sime Darby Convention Centre Kuala Lumpur	Thomas Chan Huan Wei	PRS: Laying The Foundation

5.2 FIMM Annual Convention 2017 (FIMMAC2017)

FIMM has successfully organized the FIMMAC2017 on 28 September 2017 at the Berjaya Times Square Hotel, Kuala Lumpur with the theme "Embracing the Future: Fresh Perspectives".

The event is another FIMM's commitment to providing continuing professional development programs for Consultants to keep abreast with latest developments in the industry. The FIMMAC2017 attracted 674 participants from the investment management industry, the banking sector as well as regulatory bodies.

In line with the theme of FIMMAC2017, FIMM has managed to pull together 22 speakers/panellists from renowned research consultancy firm, experts from the industry both locally and abroad, digitisation and Shariah investments to discuss and share their perspectives on challenges and opportunities ahead.

6.0 Enhancing Investors' Education and Increasing Public Awareness

As an SRO, FIMM has a role in enhancing investor awareness and education given that the industry continues to evolve and innovate as investment products become increasingly complex going forward.

In the year 2017, FIMM continued to provide seminars for members of the public as well as take part in third party events to reach out to the public.

6.1 Public Seminars

In the year 2017, FIMM continued to hold seminars for the general public. The target audience was university and college students nationwide. There were a total of three (3) seminars held in UITM Seremban, University Sultan Azlan Shah Kuala Kangsar and University Sains Islam Malaysia Nilai. Two (2) more sessions at University of Malaya and University Putra Malaysia are scheduled in Q1 2018.

6.2 Collaboration with Third Parties

FIMM also participated in various roadshows and exhibitions to increase public awareness on UTS and PRS, and its roles and functions. The events were the SC's Invest Smart Day and Invest Smart Fest 2017, Minggu Saham Amanah Malaysia and Bursa's Shariah Investing Fair 2017.

6.3 Publication of FIMM Today

There were two editions of FIMM Today published in September and December 2017.

6.4 Media Coverage

FIMM issued a press release announcement of FIMM's new CEO in July 2017. The news was carried by The Star and The Malaysian Reserve. FIMM also issued a press release on its new advertising and promotions campaign. Sin Chew and Malaysia Nanyang carried the news.

7.0 Strategic Branding, Advertising and Promotions Campaign

In the year 2017, FIMM launched its first full-fledged public service awareness campaign. The FIMM 2017 Strategic Branding, Advertising and Promotions Campaign was aimed at educating the public on FIMM's role as an SRO, as well as encouraging the public, especially the younger generation, on the need to start saving early for their future needs through UTS and PRS.

With the tagline of "Investors' Interest, Our Priority", this awareness campaign ran nationwide for six (6) months from September 2017 to February 2018. The campaign was rolled out in two phases:

- Phase 1 was targeted at educating the public on dealing only with authorised consultants; and
- Phase 2 encouraged the public to start saving early through UTS and PRS.

The campaign covered all mediums of mainstream media such as print, radio, outdoor, social media content marketing and electronic media. Details are as follow:

Medium	Potential Outreach	Details
Newspaper	9.3million readership	Insertions in leading nationwide newspaper in four major languages namely Bahasa Malaysia (BM), Chinese, English and Tamil.
Radio	7.7million listenership	Radio commercial in 3 languages aired during morning and evening drive time in Sinar, Mix and My fm.
Billboard	8.6million traffic flow	Billboard displayed that capture traffic towards and out of Kuala Lumpur along Federal Highway, Jalan Tun Razak and Jelatek.
LRT Lightbox	17.6million eyeballs	Advertisement placed at location with high numbers of pedestrians and eyeballs namely KLCC, Masjid Jamek and Hang Tuah station.
Train Overhead Panels	17.6million eyeballs	Advertisement placed at LRT line with high numbers of passengers namely Kelana Jaya Line and Ampang Line.
Video Advertisements	21million eyeballs	Aired during prime time on TV3 and aired during holiday seasons on GSC Cinemas and TGV Cinemas.
Social Media	3million views	Targets at the BM, Chinese and English speaking Millennials.

Based on the data above and intermittent feedback from the ground, the campaign received positive remarks and is very well accepted by the public.

Pre-brand assessment was carried out in early 2017 to gauge the effectiveness of the campaign. Post-brand assessment will be carried out upon completion of the campaign in 2018.

Private Retirement Scheme Sub-Committee (PRSSC)

ACTIVITIES / INITIATIVES

1.0 Proposed PRS initiatives for 2018

On 20 November 2017, PRSSC have deliberated the proposed PRS initiatives for 2018 which covers 4 main thrusts:

- Expand corporate participant;
- Facilitate review of product offerings;
- Address distribution and operational impediments; and
- Strengthen retirement savings.

Certain proposals were taken into consideration by Sub-Committee to develop plan for PRS and others have been implemented in FIMM's proposal for Federal Budgets.

Regulatory Committee (RC)

The RC is headed by Tn Muniandy Kanniyappan J.M.N. and it is responsible to:

- a) Ensure the rules of FIMM;
 - i. Are consistent with the relevant requirements of the Capital Market and Services Act 2007 and rules and regulations made thereunder, requirements of the SC and other applicable laws; and
 - ii. Sufficiently and effectively allow FIMM to discharge its regulatory functions.
- b) Recommend to the Board for its approval, new rules of FIMM to govern the conduct and behaviour of registered persons, including amendments and revisions of all rules of FIMM, as necessary;
- c) Review matters pertaining to the supervision and surveillance functions of FIMM; and
- d) Review outcome of supervision and surveillance and result of surveys, and approve the actions to be taken based on the outcome and result.

A total of six (6) RC meetings was held for the financial year ended 31 December 2017. Members of the RC together with details of their attendance at the RC meetings held during the year, are as follows:

Members	Membership / Designation	Attendance at RC meetings	Remarks
Tuan Muniandy Kanniyappan J.M.N.	Chairman / PID	6/6	
Ms Koid Swee Lian	PID	6/6	
En Nik Mohd Hasyudeen bin Yusoff	PID	3/6	
En Mohd Ridzal bin Mohd Sheriff	PID	0/0	Appointed w.e.f. 5 December 2017
Ms Yeoh Kim Hong	ED	6/6	
Dato' Mohammad Ayob bin Abu Hassan	ED	5/6	
Mr Ismitz Matthew De Alwis	ED	3/6	
Mr Wong Teck Meng	ED	6/6	
Datuk Noripah binti Kamsu	PID	1/2	Ceased w.e.f. 5 August 2017
Mr Ho Seng Yee	ED	5/6	Ceased w.e.f. 31 December 2017

ACTIVITIES / INITIATIVES

1. Reviewed and recommended Regulatory Principles, being one of the key deliverables to complement regulatory initiatives under FIMM's 5-Year Strategic Blueprint.
2. Reviewed and recommended the supervisory framework.
3. FIMM's surveillance activities in 2017:
 - Reviewed a total of 3 post registration assessment on newly registered distributors of unit trust scheme and private retirement scheme and there was only 1 exception identified involving 1 entity; and
 - Reviewed a total of 6 compliance audits and due diligence reviews and there were 2 exceptions identified involving 3 entities.

However, all the above exceptions identified have been remedied by the respective entities within the prescribed timelines.

- Supervisory engagement with 4 distributors on their consultants, that include process for recruitment and onboarding of individuals as consultants, monitoring of their sales practices, commission/reward structure and trainings.

Disciplinary Committee (DC)

The DC is headed by Ms Koid Swee Lian and it is responsible to:

- Convene and conduct hearings on cases brought before it by the management;
- Consider and decide if there has been proven misconduct and/or non-compliance of FIMM's rules;
- Decide and impose appropriate disciplinary sanctions;
- Review report on cases that the management considers as frivolous and vexatious; and
- Provide advice and guidance to the management on policy or procedure that facilitates the disciplinary process, in the interest of the investing public.

A total of eight (8) DC meetings was held for the financial year ended 31 December 2017. Members of the DC together with details of their attendance at the DC meetings held during the year, are as follows:

Members	Membership / Designation	Attendance		Remarks
		DC Meetings	Joint DC & ARC Meeting	
Ms Koid Swee Lian	Chairman / PID	8/8	1/1	
Tuan Muniandy Kannyappan J.M.N.	PID	8/8	1/1	
En Mohd Ridzal bin Mohd Sheriff	PID	2/2	0/0	Appointed w.e.f. 5 December 2017
Ms Yeoh Kim Hong	ED	6/8	0/1	
Dato' Mohammad Ayob bin Abu Hassan	ED	6/8	0/1	
Mr Wong Teck Meng	ED	6/8	1/1	
Datuk Noripah binti Kamso	PID	0/2	0/0	Ceased w.e.f. 5 August 2017
Mr Ho Seng Yee	ED	4/8	1/1	Ceased w.e.f. 31 December 2017

ACTIVITIES / INITIATIVES

- In the year of 2017, the DC deliberated 28 complaints;
- Provided clarification and advice on proper mechanism and adequate measures to handle complaints, including (but not limited to) disciplinary procedures.

Disciplinary Sub-Committee (DSC)

The DSC is headed by Ms Koid Swee Lian and responsible to:

- a) Conduct Disciplinary proceedings on cases referred to by the Disciplinary Committee;
- b) Consider and decide if there has been proven misconduct and/or non-compliance with FIMM's rules; and
- c) Decide and impose appropriate disciplinary sanctions.

A total of nine (9) DSC meetings was held for the financial year ended 31 December 2017. Members of the DSC together with details of their attendance at the DSC meetings held during the year, are as follows:

Members	Membership / Designation	Attendance at DSC meetings	Remarks
Ms Koid Swee Lian	Chairman / PID	9/9	
Tuan Muniandy Kannyappan J.M.N.	PID	9/9	
En Mohd Ridzal bin Mohd Sheriff	PID	0/1	Appointed w.e.f. 5 December 2017
Ms Yeoh Kim Hong	ED	6/9	
Dato' Mohammad Ayob bin Abu Hassan	ED	7/9	
Mr Wong Teck Meng	ED	9/9	
Datuk Noripah binti Kamso	PID	0/8	Ceased w.e.f. 5 August 2017
Mr Ho Seng Yee	ED	4/9	Ceased w.e.f. 31 December 2017

ACTIVITIES / INITIATIVES

In 2017 the details of Disciplinary Proceedings involving Disciplinary Sub-Committee (DSC) are as follows:

Month	Number of disciplinary proceedings held	Number of cases heard	Number of UTS consultants involved	Sanctions imposed by DSC	Dismissed by DSC
March	2	4	8	12	-
May	1	1	1	2	-
June	1	1	1	-	1
December	1 (Continuation of disciplinary proceedings that was held in July 2017)	(Continuation of disciplinary proceedings for 1 case that was held in July 2017)	2 UTS consultants were involved in 1 case	1 Private Reprimand was imposed only on 1 UTS consultant	1 No sanction was imposed on 1 UTS consultant and the case against the consultant was dismissed
TOTAL	5	7	12	15	2

Appeal Committee (AC)

The AC is headed by Datuk Siti Hadzar binti Mohd Ismail and it is responsible to conduct appeal proceedings and decide on appeals against decisions of Disciplinary Committee.

There was no AC meeting held in the financial year ended 31 December 2017.

Nomination and Remuneration Committee (NRC)

The NRC is headed by Ms. Che Zakiah binti Che Din and it is responsible to:

- Review and recommend to the Board the whole Human Resource and Administration's Framework, all HR Policies including but not limited to the Employees Handbook, Employees Remunerations, Compensations and Benefits, Company's Salary Range etc.;
- Recommend to the Board a framework for remuneration of Directors and Committee members, including fees, allowances and benefit-in-kind; and
- Review and recommend to the Board professional indemnity and liability insurance for Directors and the management's key personnel.

A total of seven (7) NRC meetings was held for the financial year ended 31 December 2017. Members of the NRC together with details of their attendance at the NRC meetings held during the year, are as follows:

Members	Membership / Designation	Attendance at NRC meetings	Remarks
Ms Che Zakiah binti Che Din	Chairman / PID	0/0	Appointed w.e.f. 5 December 2017
Dato' Mohd Sallehuddin bin Othman	PID	7/7	
Tuan Muniandy Kannyappan J.M.N.	PID	7/7	
En Mohammad bin Hussin	ED	5/7	
Dato' Mohamad Ayob bin Abu Hassan	ED	7/7	
Dato' Fauziah binti Yaacob	Chairman/ PID	6/6	Ceased w.e.f. 11 September 2017

ACTIVITIES / INITIATIVES

- Discussed, reviewed and proposed the following:
 - 2016 Bonus payment and 2017 Salary increment for FIMM staff and recommended to the Board for approval.
 - Promotion for FIMM staff in 2016.
 - Additional manpower and amendment on the Organisation chart.
 - Appointment of General Manager, Corporate Services Division.
- Interviewed and reviewed candidates for the position of Chief Executive Officer.

Procurement Committee (PC)

The PC is headed by Ms Che Zakiah binti Che Din and responsible to:

- a) Conduct periodic review on the Procurement policy and procedures; and
- b) Review and approve the procurement of equipment and/or work/services in accordance with FIMM's Delegation Authority Limit.

A total of eight (8) PC meetings was held for the financial year ended 31 December 2017. Members of the PC together with details of their attendance at the PC meetings held during the year, are as follows:

Members	Membership / Designation	Attendance at PC meetings	Remarks
Ms Che Zakiah binti Che Din	Chairman / PID	1/1	Appointed w.e.f. 5 December 2017
Dato' Mohd Sallehuddin bin Othman	PID	8/8	
Ms Koid Swee Lian	PID	6/8	
Mr Harinder Pal Singh a/l Joga Singh	ED	8/8	
Mr Wong Teck Meng	ED	6/8	
Mr Richard Tan Koon Eam	Subject Matter Expert	4/8	
Dato' Fauziah binti Yaacob	Chairman / PID	5/6	Ceased w.e.f. 11 September 2017

ACTIVITIES / INITIATIVES

1. Discussed, reviewed and recommend for Boards approval the following:-
 - The proposed revised Procurement Policy and Standard Operating Procedures;
 - The proposed IT policy;
 - The appointment of agency for FIMMs' Advertising & Promotional activities;
 - To award the contract to supply, delivering, installing, testing, commissioning and maintaining of FIMMs' IT hardware and software;
 - The proposal to collaborate with its IT vendor for systems application development and its maintenance.
2. Discussed, reviewed and approved the proposed Approved Panel of Vendors (APV), sourcing proposals and award the procurements within its limits.

Audit and Risk Committee (ARC)

Audit & Risk Committee (ARC)

The Board is supported by the ARC, headed by Dato' Mohd Sallehuddin bin Othman, which is responsible to:

- Provide leadership that supports the orderly development and the interests of those engaged in the investment management industry of Malaysia;
- Set policies, strategies and directions for FIMM to carry out its functions as an SRO effectively and efficiently;
- Govern FIMM towards achieving the objects set out in its memorandum & articles of association;
- Provide independent oversight on FIMM's activities as an SRO to ensure it protects public interest, in particular, that of the investors, and to immediately report to the SC on any adverse findings affecting public interest and investor protection;
- Identify key risks, establish policies and processes on risk oversight and risk management;
- Oversee the activities of Board Committees set up for specific purposes by reviewing their recommendations and actions;
- Oversee the activities of the management in particular the CEO by providing regular, honest and rigorous performance feedback to the CEO on his achievement and the achievement of the management generally;
- Ensure FIMM has sufficient financial, human and other essential resources including succession planning to run its operations and discharge its responsibilities; and
- Ensure FIMM upholds and observes securities laws, rules and regulations, other laws, rules and regulations relevant to its operations and continues existence as an SRO.

A total of six (6) ARC meetings was held for the financial year ended 31 December 2017. Members of the ARC together with details of their attendance at the ARC meetings held during the year, are as follows:

Members	Membership / Designation	Attendance		Remarks
		ARC Meetings	Joint DC & ARC Meeting	
Dato' Mohd Sallehuddin bin Othman	Chairman / PID	6/6	1/1	
Ms Koid Swee Lian	PID	5/6	1/1	
Ms Che Zakiah binti Che Din	PID	0/0	0/0	Appointed w.e.f. 5 December 2017
En Mohammad bin Hussin	ED	4/6	0/1	
Mr Harinder Pal Singh a/l Joga Singh	ED	6/6	1/1	
Mr Ismitz Matthew De Alwis	ED	4/6	0/1	
Dato' Fauziah binti Yaacob	PID	5/5	0/0	Ceased w.e.f. 11 September 2017

ACTIVITIES / INITIATIVES

Audit & Risk Committee (ARC) had performed the following activities:

(a) Internal Audit

- Reviewed the effectiveness of internal controls and management's responsiveness to internal auditor's findings and recommendations of each audit assignment as per approved Annual Audit Plan for financial year 2017;
- Reviewed and overseen the progress of the audit recommendations;
- Ensured that the Head of Internal Audit & Risk Management Department (IARMD) has direct access to the Chairman of IARMD and ARC through period of ARC meetings and accountable to the ARC;
- Assessed and approved the performance of the Head of IARMD for Financial Year ended 31 December 2016; and
- Reviewed and approved the proposed Internal Audit & Risk Plan and IARMD Budget for financial year ended 31 December 2018 as well as ensured the department is well resourced.

(b) External Audit

- Reviewed and agreed to recommend the Audited Financial Statements for financial year ended 31 December 2016 to the Board of Directors for approval; and
- Recommended the proposed external auditor's fees for the audit services to the Board of Directors for approval.

(c) Risk Management

- Reviewed and agreed to recommend the FIMM's Consolidated Risk Profile 2017 to the Board of Directors for approval

The graphic features a dark blue square centered on a medium blue background. Inside the dark blue square is a red rectangular frame. The words "Financial Report" are written in white serif font, centered within the red frame.

Financial Report

- 63** Directors' Report
- 66** Statement by Directors
- 67** Statutory Declaration
- 68** Independent Auditors' Report to the Members
- 71** Statement of Financial Position
- 72** Statement of Profit or Loss and Other Comprehensive Income
- 73** Statement of Changes in Accumulated Fund
- 74** Statement of Cash Flows
- 75** Notes to the Financial Statements
- 93** Detailed Statement of Profit or Loss and Other Comprehensive Income

DIRECTORS' REPORT

The Directors have pleasure in submitting their report together with the audited financial statements of the Federation for the financial year ended 31 December 2017.

Principal Activities

The Federation of Investment Managers Malaysia ("Federation") is a recognised self-regulatory organisation ("SRO") since 2011 under section 323(1) of the Capital Markets & Services Act 2007 ("CMSA") by the Securities Commission. As a SRO, the Federation's principal activity is to act as a public interest body in preserving market integrity while striving to protect the interests and rights of the investors and promoting the growth of unit trust and private retirement schemes industry in Malaysia.

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

Financial Results

Operating surplus for the financial year RM1,812,114

Reserves and Provisions

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

Directors

The Directors in office during the financial year and during the period from the end of the financial year to the date of this report are:-

Public Interest Directors:-

Datuk Siti Hadzar binti Mohd Ismail	
Datuk Noripah binti Kamso	(Ceased w.e.f. 05.08.2017)
Dato' Fauziah binti Yaacob	(Ceased w.e.f. 11.09.2017)
Dato' Mohd Sallehuddin bin Othman	
Muniandy a/l Kannyappan J.M.N	
Koid Swee Lian	
Nik Mohd Hasyudeen bin Yusoff	
Mohd Ridzal bin Mohd Sheriff	(Appointed w.e.f. 27.11.2017)
Che Zakiah binti Che Din	(Appointed w.e.f. 27.11.2017)

Elected Directors:-

Mohammad bin Hussin	
Yeoh Kim Hong	
Dato' Mohamad Ayob bin Abu Hassan	
Ho Seng Yee	(Retired w.e.f. 29.12.2017)
Harinder Pal Singh a/l Joga Singh	
Ismitz Matthew De Alwis	
Wong Teck Meng	

Directors (Continued)

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.

Neither during nor at the end of the financial year, was the Federation a party to any arrangement the object of which is to enable the Directors to acquire benefits by means of the acquisition of shares in or debentures of the Federation or any other body corporate.

Directors' Interest

None of the Directors in office at the end of the year had any interest in the Federation during the year.

Directors' Remuneration

Details of Directors' remuneration are disclosed in Note 14 to the financial statements.

None of the Directors or past Directors of the Federation have received any benefits otherwise than in cash from the Federation during the year.

No payment has been paid to or payable to any third party in respect of the services provided to the Federation by the Directors or past Directors of the Federation during the year.

Indemnifying Directors, Officers or Auditors

Except for persons who are or have been Directors and officers of the Federation, no indemnities have been given or insurance premium paid, during or since the end of the year.

Other Statutory Information

Before the financial statements of the Federation were prepared, 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 provision for doubtful debts and satisfied themselves that all known bad debts had been written off and that adequate provision had been made for doubtful debts; and
- (ii) to ensure that any current assets which were unlikely to be realised in the ordinary course of business including the value of current assets as shown in the accounting records of Federation have been written down to an amount which the current assets might be expected so to realise.

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 provision 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.

No contingent or other liabilities of the Federation has become enforceable, or is 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.

Directors (Continued)

Other Statutory Information (Continued)

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.

In the opinion of the Directors:-

- (i) the results of the operations of the Federation for the financial year were not 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' Remuneration

Total amount paid to or receivable by the auditors as remunerations for their services as auditors is RM25,000.

Signed on behalf of the Board of Directors in accordance with a resolution of the Directors.



DATUK SITI HADZAR BINTI MOHD ISMAIL



DATO' MOHD SALLEHUDDIN BIN OTHMAN

KUALA LUMPUR

8 MAR 2018

STATEMENT BY DIRECTORS

PURSUANT TO SECTION 251(2) OF THE COMPANIES ACT, 2016

We, DATUK SITI HADZAR BINTI MOHD ISMAIL and DATO' MOHD SALLEHUDDIN BIN OTHMAN, 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 11 to 39 are drawn up in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act, 2016 in Malaysia so as to give a true and fair view of the financial position of the Federation as of 31 December 2017 and of its financial performance and cash flows for the financial year then ended.

Signed on behalf of the Board of Directors in accordance with a resolution of the Directors.



DATUK SITI HADZAR BINTI MOHD ISMAIL

DATO' MOHD SALLEHUDDIN BIN OTHMAN

KUALA LUMPUR

8 MAR 2018

STATUTORY DECLARATION

PURSUANT TO SECTION 251(1) OF THE COMPANIES ACT, 2016

I, DATO' NORAZHARUDDIN ABU TALIB, 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 11 to 39 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)
DATO' NORAZHARUDDIN ABU TALIB)
at)
Kuala Lumpur Wilayah Persekutuan)
on this date of)

8 MAR 2018



DATO' NORAZHARUDDIN ABU TALIB

Before me,



COMMISSIONER FOR OATHS

SAMSLAH RINTI ALI (No. W 589)
PESURUHJAYA SUMPAH
NO. 142B, TKT BAWAH,
BGN, UMNO SELANGOR
JALAN IPOH, 51200
KUALA LUMPUR W.P.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF FEDERATION OF INVESTMENT MANAGERS MALAYSIA

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Federation of Investment Managers Malaysia, which comprise the statement of financial position as at 31 December 2017 of the Federation, and the statement of profit or loss and other comprehensive income, statement of changes in accumulated fund and statement of cash flows of the year then ended, and notes to the financial statements, including a summary of significant accounting policies as set out on pages 11 to 39.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Federation as at 31 December 2017, and of its financial performance and its cash flows for the year then ended in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act, 2016 in Malaysia

Basis for Opinion

We conducted our audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence and Other Ethical Responsibilities

We are independent of the Federation in accordance with the By-Laws (on Professional Ethics, Conduct and Practice) of the Malaysian Institute of Accountants ("By-Laws") and the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants ("IESBA Code"), and we have fulfilled our other ethical responsibilities in accordance with the By-Laws and the IESBA Code.

Information Other than the Financial Statements and Auditors' Report Thereon

The Directors of the Federation are responsible for the other information. The other information comprises the Directors' Report but does not include the financial statements of the Federation and our auditors' report thereon.

Our opinion on the financial statements of the Federation does not cover the Directors' Report and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements of the Federation, our responsibility is to read the Directors' Report and, in doing so, consider whether the Directors' Report is materially inconsistent with the financial statements of the Federation or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of the Directors' Report, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Statements

The Directors of the Federation are responsible for the preparation of financial statements of the Federation that give a true and fair view in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act, 2016 in Malaysia. The Directors are also responsible for such internal control as the Directors determine is necessary to enable the preparation of financial statements of the Federation that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements of the Federation, the Directors are responsible for assessing the Federation's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Federation or to cease operations, or have no realistic alternative but to do so.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements of the Federation as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with approved standards on auditing in Malaysia and International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements of the Federation, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.
- Conclude on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Federation's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Federation or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Federation to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements of the Federation, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

FINANCIAL REPORT

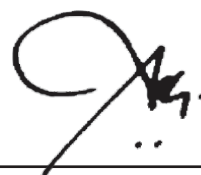
We communicate with the Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Other Matters

This report is made solely to the members of the Federation, as a body, in accordance with Section 266 of the Companies Act, 2016 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: 1729/05/18 (J/PH)
Chartered Accountant

KUALA LUMPUR

8 March 2018

STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2017

	Note	2017 RM	2016 RM
Non-Current Assets			
Property, plant and equipments	5	1,349,205	551,106
Deferred tax asset	6	225,547	117,031
		<u>1,574,752</u>	<u>668,137</u>
Current Assets			
Other receivables	7	747,450	581,608
Tax recoverable		303,329	561,569
Fixed deposits with a financial institution	8	35,133,466	32,870,042
Cash and bank balances		486,395	965,106
		<u>36,670,640</u>	<u>34,978,325</u>
Current Liability			
Other payables	9	2,159,922	1,373,106
Net current assets		<u>34,510,718</u>	<u>33,605,219</u>
		<u>36,085,470</u>	<u>34,273,356</u>
Equity attributable to owners of the parent			
Accumulated fund	10	20,985,273	19,892,216
SRO requirement reserve	11	15,100,197	14,381,140
		<u>36,085,470</u>	<u>34,273,356</u>

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 2017

	Note	2017 RM	2016 RM
Revenue	12	13,555,826	13,195,949
Other income	13	1,194,855	1,025,825
Administrative expenses	14	(6,127,603)	(4,444,550)
Staff costs	15	(6,441,019)	(6,443,439)
Excess of revenue over expenditure		2,182,059	3,333,785
Taxation	16	(369,945)	(100,817)
Operating surplus and total comprehensive income for the financial year		1,812,114	3,232,968

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

STATEMENT OF CHANGES IN ACCUMULATED FUND

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

		← Non Distributable →	SRO	
	Note	Accumulated fund RM	requirement reserve RM	Total RM
Balance as at 1 January 2017		19,892,216	14,381,140	34,273,356
Transfer to SRO Fund requirement reserve	11	(719,057)	719,057	-
Total comprehensive income for the financial year		1,812,114	-	1,812,114
Balance as at 31 December 2017		<u>20,985,273</u>	<u>15,100,197</u>	<u>36,085,470</u>
Balance as at 1 January 2016		17,344,064	13,696,324	31,040,388
Transfer to SRO Fund requirement reserve	11	(684,816)	684,816	-
Total comprehensive income for the financial year		3,232,968	-	3,232,968
Balance as at 31 December 2016		<u>19,892,216</u>	<u>14,381,140</u>	<u>34,273,356</u>

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

STATEMENT OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

	2017 RM	2016 RM
Cash Flows From Operating Activities		
Excess of revenue over expenditure	2,182,059	3,333,785
Adjustments for:-		
Depreciation of property, plant and equipment	263,333	347,266
Interest income	(1,041,136)	(931,017)
Excess of operating revenue over expenditure before working capital changes	1,404,256	2,750,034
Changes in working capital:		
Other receivables	(165,842)	344,268
Other payables	786,816	(66,943)
	620,974	277,325
Cash generated from operations	2,025,230	3,027,359
Tax paid	(220,221)	(766,298)
Net cash generated from operating activities	1,805,009	2,261,061
Cash Flows From Investing Activities		
Purchase of property, plant and equipment	(1,061,432)	(168,168)
Interest received	1,041,136	931,017
Net cash (used in)/generated from investing activities	(20,296)	762,849
Net increase in cash and cash equivalents	1,784,713	3,023,910
Cash and cash equivalents at the beginning of the financial year	33,835,148	30,811,238
Cash and cash equivalents at the end of the financial year	35,619,861	33,835,148
Cash and cash equivalents at the end of the financial year comprises:-		
Fixed deposits with a financial institution	35,133,466	32,870,042
Cash and bank balances	486,395	965,106
	35,619,861	33,835,148

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

NOTES TO THE FINANCIAL STATEMENTS

1. Corporate Information

The Federation of Investment Managers Malaysia ("Federation") is a recognised self-regulatory organisation ("SRO") since 2011 under section 323(1) of the Capital Markets & Services Act 2007 ("CMSA") by the Securities Commission. As a SRO, the Federation's principal activity is to act as a public interest body in preserving market integrity while striving to protect the interests and rights of the investors and promoting the growth of unit trust and private retirement schemes industry in Malaysia.

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

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 Level 7, Menara Millenium, Jalan Damanlela, Pusat Bandar Damansara, Damansara Heights, 50490 Kuala Lumpur.

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

2. Basis of Preparation

(a) Basis of preparation

The financial statements of the Federation have been prepared in accordance with the provisions of the Malaysian Financial Reporting Standards ("MFRS"), International Financial Reporting Standards and the requirements of the Companies Act, 2016 in Malaysia.

The financial statements have been prepared under the historical cost convention except as disclosed in summary of significant accounting policies.

The preparation of financial statements in conformity with MFRS requires the use of certain critical accounting estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amount of revenues and expenses during the reported period. It also requires Directors to exercise their judgement in the process of applying the Federation's accounting policies. Although these estimates and judgement are based on the Directors' best knowledge of current events and actions, actual results may differ. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 4 to the financial statements.

Amendments to accounting standards that are effective for the Federation's financial year beginning on or after 1 January 2017 are as follows:

- Amendments to MFRS 12, "Disclosure of Interest in Other Entities" (Annual Improvements 2014-2016 cycle)
- Amendments to MFRS 107, "Disclosure Initiative"
- Amendments to MFRS 112, "Recognition of Deferred Tax Assets for Unrealised Losses"

Notes to the Financial Statements (Continued)

The above accounting standard and amendments to accounting standards effective during the financial year do not have any significant impact to the financial results and position of the Federation.

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

Annual periods beginning on/after 1 January 2018

- MFRS 9, "Financial Instruments"
- MFRS 15, "Revenue from Contracts with Customers"
- Amendments to MFRS 1, "First-time Adoption of Malaysian Financial Reporting Standards" (Annual improvements 2014-2016 cycle)
- Amendments to MFRS 2, "Classification and Measurement of Share-Based Payment Transactions"

(b) Standard issued but not yet effective

Annual periods beginning on/after 1 January 2018 (continued)

- Amendments to MFRS 4, "Applying MFRS 9 Financial Instruments with MFRS 4 Insurance Contracts"
- Amendments to MFRS 128, "Investments in Associates and Joint Ventures" (Annual improvements 2014-2016 cycle)
- Amendments to MFRS 140, "Transfers of Investment Property"

Annual periods beginning on/after 1 January 2019

- MFRS 16, "Leases"
- Amendments to MFRS 9, "Prepayment Features with Negative Compensation"
- Amendments to MFRS 128, "Long-term Interests in Associates and Joint Ventures"

Annual periods beginning on/after 1 January 2021

- MFRS 17, "Insurance Contracts"

Effective date yet to be determined by the Malaysian Accounting Standards Board

- Amendments to MFRS 10 and MFRS 128, "Sale or Contribution of Assets between an Investor and its Associate or Joint Venture"

The above accounting standards, amendments to accounting standards which may have a significant impact to the financial statements are as follows:

Annual periods beginning on/after 1 January 2018

MFRS 9 Financial Instruments

This Standard addresses the classification, measurement and recognition of financial assets and financial liabilities.

Classification determines how financial assets and financial liabilities are accounted for in financial statements and, in particular, how they are measured on an ongoing basis. The Standard introduces an approach for classification of financial assets which is driven by cash flow characteristics and the business model in which an asset is held. The new model also results in a single impairment model being applied to all financial instruments, thereby removing a source of complexity associated with previous accounting requirements. If a financial asset is a simple debt instrument and the objective of

Notes to the Financial Statements (Continued)

the entity's business model within which it is held is to collect its contractual cash flows, the financial asset is measured at amortised cost. In contrast, if that asset is held in a business model the objective of which is achieved by both collecting contractual cash flows and selling financial assets, then the financial asset is measured at fair value in the balance sheet, and amortised cost information is provided through profit or loss. If the business model is neither of these, then fair value information is increasingly important, so it is provided both in the profit or loss and in the balance sheet.

The Standard introduces a new, expected-loss impairment model that will require more timely recognition of expected credit losses. Specifically, it requires entities to account for expected credit losses from when financial instruments are first recognised and to recognise full lifetime expected losses on a more timely basis. The model requires an entity to recognise expected credit losses at all times and to update the amount of expected credit losses recognised at each reporting date to reflect changes in the credit risk of financial instruments. This model is forward-looking and it eliminates the threshold for the recognition of expected credit losses, so that it is no longer necessary for a trigger event to have occurred before credit losses are recognised.

In addition, the Standard introduces a substantially-reformed model for hedge accounting, with enhanced disclosures about risk management activity. The new model represents a significant overhaul of hedge accounting that aligns the accounting treatment with risk management activities, enabling entities to better reflect these activities in their financial statements. As a result of these changes, users of the financial statements will be provided with better information about risk management and the effect of hedge accounting on the financial statements.

MFRS 16 "Leases"

The Standard eliminates the distinction between finance and operating leases for lessees. All leases will be brought onto its balance sheet as recording certain leases as off-balance sheet leases will no longer be allowed except for some limited practical exemptions.

3. Significant Accounting Policies**(a) Functional and presentation currency**

Items included in the financial statements of the Federation are measured using the currency at the primary economic environment in which the entity operates (the "functional currency"). The financial statements are presented in Ringgit Malaysia ("RM"), which is the Federation's functional currency and presentation currency.

(b) Property, plant and equipment**(i) Recognition and measurement**

Property, plant and equipment are stated at cost less accumulated depreciation and impairment losses. The cost of an item of property, plant and equipment initially recognised includes its purchase price and any cost that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

(ii) Subsequent costs

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Federation and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are recognised as expenses in profit or loss during the financial period in which they are incurred.

Notes to the Financial Statements (Continued)

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 and losses on disposals are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment and are recognised in net in the profit or loss.

(iii) Depreciation and impairment

Depreciation is recognised in the profit or loss 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 of each part of an item of property, plant and equipment.

The estimated useful lives for the current and comparative periods are as follows:

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

The depreciable amount is determined after deducting the residual value.

Depreciation methods, useful lives and residual values are reassessed at each reporting period, and adjusted as appropriate.

At the end of the reporting period, the Federation assesses whether there is any indication of impairment. If such indications exist, an analysis is performed to assess whether the carrying amount of the asset is fully recoverable. A write down is made if the carrying amount exceeds the recoverable amount in accordance with accounting policy Note 4(a) to the financial statements.

(c) Leases

Operating leases

Leases of assets where a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases, net of any incentives received from the lessor, are charged to profit or loss on the straight line basis over the lease period.

(d) Financial assets

(i) Classification

The Federation classifies its financial assets based on the purpose for which the financial assets were acquired at initial recognition in the following categories:

Financial assets at fair value through profit or loss

Fair value through profit or loss category comprises financial assets that are held for trading, including derivatives (except for a derivative that is a financial guarantee contract or a designated and effective hedging instrument) or financial assets that are specifically designated into this category upon initial recognition.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market.

They are included in current assets, except for maturities greater than 12 months after the end of the reporting period. These are classified as non-current assets.

Notes to the Financial Statements (Continued)

Held-to-maturity financial assets

Held-to-maturity financial assets are non-derivative financial assets with fixed or determinable payments and fixed maturities that the Federation's management has the positive intention and ability to hold to maturity.

Held-to-maturity financial assets are included in non-current assets, except for those with maturities less than 12 months from the end of the reporting period, which are classified as current assets.

Available for sale financial assets

Available-for-sale financial assets are non-derivatives that are either designated in this category or not classified in any of the other categories.

They are included in non-current assets unless the investment matures or management intends to dispose of it within 12 months of the end of the reporting period.

(ii) Recognition and initial measurement

Regular purchases and sales of financial assets are recognised on the trade-date, the date on which the Federation commits to purchase or sell the asset.

Financial assets are initially recognised at fair value plus transaction costs for all financial assets not carried at fair value through profit or loss. Financial assets carried at fair value through profit or loss are initially recognised at fair value, and transaction costs are expensed in profit or loss.

(iii) Subsequent measurement

Gains and losses

Financial assets at fair value through profit or loss and available-for-sale financial assets are subsequently carried at fair value. Loans and receivables and held-to-maturity financial assets are subsequently carried at amortised cost using the effective interest method.

Changes in the fair values of financial assets at fair value through profit or loss, including the effects of currency translation, interest and dividend income are recognised in profit or loss in the period in which the changes arise.

Changes in the fair value of available-for-sale financial assets are recognised in other comprehensive income. Impairment losses and exchange differences on monetary assets are recognised in profit or loss, whereas exchange differences on non-monetary assets are recognised in other comprehensive income as part of fair value change.

Interest and dividend income on available-for-sale financial assets are recognised separately in profit or loss. Interest on available-for-sale debt securities calculated using the effective interest method is recognised in profit or loss. Dividend income on available-for-sale equity instruments are recognised in profit or loss when the Federation's right to receive payments is established.

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.

Notes to the Financial Statements (Continued)

An impairment loss in respect of loans and receivables and held-to-maturity investments is recognised in profit or loss and is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the asset's original effective interest rate. The carrying amount of the asset is reduced through the use of an allowance account.

An impairment loss in respect of available-for-sale financial assets is recognised in profit or loss and is measured as the difference between the asset's acquisition cost (net of any principal repayment and amortization) and the asset's current fair value, less any impairment loss previously recognised. Where a decline in the fair value of an available-for-sale financial asset has been recognised in other comprehensive income, the cumulative loss in other comprehensive income is reclassified from equity to profit or loss.

An impairment loss in respect of unquoted equity instrument that is carried at cost is recognised in profit or loss and is measured as the difference between the financial asset's carrying amount and the present value of estimated future cash flows discounted at the current market rate of return for a similar financial asset.

Impairment losses recognised in profit or loss for an investment in an equity instrument classified as available for sale is not reversed through profit or loss.

If, in a subsequent period, the fair value of a financial asset measured at amortised cost and the increase can be objectively related to an event occurring after the impairment loss was recognised in profit or loss, the impairment loss is reversed, to the extent that the asset's carrying amount does not exceed what the carrying amount would have been had the impairment not been recognised at the date the impairment is reversed. The amount of the reversal is recognised in profit or loss.

(iv) De-recognition

Financial assets are de-recognised when the rights to receive cash flows from the investments have expired or have been transferred and the Federation has transferred substantially all risks and rewards of ownership.

Receivables that are factored out to banks and other financial institutions with recourse to the Federation are not derecognised until the recourse period has expired and the risks and rewards of the receivables have been fully transferred. The corresponding cash received from the financial institutions is recorded as borrowings.

When available-for-sale financial assets are sold, the accumulated fair value adjustments recognised in other comprehensive income are reclassified to profit or loss.

(e) Impairment of non-financial assets

Assets that are subject to amortisation and depreciation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

For the purpose of impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or cash-generating units.

The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or cash-generating unit.

An impairment loss is recognized if the carrying amount of an asset or its related cash-generating unit exceeds its estimated recoverable amount. Impairment losses are recognised in profit or loss unless it reverses a previous revaluation in which it is charged to the revaluation surplus.

Notes to the Financial Statements (Continued)

Impairment losses recognised in prior periods are assessed at the end of each reporting period for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount since the last impairment loss was recognised. An impairment loss is reversed only to the extent that the asset's carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised. Reversals of impairment losses are credited to profit or loss in the financial year in which the reversals are recognised.

(f) Cash and cash equivalents

Cash and cash equivalents consist of cash on hand, balances and deposits with banks and highly liquid investments which have an insignificant risk of changes in fair value with original maturities of three months or less, and are used by the Federation in the management of their short term commitments. For the purpose of the statements of cash flows, cash and cash equivalents are presented net of bank overdrafts and pledged deposits.

(g) Financial liabilities

Short-term borrowings, trade and 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 net of transaction costs for all financial liabilities not carried at fair value through profit or loss. Financial liabilities carried at fair value through profit or loss are initially recognised at fair value, and transaction costs are expensed in profit or loss.

All financial liabilities are subsequently measured at amortised cost using the effective interest method other than those categorised as fair value through profit or loss.

Other financial liabilities categorised as fair value through profit or loss are subsequently measured at their fair values with the gain or loss recognised in profit or loss.

Fair Value Through Profit and Loss category comprises financial liabilities that are derivatives (except for a derivative that is a financial guarantee or a designated and effective hedging instrument) or financial liabilities that are specifically designated into this category upon initial recognition.

(h) Offsetting financial instruments

Financial assets and liabilities are offset and the net amount presented in the statements of financial position when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis, or realise the asset and settle the liability simultaneously.

(i) Provisions for liabilities

Provisions 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.

Notes to the Financial Statements (Continued)**(j) 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 profit or loss 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.

(k) 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 compensated absences.

Short term non-accumulating compensated absences such as sick 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 reporting date.

(ii) Defined 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 profit or loss as incurred.

(iii) Private Retirement Scheme ("PRS")

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

(l) Income and deferred taxes

The tax expense for the period comprises current and deferred tax. Tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case the tax is also recognised in other comprehensive income or directly in equity, respectively.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted by the end of the reporting period, and any adjustment to tax payable in respect of previous financial years.

Notes to the Financial Statements (Continued)

Deferred tax is recognised, using the liability method, on temporary differences arising between the amounts attributed to assets and liabilities for tax purposes and their carrying amounts in the financial statements. However, deferred tax is not accounted for if it arises from initial recognition of an asset or liability transaction other than business combination that at the time of the transaction affects neither accounting nor taxable profit nor loss. Deferred tax is determined using tax rates that have been enacted or substantively enacted by the end of the reporting period and are expected to apply when related deferred tax asset is realized or the deferred tax liability is settled.

Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, unused tax losses or unused tax credits can be utilized.

Deferred tax is not recognised if the temporary difference arises from goodwill or from the initial recognition of asset or liability in a transaction which is not a business combination and, at the time of the transaction, affects neither accounting profit nor taxable profit.

Deferred and income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income tax assets and liabilities relate to taxes levied by the same taxation authority on either the taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

4. 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 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 balance sheet 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:

(a) Impairment of financial assets

The impairment is established when there is objective evidence that the Federation will not be able to collect all amounts due according to the original terms of receivables. This is determined based on the ageing profile, expected collection patterns of individual receivable balances and makes estimates about the amount of credit losses that have been incurred at each financial statement reporting date. Any changes to the ageing profile, collection patterns, credit quality and credit losses can have an impact on the impairment recorded.

(b) Impairment of non-financial assets

The Federation assesses whether there are any indicators of impairment for all non-financial assets at each reporting date. When such indicators exist, recoverable amounts of the cash-generating unit are determined based on the value-in-use calculation. These calculations require the estimation of the expected future cash flows from the cash generating unit and a suitable discount rate is applied in order to calculate the present value of those cash flows.

(c) Depreciation of property, plant and equipment

The costs of property, plant and equipment of the Federation are depreciated on a straight line basis over the useful lives of the assets. Management estimates the useful lives of the property, plant and equipment as disclosed in Note 3(b)(iii) to the financial statements. These are common life expectancies applied in the industry. Changes in the expected level of usage and technological developments could impact on the economic useful lives and the residual values of these assets, therefore future depreciation charges could be revised.

Notes to the Financial Statements (Continued)

(d) Income taxes

The Federation has exposure to income taxes in numerous jurisdictions. Significant judgement is involved in determining the Federation's provision for income taxes. There are certain transactions and computations for which the ultimate tax determination is uncertain during the ordinary course of business. 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.

Notes to the Financial Statements (Continued)

5. Property, Plant and Equipment

	Office equipment RM	Furniture and fittings RM	Office renovations RM	Motor vehicles RM	Total RM
Cost					
At 1.1.2017	2,474,153	350,256	570,250	169,223	3,563,882
Additions	1,050,102	11,330	-	-	1,061,432
At 31.12.2017	3,524,255	361,586	570,250	169,223	4,625,314
Accumulated depreciation					
At 1.1.2017	2,036,757	252,718	570,246	153,055	3,012,776
Charge for the financial year	228,419	18,749	-	16,165	263,333
At 31.12.2017	2,265,176	271,467	570,246	169,220	3,276,109
Carrying amount					
At 31.12.2017	1,259,079	90,119	4	3	1,349,205
Cost					
At 1.1.2016	2,306,791	349,450	570,250	169,223	3,395,714
Addition	167,362	806	-	-	168,168
At 31.12.2016	2,474,153	350,256	570,250	169,223	3,563,882
Accumulated depreciation					
At 1.1.2016	1,898,645	234,617	411,524	120,724	2,665,510
Charge for the financial year	138,112	18,101	158,722	32,331	347,266
At 31.12.2016	2,036,757	252,718	570,246	153,055	3,012,776
Carrying amount					
At 31.12.2016	437,396	97,538	4	16,168	551,106

Notes to the Financial Statements (Continued)

6. Deferred Tax Asset

	2017 RM	2016 RM
At 1 January	117,031	(48,935)
Recognised in profit or loss	108,516	165,966
At 31 December	225,547	117,031
Presented after appropriate offsetting as follows:		
Deferred tax asset	492,781	165,966
Deferred tax liability	(267,234)	(48,935)
	225,547	117,031

The component and movements of deferred tax assets and deferred tax liabilities during the year, prior to offsetting, are as follows:

	2017 RM	2016 RM
Deferred tax assets (before offsetting)		
At 1 January	165,966	-
Recognised in profit or loss	351,033	68,541
(Over)/Under provision in respect of prior year	(24,218)	97,425
At 31 December	492,781	165,966
Less: Offsetting	(267,234)	(48,935)
Deferred tax asset (after offsetting)	225,547	117,031
Deferred tax liability (before offsetting)		
At 1 January	(48,935)	(48,935)
Recognised in profit or loss	(257,543)	-
Over provision in respect of prior year	39,244	-
At 31 December	(267,234)	(48,935)
Less: Offsetting	267,234	48,935
Deferred tax liability (after offsetting)	-	-

Notes to the Financial Statements (Continued)

7. Other Receivables

	2017 RM	2016 RM
Other receivables	211,586	237,008
Deposits	254,997	254,997
Prepayments	280,867	89,603
	<u>747,450</u>	<u>581,608</u>

8. Fixed Deposits with a Financial Institution

The fixed deposits interest rates range from 2.95% to 3.71% (2016: 3.05% to 3.54%) per annum and the tenure ranges from 5 to 132 days (2016: 30 to 184 days) respectively.

9. Other Payables

	2017 RM	2016 RM
Other payables	574,456	74,629
Accruals		
- Staff bonus and benefit	846,370	857,350
- Others	370,690	167,550
Advance billings	140,807	198,329
Deferred revenue	227,599	75,248
	<u>2,159,922</u>	<u>1,373,106</u>

10. 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 (Continued)

11. SRO Requirement Reserve

	2017 RM	2016 RM
At 1 January	14,381,140	13,696,324
Transfer from accumulated fund	719,057	684,816
At 31 December	<u>15,100,197</u>	<u>14,381,140</u>

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 15A of the Federation's Articles of Association and Paragraph 1.14(a) and (b) of Appendix 1 of the Guidelines on SRO issued by the Securities Commission dated 5 January 2015, the Federation is required to maintain a 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.

12. 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.

13. Other Income

	2017 RM	2016 RM
Conference fees received	145,470	83,590
Interest income	1,041,136	931,017
Sundry income	8,249	11,218
	<u>1,194,855</u>	<u>1,025,825</u>

Notes to the Financial Statements (Continued)

14. Administration Expenses

Administration expenses consist of:

	Note	2017 RM	2016 RM
Auditors' remuneration		25,000	23,000
Depreciation of property, plant and equipment		263,333	347,266
Key management personnel compensation	17	310,634	275,200
Other project expenses		196,525	122,087
Rental of premises		572,760	523,990
UTC seminar expenses		369,640	213,865
Examination expenses		1,410,049	1,622,721
Attendance fees			
- Directors		628,000	508,000
- Subject Matter Experts		8,000	6,000

15. Staff Costs

	2017 RM	2016 RM
Staff costs (excluding Directors)	6,441,019	6,443,439

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 RM639,368 (2016: RM623,470)
- (b) contributions made to registered Private Retirement Scheme for eligible employees of the Federation amounting to RM38,391 (2016: RM35,372).

16. Taxation

	2017 RM	2016 RM
Current tax:		
- Current year	249,345	229,768
- Under provision in prior year	229,116	37,015
	478,461	266,783
Deferred tax (Note 6):		
- Current year	(45,054)	(68,541)
- Over provision in prior year	(63,462)	(97,425)
	(108,516)	(165,966)
Tax expense for the financial year	369,945	100,817

Notes to the Financial Statements (Continued)

Income tax is calculated at the statutory tax rate of 26% (2016: 26%) of the estimated assessable operating surplus and total comprehensive income for the financial year.

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:

	2017 RM	2016 RM
Excess of revenue over expenditure	2,182,059	3,333,785
On the first RM600,000 of chargeable income	134,650	134,650
26% (2016: 26%) on the balance of chargeable income	411,335	710,784
Expenses not deductible for tax purposes	109,051	64,835
Tax exempt income	(450,745)	(749,042)
Under provision of current taxation in prior year	229,116	37,015
Over provision of deferred taxation in prior year	(63,462)	(97,425)
Tax expense for the financial year	369,945	100,817

- * 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% (2016: 26%) and the scale rates applicable to the Federation.

17. Key Management Personnel Compensation

	2017 RM	2016 RM
Other key management personnel		
- Short term employee benefit	310,634	275,200

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.

Notes to the Financial Statements (Continued)

18. Financial Instruments

	2017		2016	
	Loans and receivables/ other financial liabilities RM	Total RM	Loans and receivables/ other financial liabilities RM	Total RM
Financial assets				
Other receivables	747,450	747,450	581,608	581,608
Fixed deposits with a financial institution	35,133,466	35,133,466	32,870,042	32,870,042
Cash and bank balances	486,395	486,395	965,106	965,106
	36,367,311	36,367,311	34,416,756	34,416,756
Financial liabilities				
Other payables	2,159,922	2,159,922	1,373,106	1,373,106
	2,159,922	2,159,922	1,373,106	1,373,106

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 credit risk, liquidity and cash flow risk.

(a) Credit risk

The Federation's exposure to credit risk arises mainly from receivables. Receivables are monitored on an on-going 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.

(b) 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.

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

FINANCIAL REPORT

Notes to the Financial Statements (Continued)

	Carrying amount RM	Contractual interest rate %	Contractual cash flows RM	Below one year RM
2017				
Other payables	2,159,922	-	2,159,922	2,159,922
2016				
Other payables	1,373,106	-	1,373,106	1,373,106

19. Capital Management

The Federation is a recognised Self-Regulatory Organisation ("SRO") since 2011 under Section 323(1) of the Capital Markets & Services Act 2007 ("CMSA") by the Securities Commission.

The Federation is required to ensure there is sufficient financial resources to fund its operations and in reference to Article 15A of the Federation's Articles of Association and to maintain a SRO Requirement Reserve which fulfills the criteria as stated in Note 12 to the financial statements.

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

20. Date of Authorisation for Issue

The financial statements of the Federation for the financial year ended 31 December 2017 were authorised for issue in accordance with a resolution of the Board of Directors on 8 March 2018.

DETAILED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

	2017 RM	2016 RM
Revenue		
<u>Unit Trust</u>		
Members' subscription	8,318,751	8,051,237
Institutional Unit Trust Advisers (IUTAs)		
- application fees	3,750	1,250
- annual fees	790,000	810,000
Corporate Unit Trust Advisers (CUTAs)		
- application fees	12,000	4,000
- annual fees	7,500	5,000
	9,132,001	8,871,487
<u>Private Retirement Scheme (PRSs)</u>		
Members' subscription	11,575	10,000
Institutional Private Retirement Advisers (IPRAs)		
- annual fees	20,000	20,000
	31,575	30,000
Examination fees	4,191,047	4,064,946
Re-registration fees	201,203	229,516
	13,555,826	13,195,949
<u>Other income</u>		
Interest income	1,041,136	931,017
Conference income	145,470	83,590
Sundry income	8,249	11,218
	1,194,855	1,025,825
Less: Administration expenses		
Auditors' remuneration		
- external audit	(25,000)	(23,000)
Advertisement	(29,554)	(15,408)
AGM expenses	(34,395)	(35,346)
Attendance fees	(636,000)	(514,000)
Bankruptcy search expenses	(77,017)	(74,331)
Bank charges	(3,061)	(3,731)
Board and committee expenses		
- Board expenses	(6,063)	(2,283)
- Committee expenses	(11,928)	(8,122)
Computer program	(121,226)	(98,340)

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

FINANCIAL REPORT

For The Financial Year Ended 31 December 2017 (Continued)

	2017 RM	2016 RM
Less: Administration expenses		
Courier and postage	(2,853)	(2,062)
Depreciation	(263,334)	(347,266)
Entertainment	(3,103)	-
Examination expenses	(1,410,049)	(1,622,721)
Filing and stamping fees	(5,100)	(670)
Fund expenses	(38,471)	(35,805)
Handphone claims	(12,758)	(15,413)
Insurance	(56,550)	(75,399)
International conference	(140,547)	(58,407)
Library books	(115)	(623)
Magazines and periodicals	(7,516)	(6,744)
Other project expenses	(196,525)	(122,087)
Printing and stationery	(63,914)	(71,011)
Professional fees	(130,040)	(45,183)
Promotion - Billboard/Media advertisements	(1,548,185)	(170,840)
PRs expenses	(4,462)	(3,011)
Rental	(572,760)	(523,990)
Secretarial fees	(3,600)	(3,634)
Sundry expenses	(11,054)	(17,861)
Telephone and faxes	(48,285)	(54,799)
Travelling and accommodation	(126,690)	(102,563)
Upkeep of office	(29,271)	(36,186)
Upkeep of office equipment	(2,984)	(1,570)
UTCs expenses	(97,735)	(99,841)
UTCs seminar expenses	(369,640)	(213,865)
Water and electricity	(37,818)	(38,438)
	(6,127,603)	(4,444,550)
Less: Staff costs	(6,441,019)	(6,443,439)
Excess of revenue over expenditure	2,182,059	3,333,785
Taxation	(369,945)	(100,817)
Operating surplus and total comprehensive income for the year	1,812,114	3,232,968

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

The graphic features a solid blue background. In the center is a dark blue square. Inside this square is a red rectangular frame. The text "Calendar of Events" is written in white serif font, centered within the red frame. The entire composition is enclosed in a thin white rectangular border.

Calendar of Events

Calendar of Events 2017

FEBRUARY

- FIMM Seminar, Kuala Lumpur (23 February 2017)

MARCH

- FIMM Seminar, Kuala Lumpur (9 March 2017)
- FIMM Seminar, Kuantan (16 March 2017)
- FIMM Seminar, Kuala Lumpur (28 March 2017)



APRIL

- FIMM Seminar, Kuching (6 April 2017)
- Industry Engagement Session on FIMM 5-Year Strategic Blueprint (11-17 April 2017)
- FIMM Seminar, Kota Kinabalu (19 April 2017)
- Participated at the Minggu Saham Amanah Malaysia Exhibition organised by Permodalan Nasional Berhad (19 April 2017)



MAY

- Industry Briefing on Common Reporting System (CRS) by Deloitte Tax Services Sdn Bhd (17 May 2017)
- FIMM Seminar, Seberang Jaya (18 May 2017)
- InvestSmart Day, Ipoh (20 May 2017)

JUNE

- 23rd Annual General Meeting (13 June 2017)



JULY

- InvestSmart Day, Kuching (14 July 2017)
- FIMM Seminar, Kota Kinabalu (26 July 2017)



AUGUST

- FIMM Seminar, Kuala Lumpur (3 August 2017)
- FIMM Seminar, Ipoh (10 August 2017)
- InvestSmart Day, Penang (11 August 2017)
- InvestSmart Day, Ipoh (18 August 2017)
- FIMM Seminar, Penang (22 August 2017)



SEPTEMBER

- FIMM Seminar, Kuching (14 September 2017)
- FIMM's Annual Convention (28 September 2017)
- Launch of FIMM's Advertising & Promotions Campaign



OCTOBER

- Participated at the InvestSmart Fest organised by Securities Commission (13-15 October 2017)



NOVEMBER

- Participated at the Shariah Investing Fair organised by Bursa Malaysia (25-26 November)
- CEO Tea Talk: Creating Better Digital Investment Solutions (30 November 2017)
- Industry Briefing with EPF on Elektronik Pilihan Pelaburan Ahli (EPPA) (30 November 2017)





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

PROXY FORM

I _____
(FULL NAME IN BLOCK LETTERS)
of _____
(FULL NAME IN BLOCK LETTERS)
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 _____
(FULL NAME IN BLOCK LETTERS)
of _____
(FULL NAME IN BLOCK LETTERS)

(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 Twenty-Forth (24th) Annual General Meeting of FIMM to be held on Monday, 11 June 2018 at 3.00 p.m. and at any adjournment thereof *for/against of that meeting.

This form is to be used * in favour of/against the following resolution.

Resolutions	For	Against
Ordinary Resolution 1 To re-appoint Datuk Siti Hadzar binti Mohd Ismail as a member of the Board of FIMM and to hold office until the conclusion of the next Annual General Meeting (AGM) of FIMM pursuant to Article 29(c) of FIMM's Article of Association.		
Ordinary Resolution 2 To approve the revision and proposed payment of attendance fee of RM3,000.00 payable to Chairman of the Board and RM1,500.00 payable to Chairman of Board Committees for attendance at Board and Board Committees meetings respectively with effect from 1 January 2018 and subsequent to note their attendance fee for the following year onwards.		
Ordinary Resolution 3 To approve the proposed payment of attendance fee of RM500.00 payable to Public Interest Directors for attendance at any official meetings/dialogues with effect from 1 January 2018 and subsequent to note their attendance fee for the following year onwards.		
Ordinary Resolution 4 To approve the proposed payment of annual allowance of RM12,000.00 payable to Public Interest Directors with effect from 1 January 2018 and subsequent to note their annual allowance for the following year onwards.		
Ordinary Resolution 5 To consider and if thought fit, to pass the following resolution: "THAT Messrs Ernst & Young, having consented to act, be and are hereby appointed as Auditors of FIMM in place of the retiring Auditors, Messrs Morison Anuarul Azizan Chew, and to hold office until the conclusion of the next AGM of FIMM, at a remuneration to be determined by the Board of Directors."		

Signed this _____ day of _____ 2018.

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.

Last date and time for lodging the aforesaid instrument	:	Saturday, 9 June 2018 at 3.00 p.m.
(Attn: Ms. Tan Ley Theng/ Ms. Carmen Chew) (Tel No.: 03 – 2084 9000; Fax No.: 03-2094 9940)		

PROXY FORM

(Please fold here)

STAMP

Registered Office of FIMM
SECURITIES SERVICES (HOLDINGS) SDN BHD
Level 7, Menara Millenium, Jalan Damanlela
Pusat Bandar Damansara, Damansara Heights
50490 Kuala Lumpur

(Please fold here)



Federation of Investment Managers Malaysia

19-06-1, 6th Floor, Wisma Tune,
19, Lorong Dungun, Damansara Heights,
50490 Kuala Lumpur, Malaysia.