



# RISING ABOVE **CHALLENGES**

ANNUAL REPORT 2019





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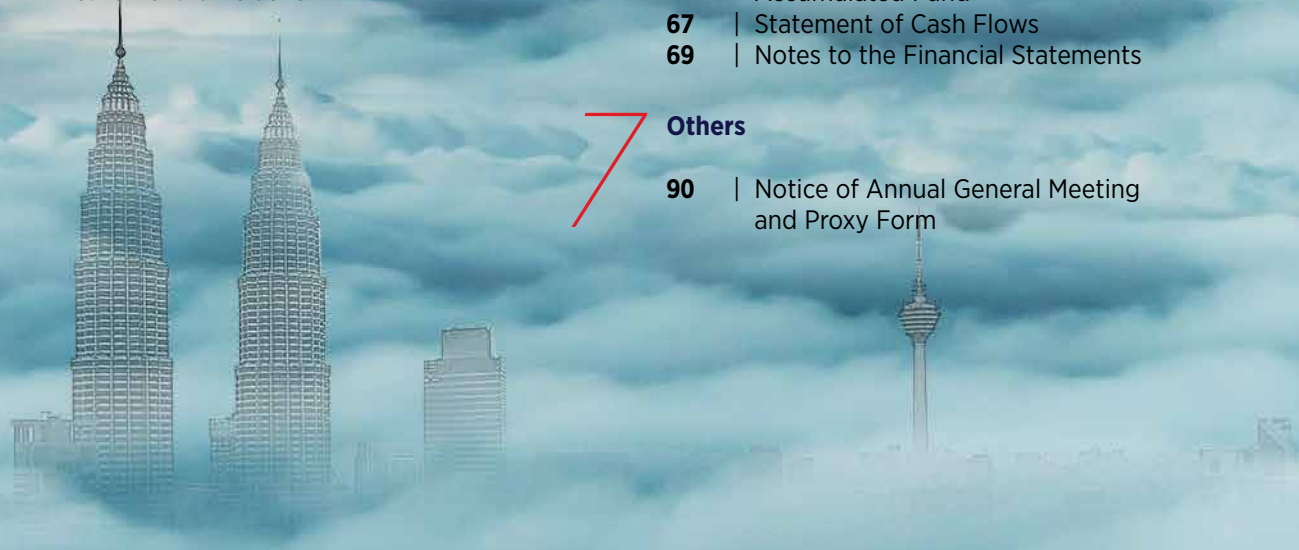
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# ISING ABOVE CHALLENGES

At FIMM, we are committed to staying on course by delivering on our promises in a tangible manner and working hand in hand with all our stakeholders.

FIMM will continue to work towards excellence and resolution to rise above the current turbulence. We will innovate and continue to strive towards greater success as defined by our long-term goals and aspirations.



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## Introduction

# Chairman's Statement

Dear Friends and Colleagues,

I hope everyone is keeping well during this difficult time. Let me begin by recording my deepest appreciation, as I'm sure we all do, to all the Frontliners who are working so hard to make our country safe again from the Covid-19 Pandemic. Malaysians can take pride that through strong leadership, discipline, and community efforts we have begun turning the tide against this insidious disease.

I joined FIMM as a Public Interest Director in November 2017. On 12 June 2019, I was appointed as the Chairman of FIMM's Board of Directors. It is an honour and a privilege for me to serve in FIMM alongside industry professionals whose calibre and intellect have been an inspiration for me. I thank all of you for the support and encouragement given to FIMM and hope that it will continue in the coming years.



## Annual General Meeting (AGM)

I have the pleasure, on behalf of the Board of Directors and FIMM Management, to present FIMM's Annual Report for FY 2019.

This year, due to Covid-19 and in line with social distancing norms, FIMM will conduct our AGM remotely. In the past few months, we have become used to online video conferencing, meetings, and even social gatherings. Now, for the first time, and perhaps as a new normal, the AGM will also be done remotely.

Nonetheless, let us hope that 2021 will bring us together again like in past years!

At last year's AGM, our industry participants met and re-kindled friendships, as we normally do in business meetings cum social events. We carried on the official business of the AGM. Sadly, thereat, our then Chairman, Datuk Siti Hadzar binti Mohd Ismail, declined re-appointment. The Board took note of Datuk Siti's decision, albeit with regret.

## Appreciation Note

Datuk Siti was Chairman of FIMM for six (6) years and helped steer the organisation with foresight and wisdom through some difficult periods of internal changes. Our heartfelt thanks go out to Datuk Siti for her dedication to FIMM. Indeed, Datuk Siti's retirement is a big loss to the FIMM Board.

Additionally, we had to say farewell to three (3) of our directors who resigned in 2019:

- **Datuk Nik Mohd Hasyudeen bin Yusoff**, who left FIMM to focus on his role as the Group Managing Director and Chief Executive Officer (CEO) of Tabung Haji.
- **Tuan Muniandy Kannyappan J.M.N.**, who joined the Malaysian Judiciary as a Judicial Commissioner.
- **Dato' Mohamad Ayob bin Abu Hassan**, who retired from his role in Affin Hwang Asset Management Berhad.

To our Board colleagues that have left, we would like to record our deepest appreciation for their invaluable contributions, exemplary conduct, and commitment. We wish them all the best in their future endeavours.

**Mohd Ridzal Mohd Sheriff**  
Chairman

Despite bidding farewell to our departing directors, we also welcome three (3) new directors:

- ▶ **Mr. Steven Choy Khai Choon**, former CEO of Cagamas Berhad.
- ▶ **Ms. Yon See Ting**, lawyer and Managing Partner of Messrs Christopher & Lee Ong.
- ▶ **Ms. Lim Suet Ling**, CEO of UOB Asset Management (Malaysia) Berhad.

We thank them for joining the Board and contributing their time, energy, and efforts to FIMM's cause. In their short time on the Board, they are already making impactful contributions to the governance of the organisation.

### Achievements in 2019

In the preceding months, we have seen a marked change in vigour and dynamism under the stewardship of Mr. Kaleon Leong bin Rahan and the senior management team. The Board has every confidence that FIMM's Management will continue to strive for organisational excellence and to become an effective Self-Regulatory Organisation (SRO) for the Unit Trust Scheme (UTS) and Private Retirement Scheme (PRS) industry. With this new and reinvigorated team, several significant milestones have been achieved.

**“In my words of appreciation, I cannot forget the contributions of FIMM's Management and staff who have worked tirelessly to fulfil the promise of FIMM as a champion for the industry and a catalyst for thought leadership.”**

2019 marks the 2<sup>nd</sup> Year of FIMM's 5-Year Strategic Blueprint. In these two (2) years, FIMM has embarked upon and completed critical projects which constitute the building blocks of the UTS and PRS industry. One such exercise was the commencing of the groundwork for Single Registration for UTS and PRS Consultants, which will help streamline the registration process, making it simpler for individuals who wish to promote and distribute both UTS and PRS products.

Another significant milestone is the completion of the Nationwide Survey. The target of this survey is to gather data regarding the saving and investing habits and preferences of the Malaysian public. The last time FIMM conducted a survey, albeit on a smaller scale, was back in 2008. Our findings and analyses will be published in the upcoming Nationwide Survey Report, which is scheduled for publication in June 2020.

FIMM has also embarked on an aggressive campaign to educate the general public on the importance of saving and investing in preparation for retirement. The campaign, *'Retirement is No Joke'*, promoted both UTS

and PRS as retirement savings tools to complement the statutory savings available upon retirement. The seven (7) videos produced for this campaign were viewed over 300,000 times on YouTube and almost 1 million times on Facebook during the campaign period. We hope that the Malaysian public will be positively influenced by this campaign and will result in more people saving for their retirement from an earlier age.

### Adapting to the New Normal

Looking forward, FIMM, the industry, and indeed everyone everywhere is going into the post-Covid-19 world. As widely believed, this pandemic will affect society for some time. Normal social behaviours will need to be changed or adapted to meet this new challenge. Daily life will not be as we once knew it. Perhaps it has or will have to be changed permanently.

In this regard, FIMM has begun planning to adapt to these changes. Firstly, we aim to ensure the safety of our staff and visitors in day-to-day interactions through, among others, physical distancing, increased hygiene, and temperature testing to ensure a high level of vigilance against possible infection. Secondly, we accept that life and business activities have to go on, albeit differently. Human interactions need to continue but through the use of technology or other innovations. Training, examinations, conferences, seminars, etc. must continue, albeit in a different mode (most likely through online events).

FIMM is working to prepare itself for the challenges ahead using guidance from the health authorities, from the example of the industry and by defining its own standard operating procedures. The coming months will be challenging due to the unprecedented changes in the way we live, work and interact. In short, we will all need to accept the new normal as the threat of this pandemic may persist. Together, as an industry and as Malaysians, we will need to re-invent the future.

As a result of the global economic shock of the Covid-19 Pandemic, there will be difficult months ahead for this industry, like it would be for most. It is at such times that we need to close ranks and support each other so that we can weather the storm. I do believe, after a period of uncertainty, economies will recover. In the meanwhile, we need to remain resilient in developing and promoting UTS, PRS, and other fund offerings as they are an integral part of our capital markets.

Let me end by saying that in order for us to overcome the economic challenges, we must first overcome the pandemic. Make it your personal responsibility to keep your family, your neighbours, your colleagues, your friends and yourself, safe.

I truly hope we can meet again as we usually do in 2021!

**Thank you.**

# CEO's Message

Thank you for taking the time to read our Annual Report.

A year ago, we shared FIMM's 2-Year Operationalisation Plan (2019 & 2020) and its linkage to the 5-Year Strategic Blueprint (2018-2022). To many (including myself), those were just "statement(s) of intent", making it even more crucial for us to ensure that the necessary execution efforts are undertaken.

Hence, our primary focus in 2019 was to execute what we have planned, whilst ensuring that we live up to our roles and responsibilities as a Self-Regulatory Organisation (SRO).

## Future Proofing FIMM

If there is a term that best describes FIMM's 2019 journey, it has to be "Future Proofing". Having been around since 1993 and accorded the stature of SRO in 2011, the need to revamp and revitalise for the future is critical. Similar to any organisation's long-term survival, FIMM needs to innovate its methods towards regulating and developing the Unit Trust and Private Retirement Schemes industry. As shared at last year's FIMM Annual Convention (FIMMAC), our future proofing journey has begun and we have embarked on innovative measures in terms of our dealings with the industry – comprising investors, Consultants and Distributors.

The early signs of change are evident in the new ways of executing our role (i.e. Regulatory trainings, Supervisory methods, etc.), profiling the industry (i.e. digital marketing and promotion, etc.), and revisions

to our Examination, Policies and Procedures. From a thought leadership and market advocacy standpoint, we have increased our visibility in engagements on the domestic and foreign jurisdictions by sharing the industry's "pulse". On this note, the completion of the Nationwide Survey – an extensive review of the Malaysian public's perception towards the Unit Trust and Private Retirement Schemes industry will give us valuable insight and data on the public's investment preference, which we intend to utilise extensively in future projects.

## Appreciation Note

At this juncture, all that I have shared has a common nexus – namely staying relevant. As an SRO, FIMM has a duty to protect investors, as well as be an industry thought leader and market advocate. I acknowledge that there are still areas for improvement and take comfort in the increasing support from the members and industry stakeholders, as evident by the encouraging responses to our consultations, events and publications. For this, kindly accept my gratitude for the support and encouragement.

I would also like to thank several parties for making 2019 a memorable year for FIMM. Starting with the Board and Committee members for their unwavering support. I have the opportunity of working with two (2) wonderful Chairmen – Datuk Siti Hadzar binti Mohd Ismail and En. Mohd Ridzal Mohd Sheriff, who have continuously guided and supported Management's plans.



Not forgetting that the support granted by the Securities Commission (SC), Bank Negara Malaysia (BNM), Employees Provident Fund (EPF), Ministry of Finance (MOF), Inland Revenue Board of Malaysia (IRB) and others have enabled us to champion many industry initiatives.

A special thanks to my team for making 2019 a magical milestone for FIMM. Operating on the simple mantra of “mutual respect and work together”, we have developed a strong working rapport and cohesiveness within the team. With the creative juices free-flowing, I am pleased and excited by the new ways and presentations they continuously deliver in packaging our output.

### Normalising .... The New Normal

Overall, I am very happy to share with you the progress and performance made by FIMM in 2019, which I hope to utilise as a springboard for greater achievements in the future. There is still a lot of work to be done and we have only started “future proofing” our foundation for the challenges ahead. Ironically, as I write this note – we are facing a global threat. The Covid-19 Pandemic will set most of us back and it is important that we unite in executing or facilitating all recovery efforts. In this “New Normal”, there are new developments every day, making it challenging to come up with permanent or one-size-fits-all solutions. Notwithstanding, we are adapting to the “New Normal” and gradually ensuring that we operate business-as-usual without compromising health and safety measures.

Stay safe and take care.

“ A special thanks to my team for making 2019 a magical milestone for FIMM. Operating on the simple mantra of “**mutual respect and work together**”, we have developed a strong working rapport and cohesiveness within the team.

**Kaleon Leong bin Rahan**  
Chief Executive Officer (CEO)



## Our Mission

Building the highest level of **trust, integrity, standards** and **ethics** for **investor security, growth** and **knowledge** in the investment management industry.



# Who We Are

The Federation of Investment Managers Malaysia (FIMM) was established on 7 August 1993. Back then, FIMM was known as the Federation of Malaysian Unit Trust Managers (FMUTM), with a mandate to represent the Unit Trust Scheme (UTS) industry and promote its growth.

By a gazette order dated 20 January 2011, FIMM was recognised by the Securities Commission Malaysia (SC) as a Self-Regulatory Organisation (SRO). As such, FIMM is empowered to regulate its members' activities in the marketing and distribution of UTS and later, Private Retirement Schemes (PRS).

With the recognition as an SRO, FIMM plays a dual role.

## Self-Regulatory Organisation



## Industry Representative

### GATE-KEEPING

- Register Distributors and Consultants
- Conduct qualifying examinations for Consultants
- Ensure continuing professional development

### SUPERVISION

- Assess the Distributors and Consultants' state of compliance to the relevant rules and regulations
- Impose appropriate sanctions on Distributors and Consultants resulting from non-compliance with rules and regulations

### INDUSTRY FOCAL POINT

- Represent industry on industry issues
- Promote industry growth
- Collate and share industry information

### INVESTOR AWARENESS

- Increase awareness of FIMM
- Enhance knowledge in UTS and PRS

### STANDARD AND BEST PRACTICE

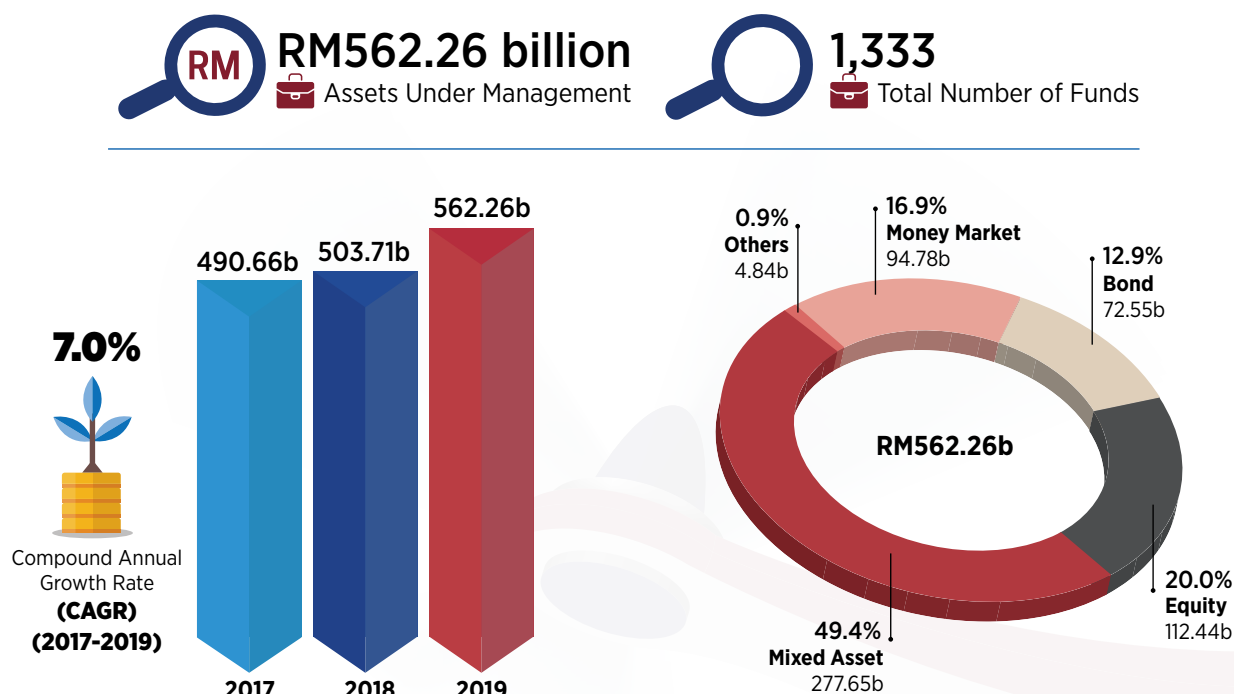
- Promote best practices in marketing and distribution of UTS and PRS

### EDUCATION AND TRAINING

- Enhance professionalism among Distributors and Consultants

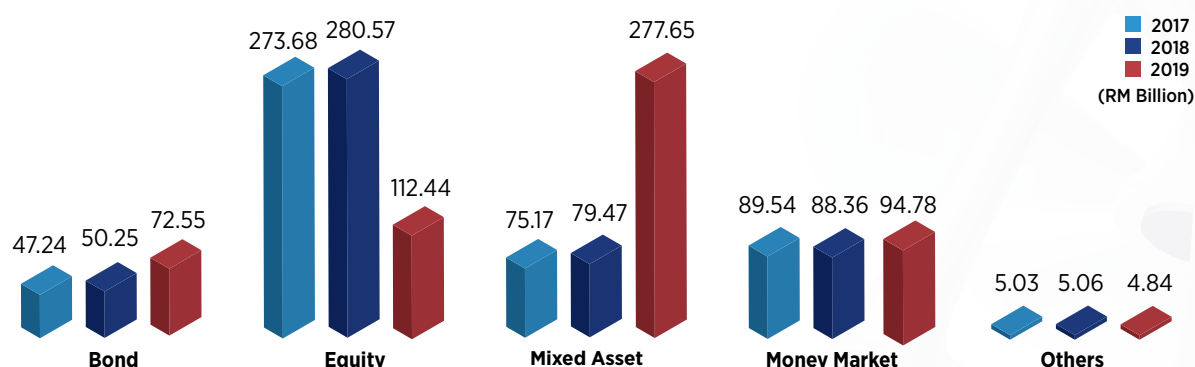
# 2019 Industry Snapshot

## Assets Under Management (AUM) of Funds Managed by FIMM Members



**Notes:** AUM includes funds managed by FIMM members only (UTS, Wholesale Funds (WSF), PRS and Exchange Traded Funds (ETF)). For total number of funds, different fund classes within a same fund were accounted for as separate funds. Classification of fund category follows Lipper (Refinitiv), hence may be different from the SC. Percentages may not add up perfectly to 100.0% due to rounding.

## AUM by Asset Class (2017 - 2019)



Asset Class	2017 (RM billion)	2018 (RM billion)	2019 (RM billion)	YoY Growth
Bond	47.24	50.25	72.55	+44.4%
Equity	273.68	280.57	112.44	-59.9%
Mixed Asset	75.17	79.47	277.65	+249.4%
Money Market	89.54	88.36	94.78	+7.3%
Others	5.03	5.06	4.84	-4.3%
<b>Total</b>	<b>490.66</b>	<b>503.71</b>	<b>562.26</b>	<b>+11.6%</b>

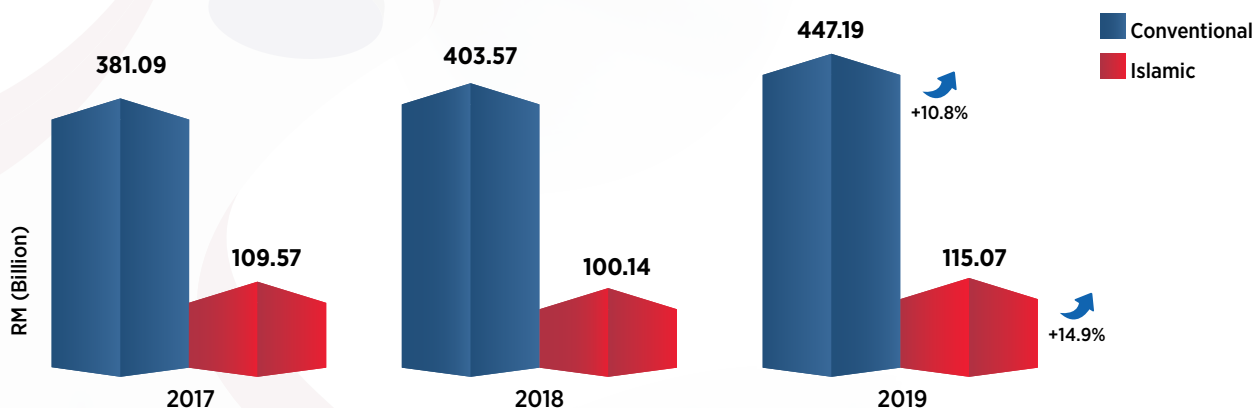
**Notes:** AUM includes funds managed by FIMM members only (UTS, WSF, PRS and ETF). Classification of fund category follows Lipper (Refinitiv), hence may be different from the SC. The increase of 249.4% in Mixed Asset funds and the drop of 59.9% in Equity funds are due to reclassification of fund classes of two (2) funds. Year-Over-Year (YoY) Growth.

## AUM by Types of Collective Investment Schemes (2017 – 2019)

		2017 RM billion	2018 RM billion	2019 RM billion	YoY Growth
1	UTS	414.82	444.05	505.52	+13.8%
2	WSF	72.12	55.55	51.66	-7.0%
3	PRS	2.23	2.68	3.50	+30.6%
4	ETF	1.49	1.44	1.58	+9.7%
	<b>Total</b>	<b>490.66</b>	<b>503.71</b>	<b>562.26</b>	<b>+11.6%</b>

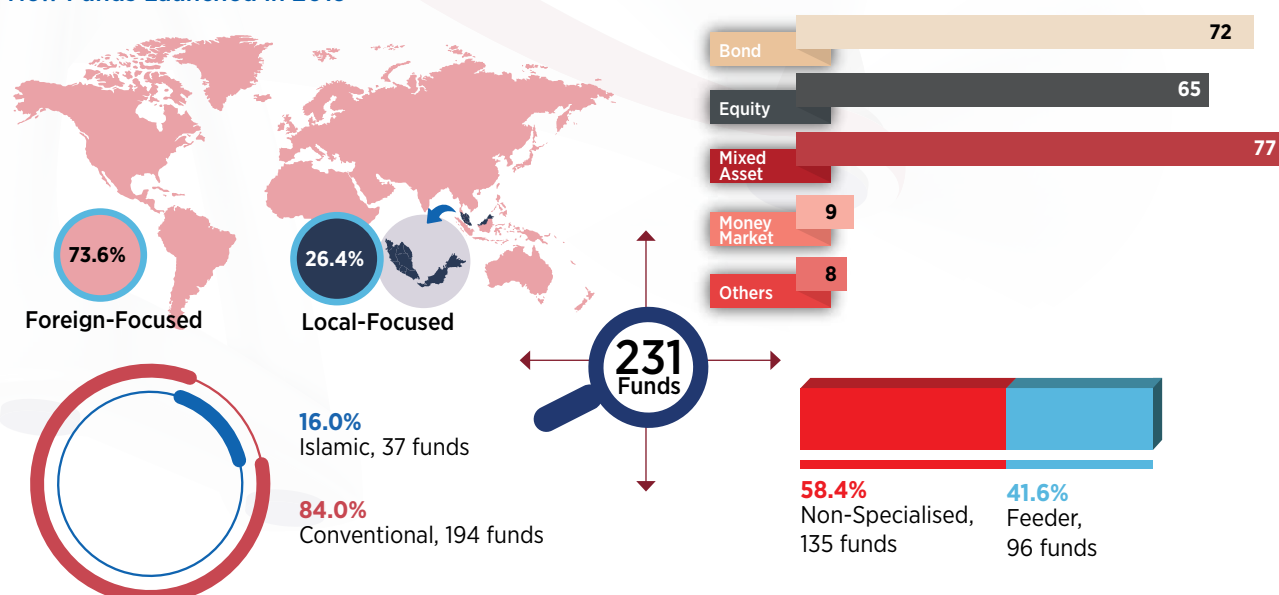
**Notes:** AUM includes funds managed by FIMM members only (UTS, WSF, PRS and ETF).  
Due to rounding, numbers presented may not add up precisely to the totals indicated.  
Year-Over-Year (YoY) Growth.

## AUM by Conventional & Islamic (2017 - 2019)



**Notes:** AUM includes funds managed by FIMM members only (UTS, WSF, PRS and ETF).  
Year-Over-Year (YoY) Growth.

## New Funds Launched in 2019



**Notes:** Includes 133 WSF launched by FIMM members; and excludes Real Estate Investment Trust (REIT) and ETF. Different fund classes within a same fund were accounted for as separate funds.  
Classification of fund category follows Lipper (Refinitiv), hence may be different from the SC.

# FIMM's 5-Year Strategic Blueprint

In 2018, FIMM announced its 5-Year Strategic Blueprint to chart plans for the next five (5) years focusing on four (4) broad focus areas:

- Promoting innovation and growth opportunities.
- Promoting technology and efficiency in the industry.
- Enhancing the role of FIMM.
- Reinforcing confidence.

While the Blueprint represents FIMM's statement(s) of intent, what was critically needed at that point was an action plan to operationalise and execute the focus areas set out therein. As a result, a 2-year Operationalisation Plan was developed to fill in the gaps and ensure that initiatives were structured towards the end game. The relationship between the Blueprint and the Operationalisation Plan are set out in the diagram below.

## INNOVATION AND GROWTH OPPORTUNITIES

- Facilitate product and service innovation
- Promote vibrant growth of PRS



### Nationwide Survey

Understand saving and investing habits and preferences of the Malaysian public and their receptiveness and views on UTS and PRS industry



### Liberalisation of Investment and Product Offerings

Facilitate development of new products and services in order to provide investors with more choices and greater diversification opportunities



### Harmonisation of UTS and PRS

- Single registration platform
- Single authorisation card and auto-renewal
- Harmonisation of rules, examinations and processes

## REINFORCING CONFIDENCE

- Intensify investor education and awareness
- Increase public awareness



### Training

Re-align training to focus on Industry Competency Framework (ICF)



### Digital Marketing Campaign

Create public awareness on retirement savings and the benefits of investing in UTS and PRS

## TECHNOLOGY AND EFFICIENCY

- Achieve seamless, efficient and low cost environment



### Utilisation of E-Learning

Educate Consultants through digital platform



### IT System Revamp

Enhancing core IT systems as part of FIMM's future proofing efforts



### CPD Tracker System

Enhanced system for more capacity and greater flexibility

## ENHANCING ROLE OF FIMM

- Position and prepare FIMM as industry information repository
- Upgrade professional standards



### Enhance Method in Supervision

Expansion of supervision approach to include on-site Examinations and Engagements



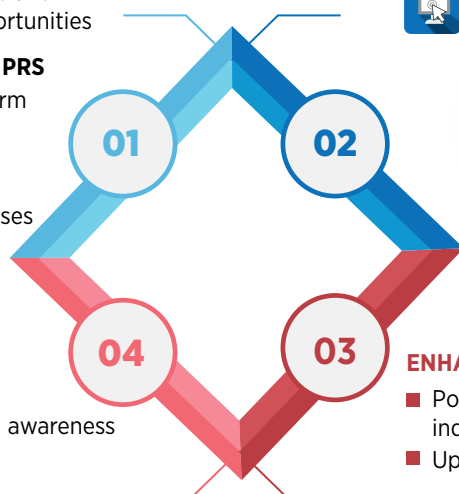
### FIMM Examination

Review and update study guides and questions



### Centralised Database System

Develop industry database that enables data mining





**2019**  
Progress 

**INNOVATION AND GROWTH  
OPPORTUNITIES**

**01**

**Nationwide  
Survey**

- Completed data gathering (face-to-face and online survey).
- Completed preliminary findings/analysis.
- Preparation of final report.

**02**

**Liberalisation  
of investment  
and product  
offerings**

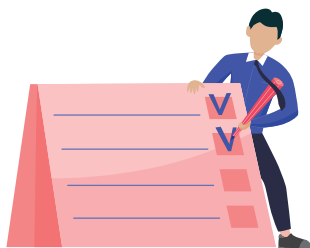
- Submitted proposals to revise Guidelines on Unit Trust Funds (including Undertakings for Collective Investments and Transferable Securities (UCITS) and fund seeding).
- Submitted proposals to the SC and Ministry of Finance (MOF) on money market funds.
- Submitted proposals to the SC and MOF on Federal Budgets 2020, including proposal to extend the tax holiday for income earned from managing Islamic and Socially Responsible Investments (SRI) funds.

**03**

**Single  
registration for  
UTS and PRS  
Consultants**

- Streamlined the annual renewal registration process for UTS and PRS Consultants.
- Changed the relevant provisions in the Registration Manual to standardise the renewal requirements for UTS and PRS Consultants.
- Launched FIMM CPD Tracker System in March 2019. The system centralised record keeping for learning programmes recognised by FIMM and CPD points earned by Consultants.




**TECHNOLOGY  
AND EFFICIENCY**

04

**Utilisation of  
e-learning  
to educate  
consultants**

- Research and develop requirements and specifications for FIMM's e-learning platform.
- Conducted training needs analysis and identified Code of Ethics and Rules of Professional Conduct - 2nd Edition (COE) as the subject in the development of the inaugural FIMM training programme to be offered via e-learning platform.

05

**Establish  
centralised  
database  
system (CDS)  
to facilitate  
industry-wide  
sharing of  
information**

- Phase 1
- Rolled out 40 new statistics (leveraging on internal data).
- Phase 2
- Preparing for additional statistics (leveraging on FIMM Members and Distributors' data).

06

**Supervision  
– Enhance  
methodology  
and sharing of  
analysis and  
trends**

- Conducted an industry briefing on regulatory observations.
- Performed thematic examinations on Distributors.
- Issuance of "Dear CEO" letter.
- Issued letter to the affected Distributors arising from the observations noted during FIMM's Mystery Shopping.

07

**Examinations  
– Review of  
Study Guide**

- Update and revise study guides for both Computerised Unit Trust Examination (CUTE) and Computerised PRS Examination (CPRE).
- Paved the path for single examination by modularising both study guides with common chapters/modules.

08

**Review of  
Rules**

- Revision of COE
  - To elevate the ethical standards and professional conduct of Distributors and Consultants.
  - To consolidate repetitive or similar provisions.
  - To improve its comprehension, efficiency and language.
- Revision of FIMM's Consolidated Rules (FCR)
  - To allow CUTAs and CPRAs to form multiple-tiered agency structure.
  - To require the disclosure of identities of Distributors (including main distributor and sub-distributor) in application forms for dealing in UTS and PRS.
  - Performed holistic review of the FCR and conducted industry consultation on proposed amendments in Quarter 4, 2019.

09

**Training**


- Revised COE training module.
- Offered COE training via common industry sessions as well as on-demand sessions as requested by Distributors.
- Conducted 28 training sessions on COE (eight (8) sessions more than originally planned).

10

**Digital  
marketing  
campaign  
and content  
creation**

- "Retirement is No Joke" campaign
  - Featured "Retirement is No Joke" videos at FIMM Annual Convention 2019 (FIMMAC 2019).
  - Launched microsite and social media postings on 4 November 2019.
- Extensive use of Facebook to promote FIMM's activities and investor education initiatives.

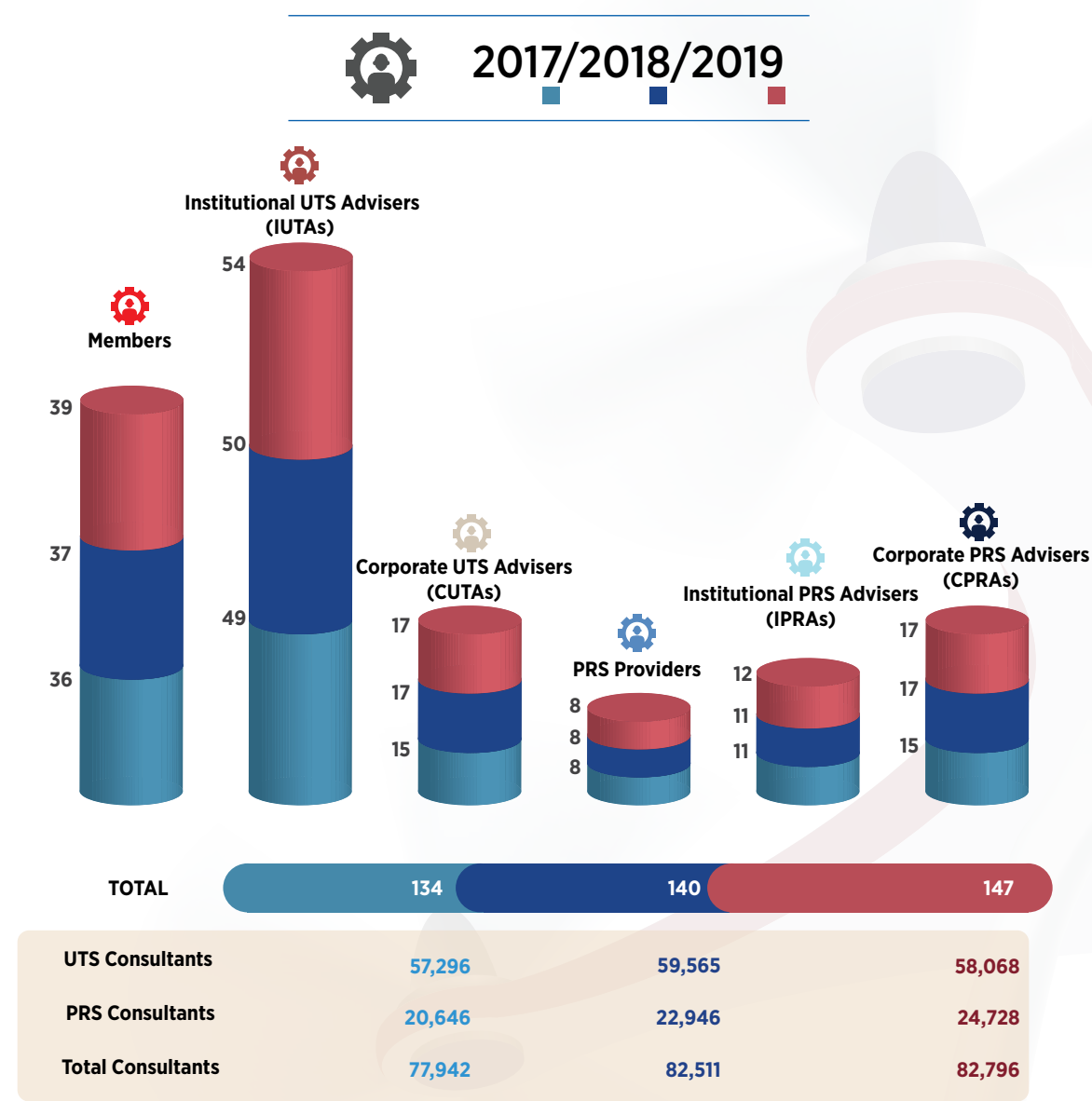
**ENHANCING ROLE OF FIMM**
**REINFORCING  
CONFIDENCE**


- 
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**Industry Development**

# 2019 Distributors Snapshot

There has been a minimal but steady increase on the number of Distributors over the last three (3) years. However, the total number of UTS Consultants for 2019 has decreased by 2% compared to 2018. In comparison, total PRS Consultants increased by 8%. This increase is attributed to the four (4)-month Fee Waiver Campaign, which was deployed between 1 September – 31 December 2019.





**1,733**  
individuals benefited  
from the waiver of  
registration fees

**1,908**  
individuals benefited from the  
waiver of renewal fees for two  
(2) consecutive years

# The Nationwide Survey

## Identifying the Pulse of the Nation

When looking at investors' preference, it is acknowledged that they are no longer only demanding for stable returns, they are now moving towards socially responsible investments as well as digital, seamless experience when they interact with their fund managers and executing transactions.

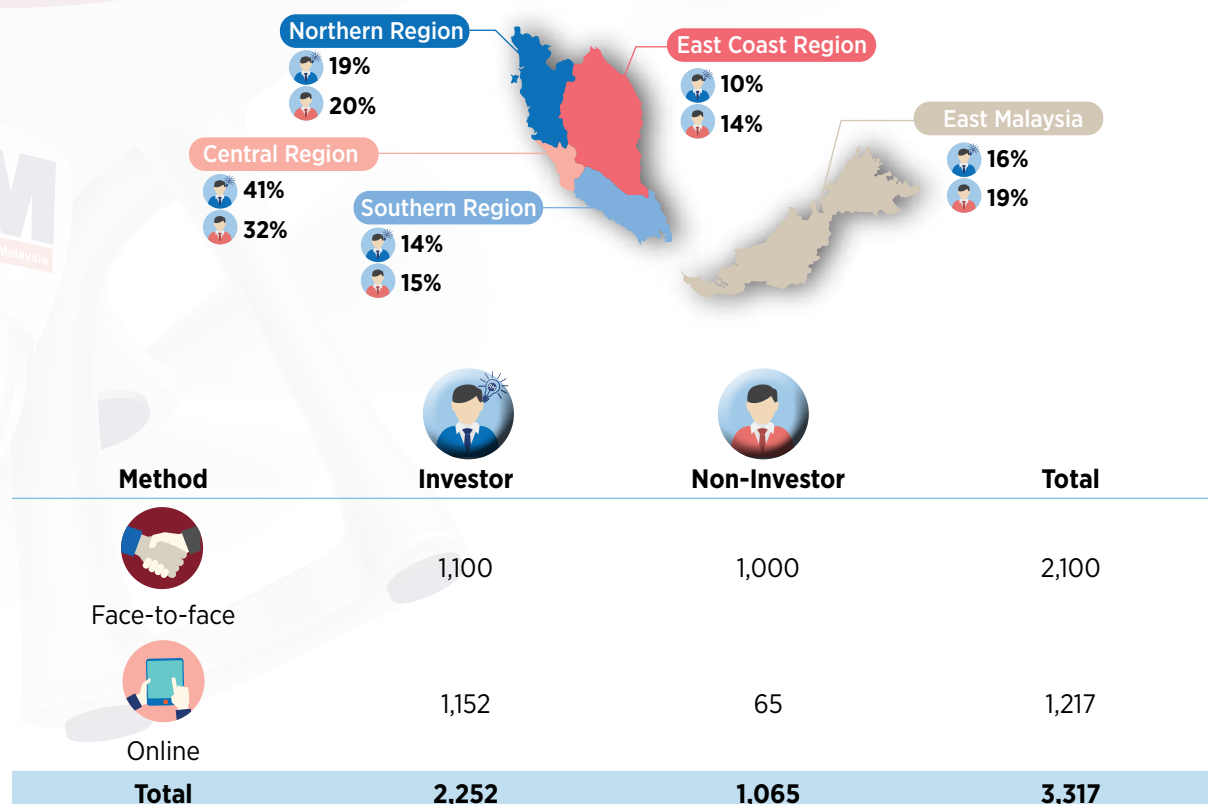
In addition to that, the rising cost of living coupled with increasing household debt have made both the act of saving and investing even more difficult for many Malaysians. This issue becomes even more pertinent when it comes to the topic of retirement, where life expectancy has increased in the country but financial preparedness to live out a long and comfortable retirement appears to be lacking.

In light of the above, FIMM recognises the need to conduct the Nationwide Survey to identify and analyse the pulse of the investing public. The survey is designed with the following four (4) objectives in mind:

1. Understanding financial status, savings and investment behaviour.
2. Exploring perceptions on UTS and PRS.
3. Understanding the role of technology in saving and investing.
4. Exploring thoughts and expectations about financial future.

## The Respondents

The survey was conducted across Malaysia, covering 13 states and two (2) federal territories (Kuala Lumpur and Putrajaya). It encompassed 3,317 respondents, which were divided into two (2) groups – Investors and Non-investors:



**Notes:** 1. Investor – Malaysians who invest in UTS and/or PRS and may have other investments as well  
 2. Non-investor – Malaysians who do not invest in UTS and PRS but may have other investments

## Key Findings/Takeaways

### Objectives:

- **Understanding Financial Status, Savings and Investment Behaviour**
  - ▶ The primary goal for savings and investments of most individuals have changed from saving for their children and dependants to just meeting present day basic needs.
  - ▶ Majority of the respondents are risk-averse, as reflected by their inclination towards capital preservation and low risk investments.
  - ▶ Investors still prefer to invest based on advice, primarily solicited from the likes of investment experts, family members, UTS and PRS Consultants or friends.
- **Exploring Perceptions on UTS and PRS**
  - ▶ Investors' main objectives when making an investment are long term savings, emergency funds and tax relief.
  - ▶ Majority of the investors are satisfied with their investments, as well as the services rendered by the UTS and PRS Consultants.
  - ▶ Expectations on returns, fees and sales charges, risk aversion and limited knowledge are among the main reasons cited by the respondents as to why they are reluctant to invest (further) into UTS or PRS.
- **Understanding the Role of Technology in Saving and Investing**
  - ▶ Investors today are more "tech-savvy", as evident by the higher level of awareness and access to Financial Technology (FinTech).
- **Exploring Thoughts and Expectations about Financial Future**
  - ▶ The post-retirement approach of relying on EPF savings and/or dependents may no longer be adequate as cost of living and average life span increases. Consequently, majority of respondents opt to work post-retirement.

## Key Recommendations

From the gaps and areas for improvement identified, the Nationwide Survey proposes the following recommendations:



### Investors

Undertake investor education and awareness programmes, advertising and promotional (A&P) campaigns, as well as submit Federal Budget proposals.



### Consultants

Embark on a Nationwide Survey on UTS and PRS Consultants, capacity building (upgrade and upskill) of Consultants via e-learning (i.e. goal-based advice and personal financial/retirement planning), and develop the FIMM financial calculator.



### FIMM Members and Distributors

Conduct in-depth research on UTS/PRS fees and sales charges, identifying potential investors (leveraging on survey datasets), enhancement/development of products and services, and comprehensive research on UTS/PRS investment risk and performance.

The results and analyses of the data gathered will be published in the Nationwide Survey Report in June 2020.

# Capacity Building

As a thought leader and market advocate, it is FIMM's top priority to ensure that the UTS and PRS Consultants' professional growth and training needs are fulfilled. It is crucial that these professionals have adequate skills to execute their role effectively and ethically. To support these upskilling needs, FIMM organises an annual convention, developmental programmes, regulatory trainings and industry briefings for Consultants throughout the country.

In 2019, FIMM also had a major revamp of the examination questions for CUTE. This effort was taken to ensure the test and evaluation are relevant to the current trends of the industry. In addition, the FIMM CPD Tracker System was also introduced to enhance the administration of the Consultants' professional development.

## FIMMAC

FIMMAC 2019 took place on 10 October 2019 with the theme, "Sustainability in a Digital Future." It was held at Berjaya Times Square Hotel in Kuala Lumpur.

The theme emphasised that it is time for the industry to embrace the change towards digitalisation but in a sustainable manner. Sustainability is possible when the technology adopted will continuously provide added value and at the same time, ensure security for the future.

Overall, feedback for FIMMAC 2019 was positive and received a rating of 4.0 out of an overall scale of 1-5 (with 5 being the highest possible score).



703

Participants from the investment management industry, regulatory bodies, and the banking sector



21

Local and international subject matter experts

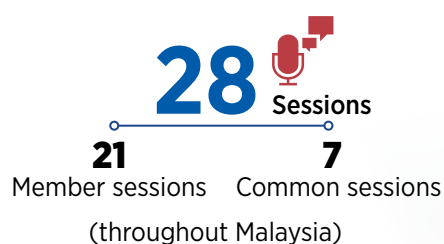


## Regulatory Training Sessions

In the past, FIMM's seminars focused on imparting technical knowledge and enhancing interpersonal/soft skills among Consultants. In 2019, FIMM skewed its seminars/training sessions on ethics and professional conduct to ensure that Consultants are more familiar with, among others, FIMM's COE – giving them the knowledge they require when promoting UTS and PRS ethically. The aim is to ensure that the investing public has greater confidence in dealing with Consultants for the purpose of investing in UTS or PRS. These regulatory training sessions covered the following topics:

- Understanding FIMM's COE.
- Sharing of best practices and conducts to avoid when marketing and distributing UTS and PRS.
- Explaining the impact of non-compliance with the COE.

In total, FIMM conducted:



## Member Sessions



**11 September 2019**

RHB Asset Management Sdn Bhd

**No. of Participants: 40**



**24 September 2019**

VKA Wealth Planners Sdn. Bhd.

**No. of Participants: 24**



**26 September 2019**

OCBC Bank (Malaysia) Berhad

**No. of Participants: 60**



**15 October 2019**

Pacific Mutual Fund Bhd

**No. of Participants: 17**



**17 October 2019**

Affin Hwang Asset Management Berhad

**No. of Participants: 51**

Ambank Group

**No. of Participants: 20**



**22 October 2019**

Kenanga Investors Berhad

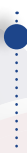
**No. of Participants: 20**



**24 October 2019**

Hong Leong Asset Management Bhd

**No. of Participants: 21**



**29 October 2019**

(AM Session)

Eastspring Investments Berhad

**No. of Participants: 22**

(PM Session)

Eastspring Investments Berhad

**No. of Participants: 15**



**30 October 2019**

Public Bank Berhad

**No. of Participants: 70**





**5 November 2019**

(AM Session)

Affin Bank Berhad

**No. of Participants: 45**

(PM Session)

Affin Bank Berhad

**No. of Participants: 32**



**6 November 2019**

Public Bank Berhad

**No. of Participants: 90**



**7 November 2019**

Pelaburan MARA Berhad

**No. of Participants: 20**



**12 November 2019**

Public Bank Berhad, Ipoh

**No. of Participants: 29**



**13 November 2019**

OCBC Bank (Malaysia) Berhad

**No. of Participants: 41**



**20 November 2019**

Hong Leong Asset Management Bhd

**No. of Participants: 24**



**21 November 2019**

Areca Capital Sdn Bhd

**No. of Participants: 32**



**3 December 2019**

Manulife Insurance Berhad

**No. of Participants: 12**



**4 December 2019**

OCBC Bank (Malaysia) Berhad

**No. of Participants: 44**



## Common Sessions



**11 September 2019**

Vistana Hotel, Kuantan

**No. of Participants: 36**



**18 September 2019**

Sunway Hotel Seberang Jaya, Penang

**No. of Participants: 199**



**26 September 2019**

Grand Paragon Hotel, Johor Bahru

**No. of Participants: 126**



**28 September 2019**

H Elite Design Hotel, Kota Bharu

**No. of Participants: 35**



**2 October 2019**

Grandis Hotel, Kota Kinabalu

**No. of Participants: 58**



**17 October 2019**

The Meritin Hotel, Kuching

**No. of Participants: 56**



**31 October 2019**

Berjaya Times Square Hotel, Kuala Lumpur

**No. of Participants: 80**



### Private Retirement Scheme Familiarisation Programme (PRSFP)

On 15 April 2019, FIMM reintroduced the familiarisation programme in response to the high demand for new PRS Consultants from Members and Distributors. The programme is a two (2)-day seminar educating participants on the basic of PRS, namely:

- An introduction to the PRS industry.
- The PRS regulatory framework.
- Features of PRS.
- PRS Providers.
- Constitution of PRS.
- PRS investments.
- PRS Distributors and Consultants.

Overall, the programme successfully registered 1,718 individuals as PRS Consultants.

Through this programme, qualified UTS Consultants and Insurance agents with the relevant years of experience and professional qualifications were able to register directly as PRS Consultants without having to take the CPRE.

### Revision of FIMM Examinations

In line with the objective to raise the standards of UTS and PRS Consultants, FIMM undertook an internal review of the existing CUTE and CPRE questions.

During the revision process, outdated questions were removed, existing questions were updated to ensure relevance and the drafting of the questions were simplified to ensure clarity.

The process was completed in December 2019 and deployed in January 2020.

### Introduction of the FIMM CPD Tracker System

In March 2019, FIMM launched the FIMM CPD Tracker System. The objective of the system is to provide a single platform for Members and Distributors to maintain and access records on CPD activities and training programmes; and CPD points attempted/collected by their respective UTS and PRS Consultants. The FIMM CPD Tracker System enables FIMM and the industry to:

- Allow FIMM to administer applications and approval of CPD programmes/activities.
- Automate feeding of CPD records into FIMM's registration system for the purpose of registration renewal.
- Make use of the CPD programmes/activities and CPD points for monitoring, assessment, analysis and audit purposes. The results will be used for the purpose of improving the effectiveness of CPD programmes/activities and its administration.



## Industry Briefings



**7 August 2019**

Berjaya Times Square Hotel, Kuala Lumpur

- Sahlawati Mustafa, General Manager, Regulatory Services, FIMM  
*FIMM Regulatory Activities and Initiatives*
- Leevania Naicker, Investment and Advisory, Refinitiv.  
*Where the Puck is Heading: The Future of Regulations and Increasing the Role Technology Will Play*



**14 August 2019**

Sime Darby Convention Centre, Kuala Lumpur

- Esther Koisin, Director, Department of International Taxation. Director, Inland Revenue Board of Malaysia (IRB)  
*Common Reporting Standard (CRS)*



**12 December 2019**

Renaissance Hotel, Kuala Lumpur

- Lim Foong Ying, Senior Manager, Research & Analytics, FIMM  
*Key Findings from FIMM's Nationwide Survey*
- Jegatheesan Govintharaj, Senior Manager, Legal & Regulatory Affairs, FIMM  
*Introduction of FIMM's Revised Code of Ethics*
- Shannen Wong, Senior Analyst, Research and Analysis, Cerulli Associates  
*Trends on Environmental, Social, and Governance (ESG) Observed Across the Asia-Pacific Region*

**FIMM**  
Federation of Investment Managers Malaysia



# Thought Leadership

FIMM has had the opportunity to share its knowledge and insights towards the development of the UTS and PRS industry at numerous conferences and seminars. FIMM also plays an active role in several industry working committees in 2019, allowing the organisation to share best practices and convey industry views. The list of FIMM's participation in speaking engagements and involvements in working committees are highlighted here.



## Speaking Engagements



- 1 16 February 2019**  
My Money & Me: 'Bengkel Pengurusan Kewangan' by Malaysian Financial Planning Council (MFPC) in Johor Bahru
  - Shahrul Nizam Zainol, Senior Manager, Professional Development  
*Investing Safely*

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- 2 27 & 28 March 2019**  
Taipei Asset Management Industry Seminar
  - Kaleon Leong Rahan, CEO  
*Malaysian Asset Management Industry*

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- 3 27 April 2019**  
My Money & Me: 'Bengkel Pengurusan Kewangan' by MFPC in Melaka
  - Shahrul Nizam Zainol, Senior Manager, Professional Development  
*Investing Safely*

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- 4 30-31 May 2019**  
Workshop on Collective Investment Scheme in Siem Reap, Cambodia organised by Asian Development Bank (ADB)
  - Shahrul Nizam Zainol, Senior Manager, Professional Development
    - *Malaysia's Asset Management Industry*
    - *What Attracts Institutional Investors?*

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- 5 29-30 June 2019**  
InvestSmart @ Borneo 2019 in Kota Kinabalu, Sabah
  - Shahrul Nizam Zainol, Senior Manager, Professional Development  
*Investing in UTS and PRS*

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- 6 27 July 2019**  
My Money & Me: 'Bengkel Pengurusan Kewangan' by MFPC in Ipoh
  - Shahrul Nizam Zainol, Senior Manager, Professional Development  
*Investing Safely*

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- 7 24 August 2019**  
My Money & Me: 'Bengkel Pengurusan Kewangan' by MFPC in Kota Bahru
  - Shahrul Nizam Zainol, Senior Manager, Professional Development  
*Investing Safely*

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**8 26-29 August 2019**

2019 Developing Quality Securities Markets in Emerging Asia in Yangon, Myanmar

- Sahlawati Mustafa, General Manager, Regulatory Services Division
  - *Roles of Self-Regulatory Organisation in Developing the Collective Investment Scheme Market*
  - *Development and Supervision of Institutional Investors*

**9 3-5 September 2019**

Asia Pacific Economic Cooperation (APEC) Technical Consulting Programme in Brunei Darussalam

- Dr. Rosliza Mat Yatim, General Manager, Corporate Services Division
  - *Development of the Malaysian Fund Management Industry*

**10 4 October 2019**

MFPC Roadshows My Money & Me: 'Bengkel Pengurusan Kewangan' at Maybank Etiqa KL

- Shahrul Nizam Zainol, Senior Manager, Professional Development
  - *Investing Safely*

**11 18 October 2019**

-InvestSmart Fest 2019, Kuala Lumpur

-'Seminar Pelaburan' in UiTM Rembau, Negeri Sembilan

- Shahrul Nizam Zainol, Senior Manager, Professional Development
  - *Investing in UTS and PRS*

**Working Group/Committee**



- 1** Kaleon Leong Rahan, CEO  
**Fund Management Digitalisation Working Group**  
 SC

- 2** Kaleon Leong Rahan, CEO  
**Climate Change - JC3 Sub-committee 3**  
 SC/Bank Negara Malaysia (BNM)

- 3** Koh Hwee Ngim, General Manager, Industry Services Division  
 • **Member of Review Committee for SC's Licensing Exam Module 10 "Asset and Fund Management"**  
 • **Member of SIDC Licensing Examination Angoff Review Committee**  
 SC/Securities Industry Development Corporation (SIDC)

- 4** Koh Hwee Ngim, General Manager, Industry Services Division  
**Member of Focus Group for the Revision of Guidelines on Unit Trust Funds**  
 SC

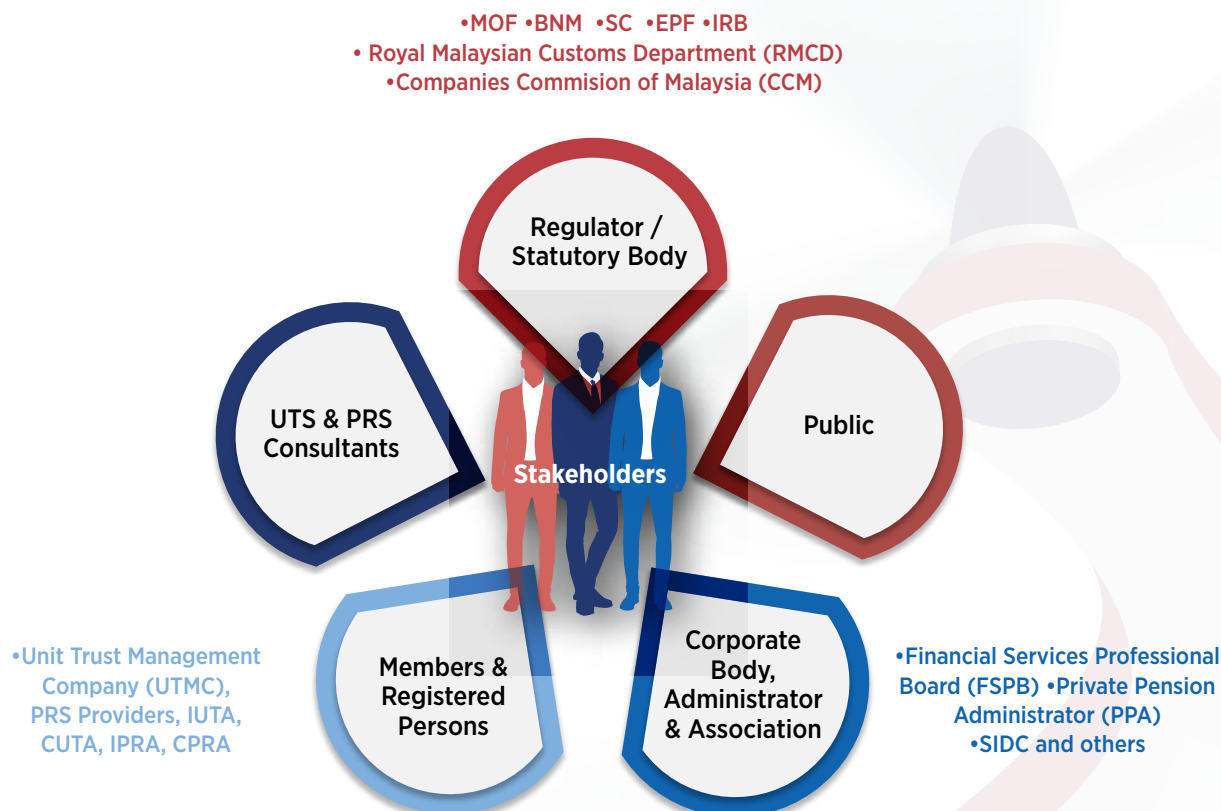
- 5** Koh Hwee Ngim, General Manager, Industry Services Division  
**Member of Industry Working Group for Common Reporting System**  
 IRB

- 6** Shahrul Nizam Zainol, Senior Manager, Professional Development  
**Member of SIDC Licensing Examination Angoff Review Committee**  
 SC

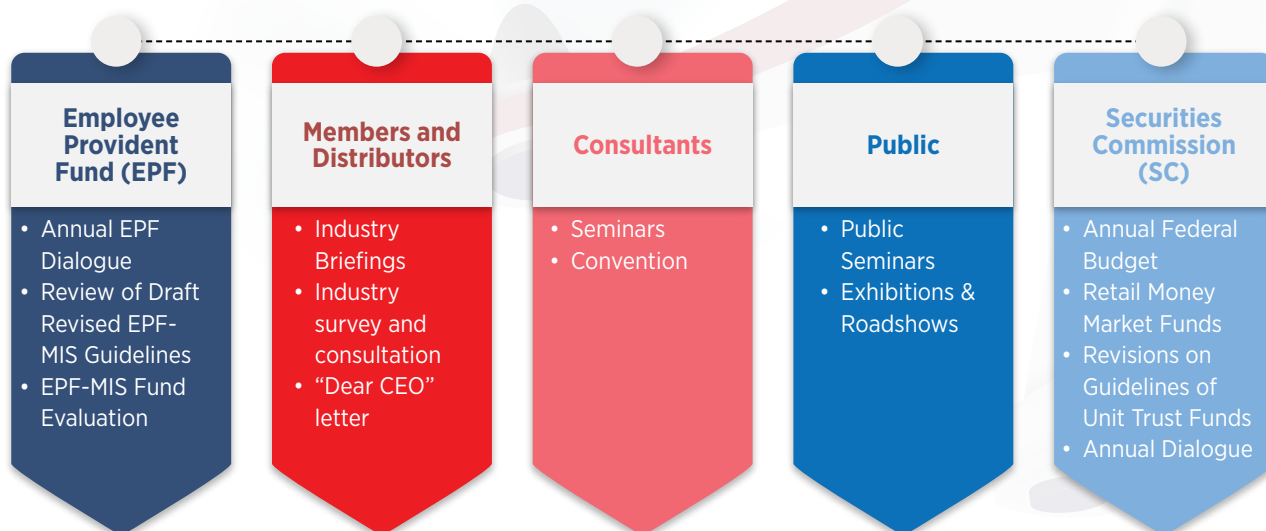
- 7** Lazman Halim Lajman, Senior Manager, IT Project Management, System & Method  
 Amir Hairi, Assistant Manager, IT Project Management, System & Method  
**Members of the SC's Cyber Risk Working Group**  
 SC

# Stakeholder Management & Engagement

In advocating the growth and development of the UTS and PRS industry, FIMM strongly believes in working together with Members and industry stakeholders. These collaborative efforts allow FIMM to respond effectively to the ever changing market conditions and evolving industry demands.



The different industry members that FIMM has engaged with in 2019 are extensive and summarised in the diagram below.



# 3

- 30** | Ensuring Compliance
  - FIMM Supervisory Activities for 2019*
  - Supervisory Engagements*
  - Supervisory Off-site Reviews*
  - On-site Thematic Examinations*
- 33** | Review of Rules
- 33** | Enforcement

**Reinforcing Confidence**

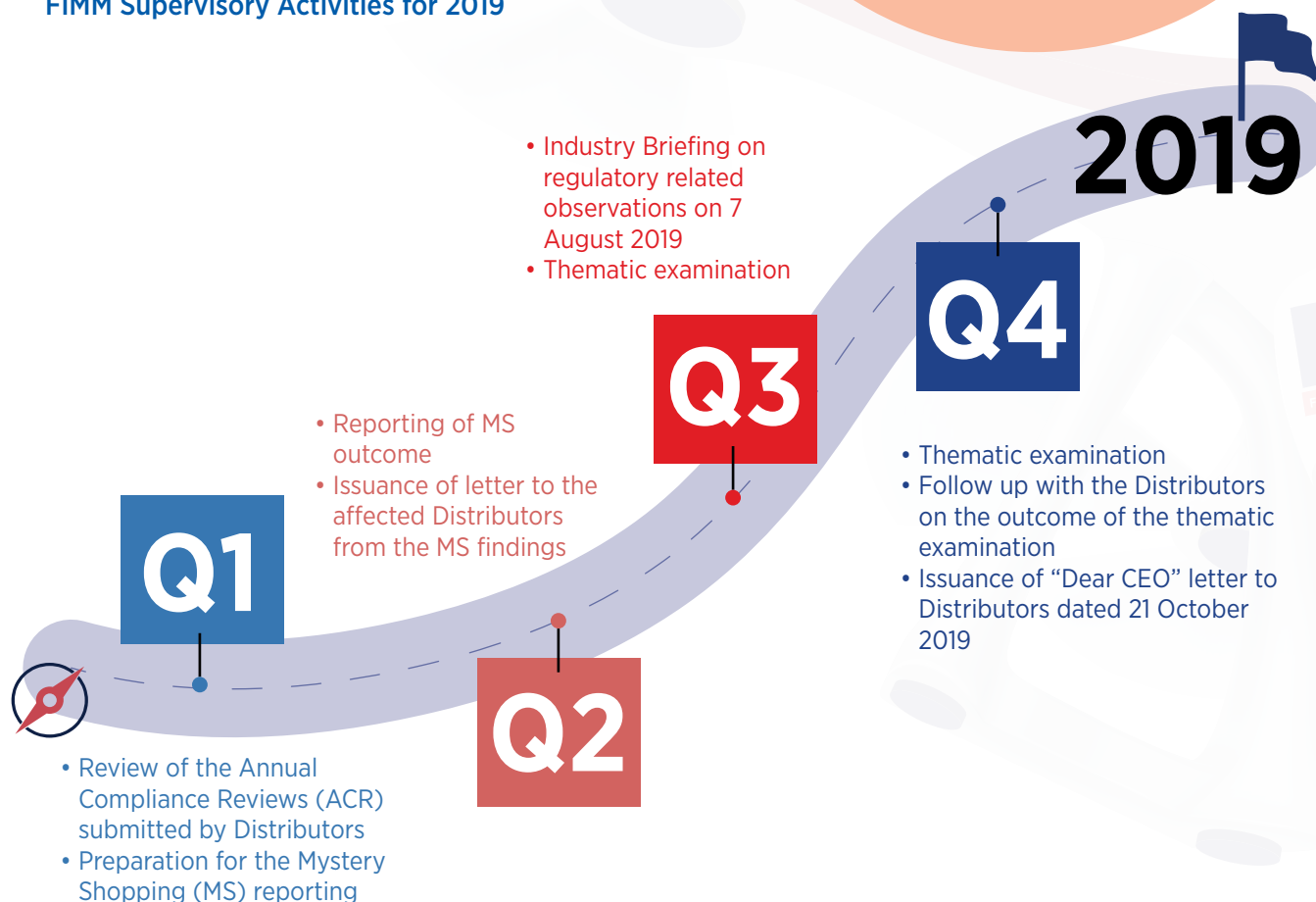
# Ensuring Compliance

FIMM continues to promote investors' trust and confidence by uplifting the professionalism of all Distributors and their registered Consultants in relation to the marketing and distribution of UTS and PRS.



It is to ensure  
**investors'**  
**interests** are  
**protected** at  
**all times.**

## FIMM Supervisory Activities for 2019



## Supervisory Engagements

FIMM conducted its inaugural sharing session (industry briefing) on regulatory-related matters on 7 August 2019. The aim of the industry briefing was to create awareness on the various regulatory observations and to clarify our expectations on the submissions made to FIMM. It was attended by 143 industry participants.

During the industry briefing, issues raised by Supervision Department included:

- MS outcome and observations that took place in 2018.
- Common findings and areas for improvement identified from past ACR submissions.

Other areas presented by other respective departments in FIMM included:

- Gaps identified through various submissions made to FIMM.
- Complaint statistics for the past three (3) years.
- Sanctions imposed on Consultants by FIMM.

## Supervisory Off-site Reviews

### Annual Compliance Reviews (ACR)

**79**  
reviewed

The ACR is a self-assessment questionnaire submitted by the Distributors to ensure continuous compliance with the applicable rules and regulations relating to marketing and distribution of UTS and PRS. FIMM's supervisory activities include assessing the submitted ACR to identify reported gaps and remedial measures taken by Distributors.

### Post-Registration Assessments (PRA)

**6**  
reviewed

All newly registered Distributors (except UTMCS and PRS Providers) are required to undertake a one-off PRA. Based on the submitted PRA, FIMM is able to evaluate the state of readiness of the newly registered Distributors in marketing and distributing the UTS and PRS.

## On-site Thematic Examinations

Supervision commenced its on-site examinations on Distributors covering specific scope in relation to the following areas:

- Marketing and distribution of UTS and PRS.
- Advertisements and promotional materials.
- Registration, training and monitoring of Consultants.
- Complaints handling.

The following observations were made during the on-site examinations:



## COMMON FINDINGS

- Termination of Consultants due to misconducts were not notified to FIMM
- Complaints were not reported
- Delay in recording complaints
- No notification on distribution points were made to FIMM

### Weaknesses in the subscription process that carry money laundering risks

- Inability to identify the payers for subscription of units (whether the payments were made by investors, Consultants or third parties).
- Absence of follow-through on subscription payments by third parties.
- Execution of investment with incomplete account opening and transaction forms.

Failure to return FIMM Authorisation Card upon resignation and/or termination of Consultants

Non-compliance with CPD requirements for renewal and re-registration of Consultants

Recruitment of agents by the lowest tier of the agency structure

Enhancements required on oversights of Agency and Consultants to ascertain whether any identified anomalies were reported to the Distributor's Board or its relevant Committee(s)

Improvements required on implementation of suitability assessment

Improvements required on policies and procedures, i.e. regulatory requirements not reflected



## COMMON AREAS FOR IMPROVEMENT

# Review of Rules

To ensure the effectiveness and consistency of the regulatory framework on the UTS and PRS industry, FIMM's Consolidated Rules (FCR) and the Code of Ethics (COE) were reviewed and revised as follows:

## FCR

The FCR was amended accordingly to reflect the following:

- ▶ To allow CUTAs and CPRAs to form multiple-tiered agency structure (amendments took effect on 4 March 2019).
- ▶ To require the disclosure of identities of Distributors (including main distributor and sub-distributor) in application forms for dealing in UTS and PRS (amendments took effect on 30 April 2019).

Subsequently, a holistic review of the FCR was also carried out with the view to address changes and developments that have taken place in the UTS and PRS industry. The review was also carried out to address gaps found in the existing provisions of the FCR gathered from various regulatory and industry activities conducted by FIMM. On 29 November 2019, FIMM issued a consultation paper to the industry on the proposed amendments to FCR. Based on the feedback, the review exercise was finalised for submission to the SC for review and comments.

On 16 October 2019, the SC granted approval on FIMM's proposed revision to the COE (Revised COE). The Revised COE introduces several new features and, among others, aims to:

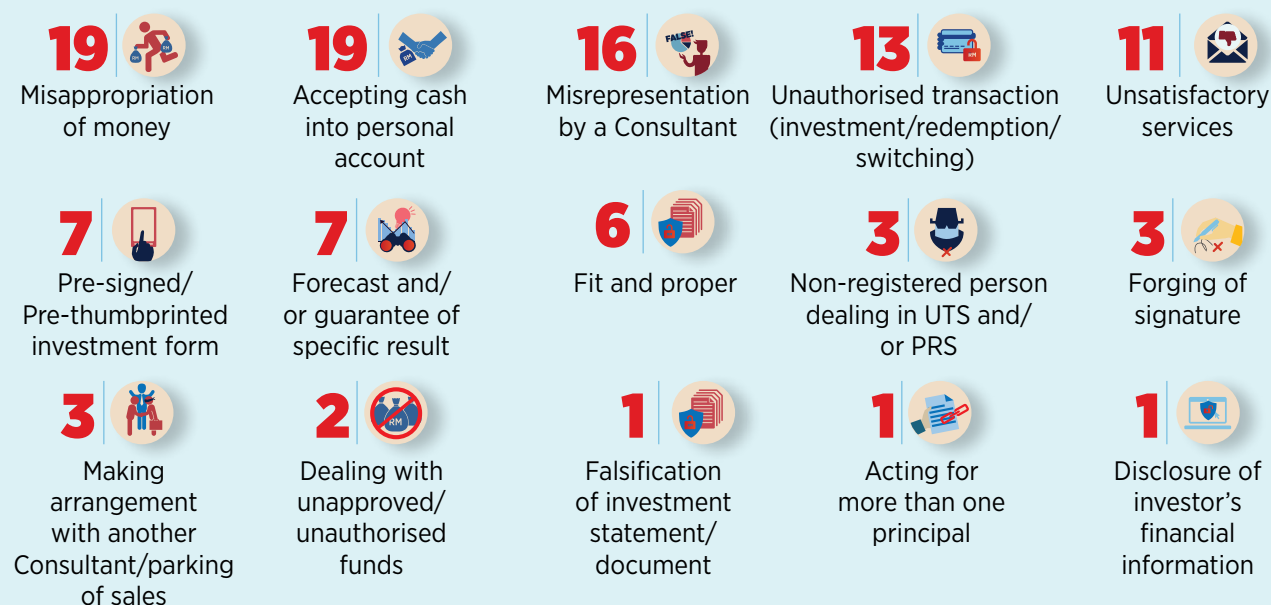
- ▶ Elevate the ethical standards and professional conduct of Distributors and Consultants.
- ▶ Consolidate repetitive or similar provisions.
- ▶ Improve its comprehension, efficiency and language.

## COE

On 12 December 2019, FIMM conducted an industry briefing to explain the Revised COE. Subsequently, a circular was issued to the industry on 17 December 2019 to inform that the Revised COE will take effect on 13 January 2020.

# Enforcement

## Nature of complaints



**Note:** The figure(s) on the nature of misconducts will not tally with the total number of complaints received in 2019 by FIMM as there could be more than one (1) misconduct involved in each complaint.

## Complaints Handling



# 58

**Total complaints received in 2019**

\* Out of the 58 complaints, 14 complaints were referred internally by Supervision Department to Legal and Regulatory Affairs based on their assessment of the quarterly complaints reports received from Distributors

# 18

**Complaints resolved**

# 40

**On-going complaints**

## Sanctions imposed

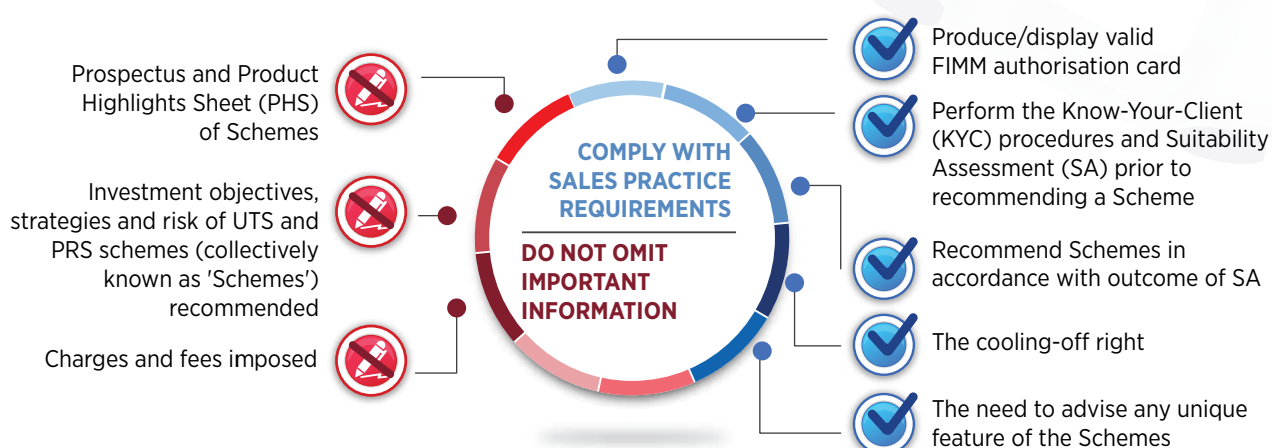


# 10

**Consultants received sanctions**

Nature of Misconduct	Number of Consultants Sanctioned	Type of Sanctions
<ul style="list-style-type: none"> <li>Acting for more than one principal</li> <li>Making arrangement with another Consultant/ parking of sales</li> </ul>	<b>1</b>	<ul style="list-style-type: none"> <li>Written warning</li> <li>Attend training</li> </ul>
<ul style="list-style-type: none"> <li>Making arrangement with another Consultant/ parking of sales</li> </ul>	<b>1</b>	<ul style="list-style-type: none"> <li>Written warning</li> <li>Attend training</li> </ul>
<ul style="list-style-type: none"> <li>Acting for more than one principal</li> <li>Making arrangement with another Consultant/ parking of sales</li> </ul>	<b>1</b>	<ul style="list-style-type: none"> <li>Barring from registration</li> <li>Public reprimand</li> </ul>
<ul style="list-style-type: none"> <li>Falsification of document</li> </ul>	<b>1</b>	<ul style="list-style-type: none"> <li>Revocation of registration</li> <li>Barring from future registration</li> </ul>
<ul style="list-style-type: none"> <li>Misappropriation of money</li> <li>Accepting cash</li> </ul>	<b>1</b>	<ul style="list-style-type: none"> <li>Barring from registration</li> <li>Public reprimand</li> </ul>
<ul style="list-style-type: none"> <li>Misappropriation of money</li> <li>Accepting cash</li> <li>Misrepresentation</li> </ul>	<b>1</b>	<ul style="list-style-type: none"> <li>Barring from registration</li> <li>Public reprimand</li> </ul>
<ul style="list-style-type: none"> <li>Misappropriation of money</li> <li>Accepting cash</li> <li>Falsification of document</li> </ul>	<b>3</b>	<ul style="list-style-type: none"> <li>Barring from registration</li> <li>Public reprimand</li> </ul>
<ul style="list-style-type: none"> <li>Allowing investor to pre-sign (pre-thumbprint) investment forms</li> <li>Unauthorised transaction</li> </ul>	<b>1</b>	<ul style="list-style-type: none"> <li>Written warning</li> <li>Attend training</li> </ul>

## Sharing Best Practices



# 4

- 36 | Investor Education Activities
- 39 | Digital Marketing & Promotion:  
*Retirement Is No Joke*

**Outreach Programmes**

# Investor Education Activities

A part of FIMM's mandate as an SRO is to educate investors and promote public awareness of the benefits of investing in UTS and PRS. This mandate is also in line with the Financial Education Network's (FEN) five (5) priorities under its National Strategy for Financial Literacy 2019 – 2023, which was launched on 23 July 2019. In supporting these efforts, FIMM regularly participates in investor education exhibitions and roadshows across the country and collaborates with its partners in an effort to reach a wider audience.

In 2019, FIMM participated in 15 roadshows and exhibitions by collaborating with the SC, Permodalan Nasional Berhad (PNB), BNM and MFPC. In addition, FIMM participated in the Malaysian Finance Expert Convention (MFEC) held at University of Malaya for the first time.

## 'My Money & Me' by MFPC

- The financial literacy workshop was aimed at providing youth with exposure on individual financial planning.
- Our focus was on topics relating to the basics of UTS, PRS and the do's and don'ts of investing.

## Date & Locations

<b>16 February</b>	Johor Bahru, Johor
<b>23 March</b>	Port Dickson, Negeri Sembilan
<b>30 March</b>	Kuching, Sarawak
<b>27 April</b>	Melaka
<b>27 July</b>	Ipoh, Perak
<b>24 August</b>	Kota Bharu, Kelantan
<b>4 October</b>	Etiqa, Dataran Maybank, Kuala Lumpur
<b>2 November</b>	Petaling Jaya, Selangor



## Date & Location

**29 - 30 June** | Kota Kinabalu, Sabah



## InvestSmart @ Borneo organised by SC

- Public Seminars on stock market and UTS by InvestSmart's subject matter experts.
- The exhibition aimed to showcase products and services offered by the financial sector stakeholders with a common objective of empowering the investors/consumers to make informed investment decision and increase financial literacy.

## InvestSmart Fest organised by SC

- This event was organised to further educate investors as well as the public so that they become self-reliant and able to make investments decision that fit their risk appetite and investment objective.

## Date & Location

**18 - 20 October** | Mid Valley City, Kuala Lumpur



### Minggu Saham Amanah Malaysia (MSAM) organised by PNB

- MSAM was organised to promote the benefits of investing in UTS to the general public and continuously educate investors on how to optimise their investments in UTS.
- The theme of this event was “Digitising Customer Experience” and the main objective of our participation was to promote FIMM’s role as an SRO for of the UTS industry.
- We also took the opportunity to create investors’ awareness on UTS and FIMM through the distribution of educational leaflets and crowd engagement activities.

#### □ Date & Location

**19 - 25 April** | Sungai Petani, Kedah



#### □ Date & Location

**23 - 24 February** | Miri, Sarawak  
**28 - 29 September** | Kangar, Perlis



### 'Karnival Kewangan' Bank Negara Malaysia

- Themed “Your Financial Needs Matters”, the carnival aimed to inform and educate the public on financial matters, including available services that can help individuals and businesses manage their financial affairs more effectively.
- 'Karnival Kewangan' provided a unique opportunity for the public to obtain information on financial products and services, conduct financial transactions, learn about new initiatives and opportunities in business and financial management, and make enquiries or seek advice - all in one location.
- The main objective of our participation was to promote FIMM as an SRO and highlight our roles as an industry representative for UTS and PRS.

### MFEC 2019

- FIMM participated in this event to promote the organisation as an SRO for the UTS and PRS industry.

#### □ Date & Location

**2 July** | University of Malaya, Kuala Lumpur

#### □ Date & Location

**18 October** | Rembau, Negeri Sembilan

### Public Seminar @ UiTM

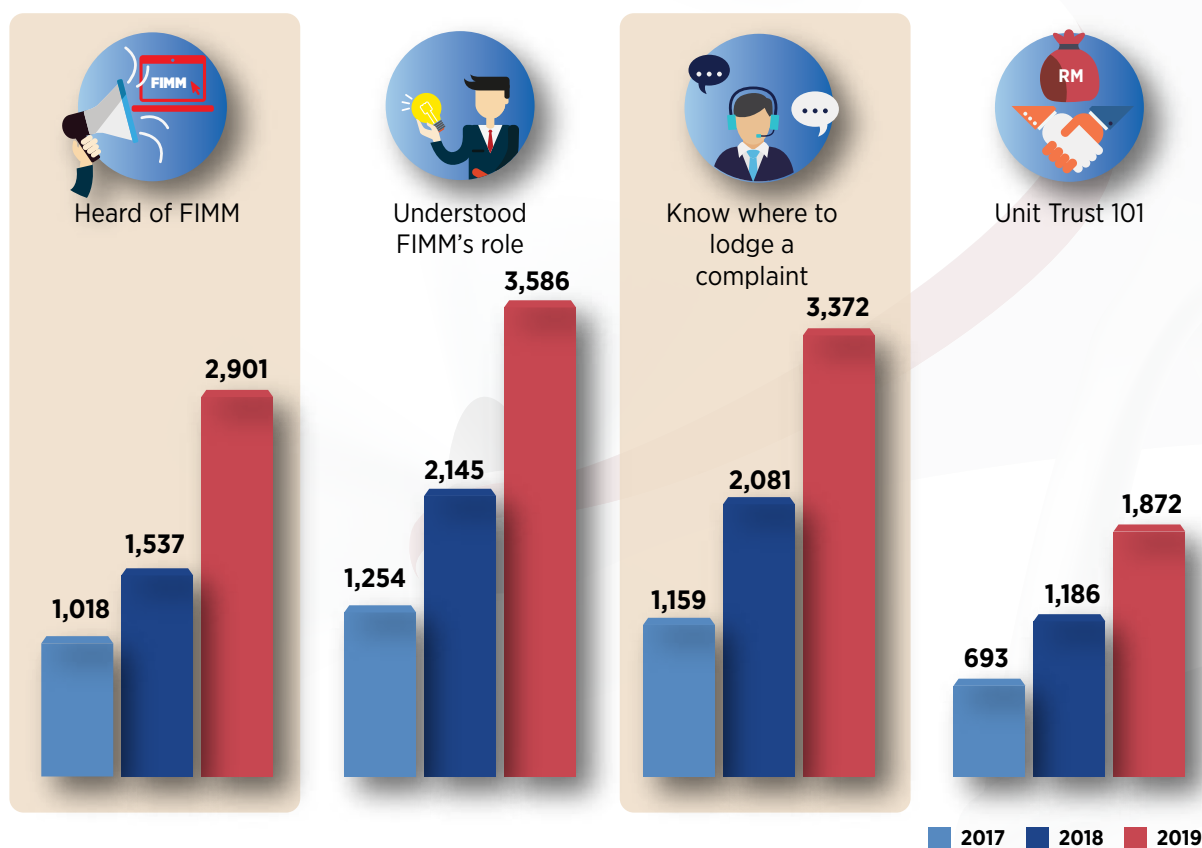
- FIMM participated in this event to provide the undergraduates with basic knowledge on UTS and PRS as well as the do's and don'ts of investing.



In the last three (3) years, FIMM's public outreach has doubled. Through participation in various roadshows and exhibitions, FIMM has been able to reach out to over 5,000 individuals.



In addition, in the last three (3) years, more people have indicated that they are familiar with FIMM, aware of its role and know where to go when they require assistance with regard to dealing with UTS and PRS. This increasing trend has enabled FIMM to enhance public awareness of and, most importantly, educate and promote UTS and PRS to the general public.



By participating in such events, FIMM has been able to leverage on these platforms to explain how UTS and PRS can help increase wealth in the long term and ensure that members of the public are prepared for their golden years. However, it is acknowledged that more efforts are still required by all stakeholders in the industry to continue educating the general public on UTS and PRS.

# Digital Marketing & Promotion

## Retirement Is No Joke

In 2019, FIMM kicked off its very first digital marketing campaign - the *Retirement Is No Joke* campaign. The campaign was aimed at educating the public, especially the younger generation, on the need to start saving early for their future needs through UTS and PRS.

### Concept Development

The concept came about with the following concerns in mind:

- Malaysians do not have enough savings to retire.
- A lot of people think that retirement can wait and that they still have ample time.
- Most couples do not have regular discussions about retirement planning; some even avoid the conversation completely.
- Young people think that it is boring and believe in YOLO (you only live once).

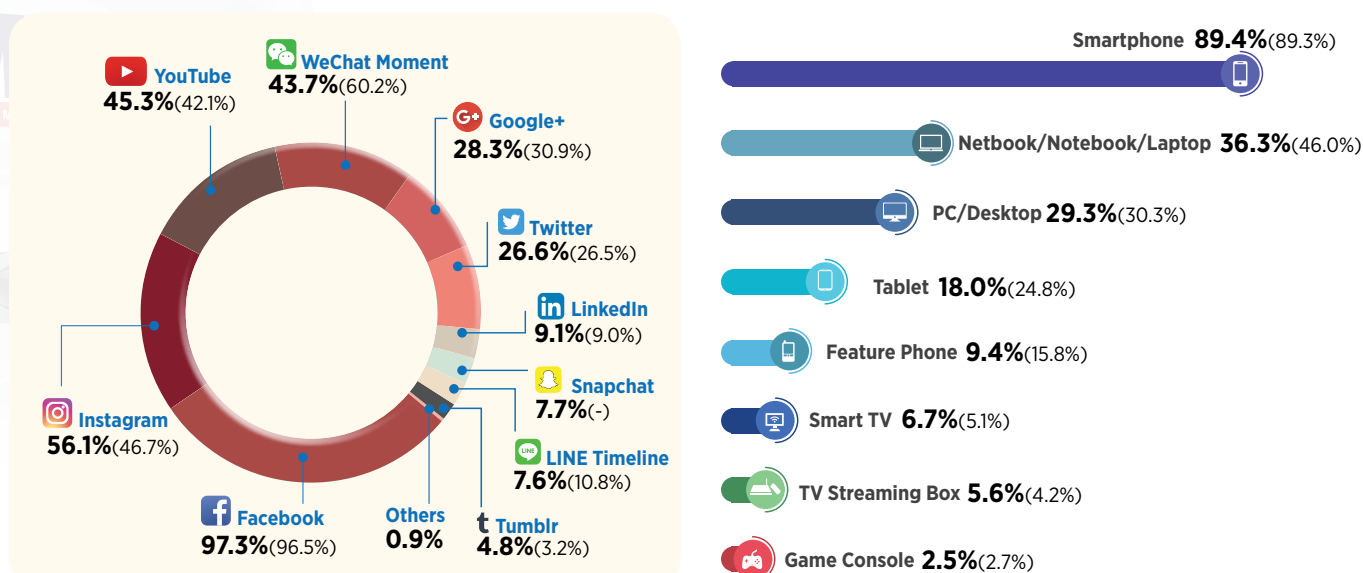
**Note:** This campaign is not a one-off campaign; rather, it will grow over time. FIMM will be leveraging on this theme for communication activities in 2020.

### The solution

- Start educating people by making retirement topics light and easy to digest – something they can relate to.
- Show people how to save for retirement and that it is not impossible to start now.

### Why focus on online?

In line with the trends of time, digitalisation is the way to go when it comes to educating investors and the general public about investing. Seeing that the target segments are within the age range of 21 - 40 years old, leveraging on social media would be most appropriate as this age group has a high digital consumption. Furthermore, it has been acknowledged that there is high usage of social media in this era as illustrated in the diagram below.



Social networking account ownership as percentage of Internet users who visited social networking site, compared with 2015 data in parentheses (Source: Internet Users Survey 2017 by MCMC)

Percentage of device used by Internet users to access Internet, compared with 2015 data in parentheses (Source: Internet Users Survey 2017 by MCMC)

### Execution

Content development through videos: In making retirement something everyone can relate to, seven (7) videos (in English and Bahasa Malaysia) were developed around the theme *Retirement Is No Joke*. The videos were uploaded on FIMM's social media platforms, namely, Facebook, Twitter and YouTube.



**Maximise Your Returns –**  
Consistency is Key



**Invest Now –**  
Saving for Retirement Is No Joke



**Maximise Your Returns –**  
Saving for Retirement is a Marathon



**Protect Your Money –**  
Choose Your Consultant Wisely



**Protect Your Family –**  
Name a Nominee for your Investments



**Protect Your Money –**  
Ensure that Your Consultant is Authorised



**Protect Your Money –**  
Do Not Sign an Empty Form

A microsite was also developed to complement the videos that are posted on Facebook, Twitter and YouTube. It provides a simple, '101' like, information that is easy to understand and follow.



## Facebook Engagement

- The ads were engaged 65,715 times on Facebook
- Most of the engagements came from the video postings

### Campaign Engagement



### Campaign Reach



The ads reached out to 4,651,105 audience on Facebook

- The audience clicked on the ads 43,710 times on Facebook
- This indicates that there is a good number of audience who visited the website after seeing the ad

### Campaign Clicks to Website



### Campaign Video Views



The video was viewed 984,069 times on Facebook



# 5

- 42 | Board & Committees
- 50 | Management
- 51 | Our People

**Leadership**

# Board & Committees

## Public Interest Directors



**Datuk Siti Hadzar Mohd Ismail**  
(Retired w.e.f 12.06.19)



**Mohd Ridzal Mohd Sheriff**  
(Appointed as Chairman w.e.f 12.06.19)



**Koid Swee Lian**



**Che Zakiah Che Din**



**Yon See Ting**  
(Appointed w.e.f 25.09.19)



**Steven Choy Khai Choon**  
(Appointed w.e.f 25.09.19)



**Datuk Nik Mohd Hasyudeen Yusoff**  
(Resigned w.e.f 11.09.19)



**Dato' Mohd Sallehuddin Othman**



**Tuan Muniandy Kanniyappan J.M.N.**  
(Resigned w.e.f 28.04.19)

Elected Directors



Yeoh Kim Hong



Eliza Ong Yin Suen



Lim Suet Ling  
(Appointed w.e.f 25.09.19)



Mohammad  
Hussin



Dato' Mohamad Ayob  
Abu Hassan  
(Resigned w.e.f 31.12.19)

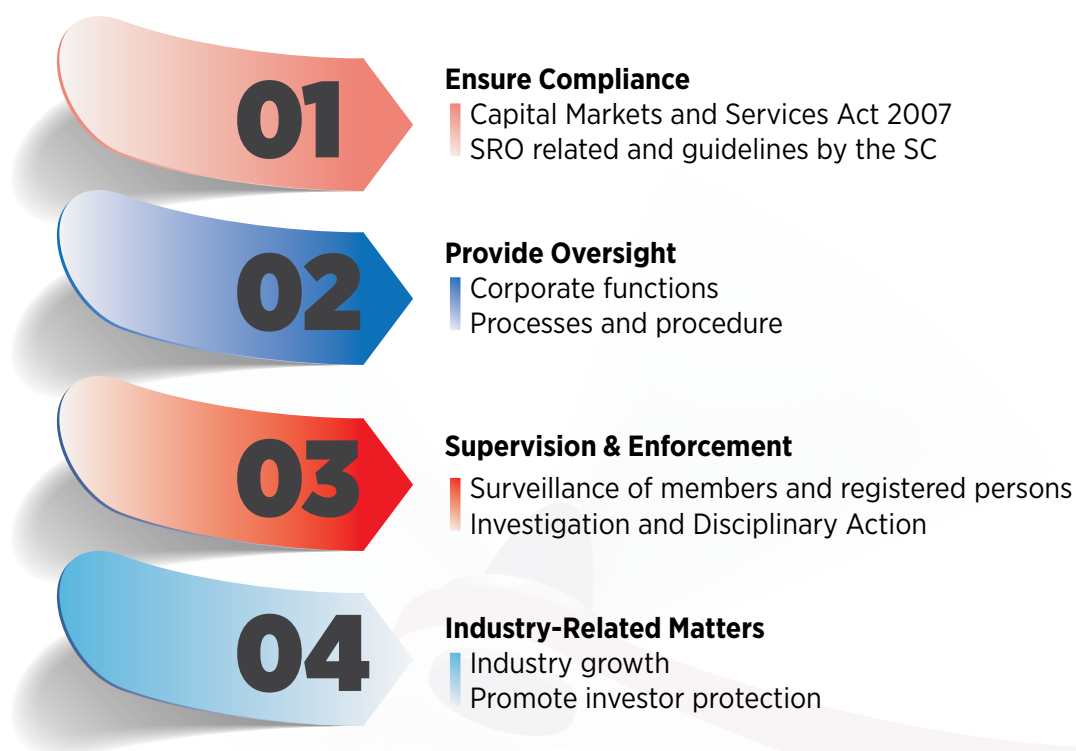


Ismitz Matthew De Alwis



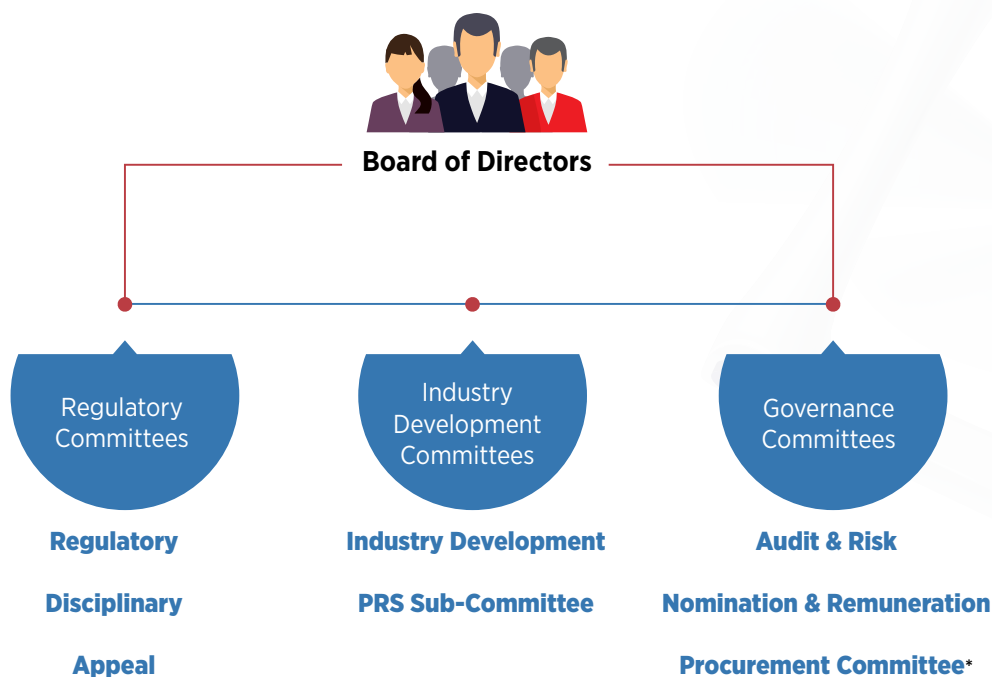
Danny Wong Teck Meng

## Roles & Responsibilities



## Board Committees

In carrying out its functions, the Board is supported by the Regulatory Committees, Industry Development Committees and Governance Committees all of which operate within defined terms of reference, thus enabling the Board to perform its duties in a more efficient and focused manner.



\* Delegated to Management Procurement Committee (MPC)

## Regulatory Committees

### Regulatory Committee (RC)

The RC is FIMM's regulatory guardian. The Committee ensures that FIMM has in place proper rule-making procedures, adequate rules to discharge its regulatory functions, and a robust supervisory and surveillance programme.

### Disciplinary Committee (DC)

The DC acts as a tribunal to conduct hearings and decide on appropriate disciplinary sanctions against FIMM's registered persons for misconduct and/or non-compliance of FIMM's rules.

### Appeal Committee (AC)

The AC hears and decides on appeals made by persons aggrieved by the decisions of the DC.

## Industry Development Committees

### Industry Development Committee (IDC)

The IDC focuses on the growth and development of the investment management industry and the enhancement of the professional standards of the Consultants. The Committee also acts as a channel for consultation and cooperation between Members and Distributors, the SC and other authorities. At the same time, the IDC emphasises on enhancing investor confidence and increase public awareness on UTS and PRS.

### Private Retirement Scheme Sub-Committee (PRSSC)

The PRSSC deliberates on all matters pertaining to the orderly growth and development of the PRS Industry as well as enhances the professional standards of PRS Consultants.

Under the guidance of the IDC, the PRSSC provides a forum for discussion on PRS industry matters. These include reviewing, developing, and recommending best practices such as industry standards, fund operations, and marketing and distribution of PRS. In addition, the PRSSC is empowered to make decisions on the implementation of the promotion and advertising of PRS.

## Governance Committees

### Audit & Risk Committee (ARC)

The ARC's key responsibilities are to review the effectiveness of FIMM's risk management and internal control systems and practices as well as FIMM's annual financial reports.

### Nomination & Remuneration Committee (NRC)

The NRC ensures that FIMM's human capital policies and strategies are suitable and efficient for FIMM to perform its role effectively as an SRO and industry representative.

### Procurement Committee (PC)

The PC reviews and ensures that FIMM complies with its Procurement Policies and Procedures and Delegated Authority Limits. The Committee also ensures best practices for FIMM's procurement functions.

The PC was dissolved by the Board at the 2/2019 Special Board meeting held on 21 August 2019. It has been delegated to the MPC, which consists of senior members of FIMM's management team.

## Board Composition

Public Interest Directors	No. of Committees	Board Committee / Sub-Committee			
Mohd Ridzal Mohd Sheriff – Chairman of the Board (w.e.f. 12.06.2019)	4	IDC	AC	RC	NRC
Dato' Mohd Sallehuddin Othman	4	IDC	ARC	NRC	AC
Koid Swee Lian	4	IDC	RC	DC	ARC
Che Zakiah Che Din	3	ARC	AC	NRC	
Steven Choy Khai Choon (Appointed w.e.f. 25.09.2019)	4	IDC	PRSSC	RC	DC
Yon See Ting (Appointed w.e.f. 25.09.2019)	4	IDC	RC	DC	PRSSC

Elected Directors	No. of Committees	Board Committee / Sub-Committee			
Mohammad Hussin	4	IDC	ARC	AC	NRC
Yeoh Kim Hong	4	IDC	PRSSC	RC	DC
Eliza Ong Yin Suen	4	IDC	PRSSC	RC	DC
Ismitz Matthew De Alwis	4	IDC	PRSSC	RC	ARC
Danny Wong Teck Meng	3	IDC	RC	DC	
Lim Suet Ling (Appointed w.e.f. 25.09.2019)	3	IDC	AC	NRC	



Chairmanship

## Resignation of Directors in 2019

Director	Effective date
Datuk Siti Hadzar Mohd Ismail (Chairman)	12 June 2019
Tn. Muniandy Kannyappan J.M.N	28 April 2019
Datuk Nik Mohd Hasyudeen Yusoff	11 September 2019
Dato' Mohamad Ayob Abu Hassan	31 December 2019

## Appointment of Directors in 2019

Director	Effective date
Steven Choy Khai Choon	25 September 2019
Yon See Ting	25 September 2019
Lim Suet Ling	25 September 2019

## Re-appointment of Directors in 2019

Elected Directors	Effective date
Mohammad Hussin	12 June 2019
Dato' Mohamad Ayob Abu Hassan	12 June 2019
Ismitz Matthew De Alwis	12 June 2019
Danny Wong Teck Meng	12 June 2019
Public Interest Directors	Effective date
Koid Swee Lian	5 August 2019
Che Zakiah Che Din	27 November 2019

## Meeting attendance

BOARD MEETING	MEETINGS ATTENDED
<b>Public Interest Directors</b>	
Datuk Siti Hadzar Mohd Ismail (Retired w.e.f 12.06.19)	4/7
Mohd Ridzal Mohd Sheriff	6/7
Dato' Mohd Sallehuddin Othman	5/7
Koid Swee Lian	7/7
Tn. Muniandy Kannyappan J.M.N. (Resigned w.e.f 28.04.19)	2/7
Datuk Nik Mohd Hasyudeen Yusoff (Resigned w.e.f 11.09.19)	4/7
Che Zakiah Che Din	7/7
Steven Choy Khai Choon (Appointed w.e.f 13.06.19, approved by CCM 25.09.19)	2/7
Yon See Ting (Appointed w.e.f 13.06.19, approved by CCM 25.09.19)	2/7
<b>Elected Directors</b>	
Dato' Mohamad Ayob Abu Hassan (Resigned w.e.f 31.12.19)	6/7
Mohammad Hussin	7/7
Yeoh Kim Hong	6/7
Eliza Ong Yin Suen	6/7
Ismitz Matthew De Alwis	7/7
Danny Wong Teck Meng	5/7
Lim Suet Ling (Elected w.e.f 12.06.19, approved by CCM 25.09.19)	2/7
<b>DISCIPLINARY COMMITTEE</b>	
<b>Public Interest Directors</b>	
Koid Swee Lian	5/5
Steven Choy Khai Choon (Appointed w.e.f 13.06.19, approved by CCM 25.09.19)	0/5
Yon See Ting (Appointed w.e.f 13.06.19, approved by CCM 25.09.19)	0/5
Tn. Muniandy Kannyappan J.M.N. (Resigned w.e.f 28.04.19)	2/5
Mohd Ridzal Mohd Sheriff (Withdrew w.e.f 21.08.19, Chairman of Appeal Committee w.e.f 21.08.19)	2/5
<b>Elected Directors</b>	
Dato' Mohamad Ayob Abu Hassan (Resigned w.e.f. 31.12.19)	5/5
Yeoh Kim Hong	3/5
Eliza Ong Yin Suen	2/5
Danny Wong Teck Meng	3/5

## PROCUREMENT COMMITTEE

## MEETINGS ATTENDED

**Public Interest Directors**

Che Zakiah Che Din	3/3
Koid Swee Lian	3/3
Dato' Mohd Sallehuddin Othman	2/3

**Elected Directors**

Dato' Mohamad Ayob Abu Hassan (Resigned w.e.f. 31.12.19)	3/3
Danny Wong Teck Meng	0/3

**Subject Matter Expert**

Richard Tan	1/3
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## NOMINATION &amp; REMUNERATION COMMITTEE

## MEETINGS ATTENDED

**Public Interest Directors**

Che Zakiah Che Din	5/5
Mohd Ridzal Mohd Sheriff (Joined w.e.f 21.08.19)	1/5
Dato' Mohd Sallehuddin Othman	4/5
Tn. Muniandy Kannyappan J.M.N (Resigned w.e.f 28.04.19)	2/5

**Elected Directors**

Dato' Mohamad Ayob Abu Hassan (Resigned w.e.f 31.12.2019)	5/5
Mohammad Hussin	4/5
Lim Suet Ling (Elected w.e.f 12.06.19, approved by CCM 25.09.19)	1/5

## AUDIT &amp; RISK COMMITTEE

## MEETINGS ATTENDED

**Public Interest Directors**

Dato' Mohd Sallehuddin Othman	4/4
Koid Swee Lian	4/4
Che Zakiah Che Din	3/4

**Elected Directors**

Mohammad Hussin	3/4
Ismitz Matthew De Alwis	2/4

## INDUSTRY DEVELOPMENT COMMITTEE

## MEETINGS ATTENDED

### Public Interest Directors

Datuk Nik Mohd Hasyudeen Yusoff (Resigned w.e.f 11.09.19)	5/6
Mohd Ridzal Mohd Sheriff	5/6
Dato' Mohd Sallehuddin Othman	5/6
Tn. Muniandy Kannyappan J.M.N. (Resigned w.e.f 28.04.19)	2/6
Koid Swee Lian	6/6
Steven Choy Khai Choon (Appointed w.e.f 13.06.19, approved by CCM 25.09.19)	1/6
Yon See Ting (Appointed w.e.f 13.06.19, approved by CCM 25.09.19)	1/6

### Elected Directors

Dato' Mohamad Ayob Abu Hassan (Resigned w.e.f 31.12.2019)	5/6
Mohammad Hussin	5/6
Yeoh Kim Hong	6/6
Eliza Ong Yin Suen	1/6
Ismitz Matthew De Alwis	4/6
Danny Wong Teck Meng	6/6
Lim Suet Ling (Elected w.e.f 12.06.19, approved by CCM 25.09.19)	1/6

### Subject Matter Expert

Munirah Khairuddin	5/6
Che Zakiah Che Din (By Invitation)	1/6

## REGULATORY COMMITTEE

## MEETINGS ATTENDED

### Public Interest Directors

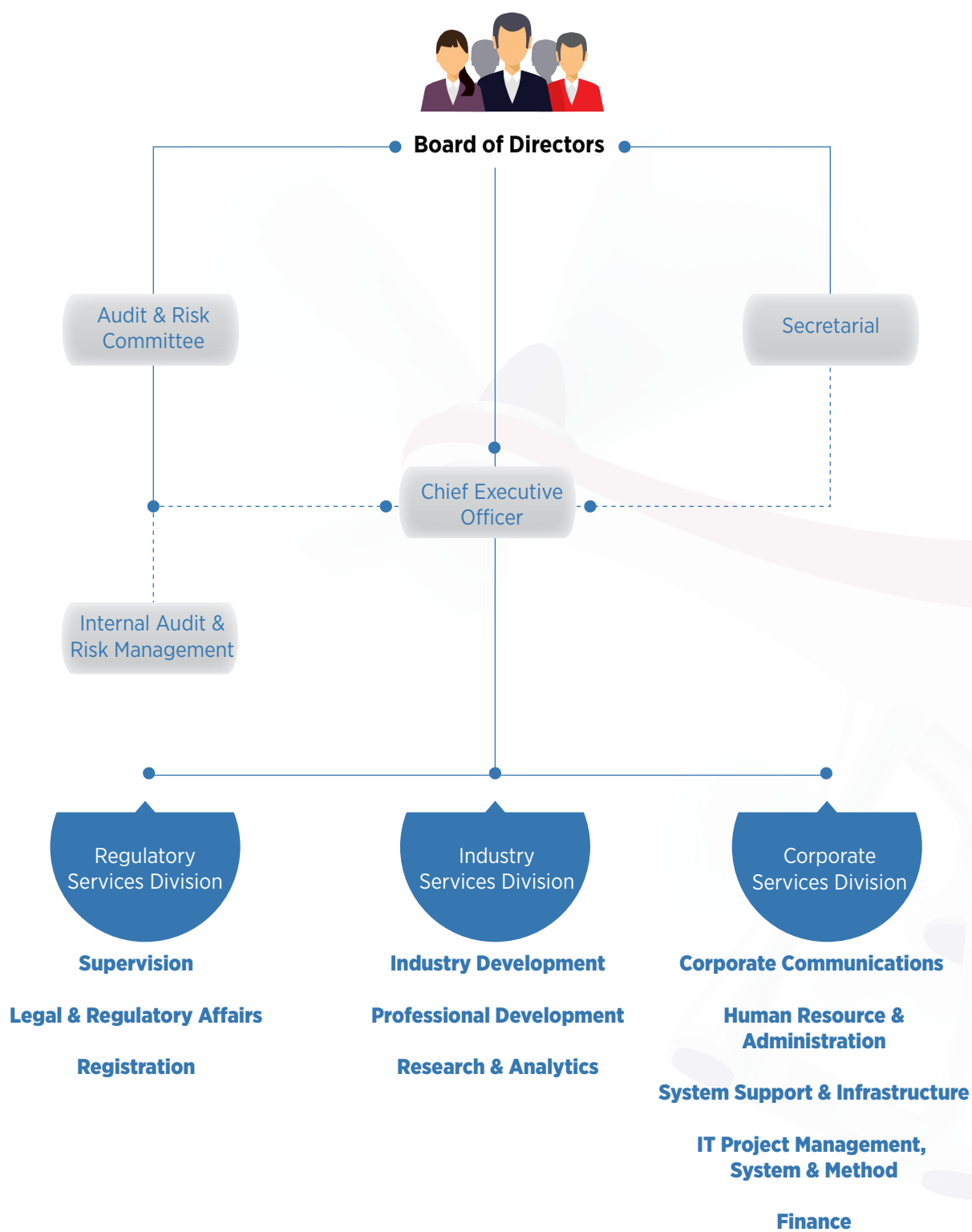
Tn. Muniandy Kannyappan J.M.N. (Resigned w.e.f 28.04.19)	0/1
Yon See Ting (Appointed w.e.f 13.06.19, approved by CCM 25.09.19.)	0/1
Koid Swee Lian	1/1
Datuk Nik Mohd Hasyudeen (Resigned w.e.f 11.09.2019)	1/1
Mohd Ridzal Mohd Sheriff	1/1
Steven Choy Khai Choon (Appointed w.e.f 13.06.19, approved by CCM 25.09.19)	0/1

### Elected Directors

Dato' Mohamad Ayob Abu Hassan (Resigned w.e.f 31.12.2019)	1/1
Yeoh Kim Hong	1/1
Eliza Ong Yin Suen	1/1
Ismitz Matthew De Alwis	1/1
Danny Wong Teck Meng	1/1

# Management

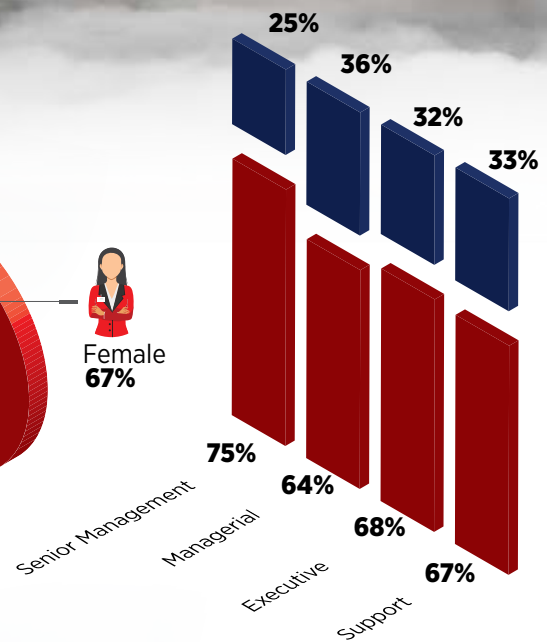
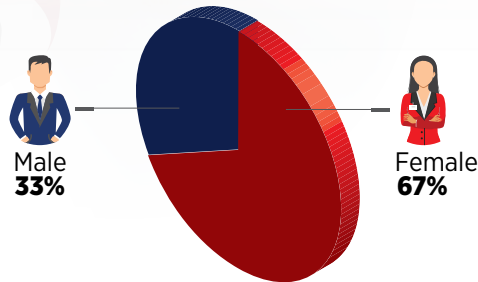
## Organisation Structure



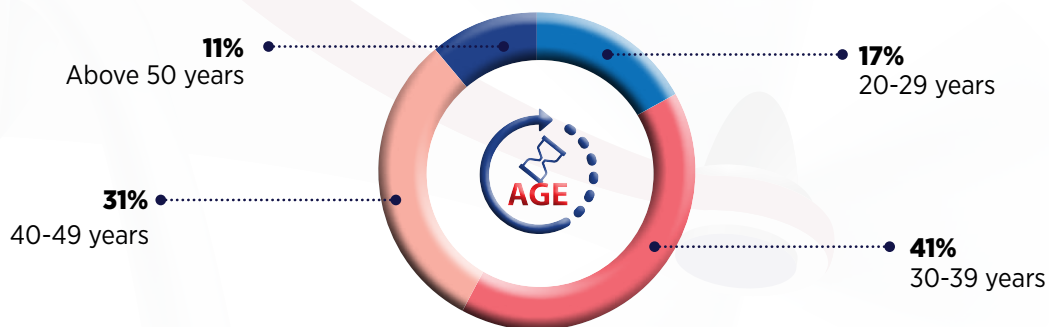
# Our People



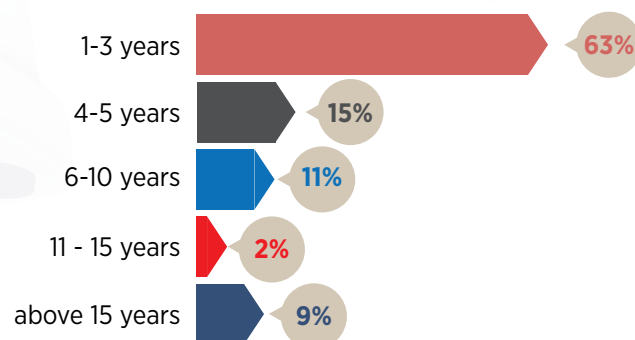
Headcount  
**54**



## Workforce Distribution by Age



## Years of Service









<b>56</b>	Directors' Report
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<b>64</b>	Statement of Financial Position
<b>65</b>	Statement of Comprehensive Income
<b>66</b>	Statement of Changes in Accumulated Fund
<b>67</b>	Statement of Cash Flows
<b>69</b>	Notes to the Financial Statements



## **Financial Report**

# Directors' Report

The Directors have pleasure in submitting their report together with the audited financial statements of the Federation of Investment Managers Malaysia ("the Federation") for the financial year ended 31 December 2019.

## Principal activities

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. 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

	<b>RM</b>
Operating surplus for the financial year	<u>3,473,151</u>

## 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 since the beginning of the financial year to the date of this report are:

### Public Interest Directors:

Mohd Ridzal Mohd Sheriff	
Che Zakiah Che Din	
Koid Swee Lian	
Dato' Mohd Sallehuddin Othman	
Steven Choy Khai Choon	(Appointed w.e.f. 25 September 2019)
Yon See Ting	(Appointed w.e.f. 25 September 2019)
Datuk Siti Hadzar Mohd Ismail	(Retired w.e.f. 12 June 2019)
Tn. Muniandy A/L Kannyappan J.M.N	(Resigned w.e.f. 28 April 2019)
Datuk Nik Mohd Hasyudeen Yusoff	(Resigned w.e.f. 11 September 2019)

### Elected Directors:

Mohammad Hussin	
Yeoh Kim Hong	
Eliza Ong Yin Suen	
Ismitz Matthew De Alwis	
Danny Wong Teck Meng	
Lim Suet Ling	(Appointed w.e.f. 25 September 2019)
Dato' Mohamad Ayob Abu Hassan	(Resigned w.e.f. 31 December 2019)

## 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.

# Directors' Report

## Directors' benefits (Continued)

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 17 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 or officers

The Federation has maintained the Association Liability Insurance (comprising Professional Indemnity and Directors' and Officers' Liability Insurance) up to an aggregate limit of RM20 million against any legal liability incurred by the Directors and Officers in discharge of their duties while holding office for the Federation. The Directors and Officers shall not be indemnified by such insurance for any deliberate negligence, fraud, intentional breach of law or breach of trust proven against them.

## Other statutory information

- (a) 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 there is no known bad debts and no provision for doubtful debts is required; 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.
- (b) At the date of this report, the Directors are not aware of any circumstances which would render:
  - (i) any amount to be written off as bad debts or to be provided for as doubtful debts; or
  - (ii) the values attributed to the current assets in the financial statements of the Federation misleading; or
  - (iii) adherence to the existing method of valuation of assets or liabilities of the Federation misleading or inappropriate; or
  - (iv) any amount stated in the financial statements of the Federation misleading.
- (c) No contingent or other liabilities of the Federation 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' Report

## Other statutory information (continued)

- (d) At the date of this report, there does not exist:
- (i) any charge on the assets of the Federation which has arisen since the end of the financial year which secures the liabilities of any other person; or
  - (ii) any contingent liability in respect of the Federation which has arisen since the end of the financial year.
- (e) In the opinion of the Directors:
- (i) the results of the operations of the Federation for the financial year 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

Auditors' remuneration are disclosed in Note 17 to the financial statements.

To the extent permitted by law, including Section 289 of the Companies Act 2016 in Malaysia, the Federation has agreed to indemnify its auditors, Ernst & Young PLT, as part of the terms of its audit engagement against claims by third parties arising from the audit (for an unspecified amount). No payment has been made to indemnify Ernst & Young PLT during or since the financial year.

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



Mohd Ridzal Bin Mohd Sheriff



Dato' Mohd Sallehuddin Bin Othman

Kuala Lumpur  
11 March 2020

# Statement by Directors

Pursuant to Section 251 (2) of the Companies Act, 2016

We, Mohd Ridzal Bin Mohd Sheriff 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 64 to 88 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 2019 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 dated 11 March 2020.



Mohd Ridzal Bin Mohd Sheriff



Dato' Mohd Sallehuddin Bin Othman

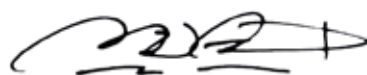
Kuala Lumpur

# Statutory Declaration

Pursuant to Section 251 (1) of the Companies Act, 2016

I, Kaleon Leong Bin Rahan Leong, 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 64 to 88 are, in my opinion, 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 Kaleon Leong Bin Rahan Leong at Kuala Lumpur, in the Federal Territory on this date of 11 March 2020



Kaleon Leong Bin Rahan Leong

Before me,

Commissioner for Oaths



SAMSIAH BINTI ALI No. W 589  
PESURUHJAYA SUMPAH  
NO. 110, TET BAWAH,  
BON LING, SELANGOR  
JALAN IPOH 51200

# Independent Auditors' Report

to the members of Federation of Investment Managers Malaysia (Incorporated in 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 2019, and statement of comprehensive income, statement of changes in accumulated fund and statement of cash flows of the Federation for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 64 to 88.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Federation as at 31 December 2019, and of their financial performance and their 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 audit opinion.

### *Independence and other ethical responsibilities*

We are independent of the Group and 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 other information 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 other information and, in doing so, consider whether the other information 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 this other information, 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.

# Independent Auditors' Report

to the members of Federation of Investment Managers Malaysia (Incorporated in Malaysia)  
(continued)

## Report on the audit of the financial statements (continued)

### *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 of the Federation represent the underlying transactions and events in a manner that achieves fair presentation.

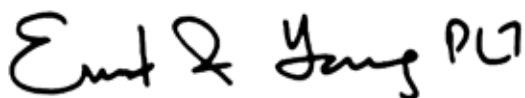
We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

# Independent **Auditors' Report**

to the members of Federation of Investment Managers Malaysia (Incorporated in Malaysia)  
(continued)

## 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 responsibility to any other person for the content of this report.



Ernst & Young PLT  
202006000003(LLP0022760-LCA) & AF 0039  
Chartered Accountants



Ng Sue Ean  
No. 03276/07/2020 J  
Chartered Accountant

Kuala Lumpur, Malaysia  
11 March 2020

# Statement of Financial Position

As at 31 December 2019

	Note	2019 RM	2018 RM
<b>Non-Current Assets</b>			
Property, plant and equipments	5	707,223	943,128
Intangible asset	6	453,762	282,558
Rights-of-use assets	7	1,056,550	-
Deferred tax asset	8	179,965	265,714
		2,397,500	1,491,400
<b>Current Assets</b>			
Other receivables	9	688,679	1,102,665
Tax recoverable		185,751	236,536
Fixed deposits with financial institutions	10	41,944,415	37,603,416
Cash and bank balances		1,168,772	1,125,929
		43,987,617	40,068,546
<b>Current Liabilities</b>			
Other payables	11	2,118,619	1,849,313
Net Current Asset		41,868,998	38,219,233
		44,266,498	39,710,633
<b>Non-Current Liabilities</b>			
Lease liabilities	14	1,082,714	-
		43,183,784	39,710,633
<b>Equity attributable to owners of the parent</b>			
Accumulated fund	12	26,535,817	23,855,426
SRO requirement reserve		16,647,967	15,855,207
		43,183,784	39,710,633

The accompanying notes form an integral part of the financial statements

# Statement of Comprehensive Income

For the financial year ended 31 December 2019

	Note	2019 RM	2018 RM
Revenue	15	14,088,690	14,921,328
Other income	16	1,540,469	1,477,829
Administrative expenses	17	(4,773,232)	(5,894,910)
Staff cost	18	(6,952,902)	(6,719,430)
<b>Excess of revenue over expenditure</b>		<b>3,903,025</b>	<b>3,784,817</b>
Taxation	19	(429,874)	(159,654)
<b>Operating surplus and total comprehensive income for the financial year</b>		<b>3,473,151</b>	<b>3,625,163</b>

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

# Statement of Changes in Accumulated Fund

For the financial year ended 31 December 2019

			← Non Distributable → SRO requirement reserve	
	Note	Accumulated fund RM	RM	Total RM
Balance as at 1 January 2019		23,855,426	15,855,207	39,710,633
Transfer to SRO Fund requirement reserve	13	(792,760)	792,760	-
Total comprehensive income for the financial year		3,473,151	-	3,473,151
Balance as at 31 December 2019		26,535,817	16,647,967	43,183,784
Balance as at 1 January 2018		20,985,273	15,100,197	36,085,470
Transfer to SRO Fund requirement reserve	13	(755,010)	755,010	-
Total comprehensive income for the financial year		3,625,163	-	3,625,163
Balance as at 31 December 2018		23,855,426	15,855,207	39,710,633

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

# Statement of Cash Flows

For the financial year ended 31 December 2019

	2019 RM	2018 RM
<b>Cash Flows From Operating Activities</b>		
Excess of revenue over expenditure	3,903,025	3,784,817
Adjustments for:-		
Depreciation of property, plant and equipment	289,039	294,338
Amortisation of intangible assets and leased assets	676,765	94,903
Interest expense on lease liabilities	66,512	-
Gain on disposal of property, plant and equipment	(26,111)	-
Interest income	(1,368,394)	(1,246,145)
Excess of operating revenue over expenditure before working capital changes	3,540,836	2,927,913
Changes in working capital:		
Decrease/(increase) in other receivables	413,986	(355,215)
Increase/(decrease) in other payables	269,307	(310,609)
	683,293	(665,824)
Cash generated from operations	4,224,128	2,262,089
Tax paid	(293,339)	(133,028)
Net cash generated from operating activities	3,930,789	2,129,061
<b>Cash Flows From Investing Activities</b>		
Proceeds from sale of property, plant and equipment	27,550	-
Purchase of property, plant and equipment	(54,567)	(37,560)
Purchase of intangible assets	(274,620)	(228,162)
Interest received	1,368,394	1,246,145
Deposits and placement with licensed banks and other financial institutions with original maturity of more than 3 months	(16,172,462)	-
Net cash generated from investing activities	(15,105,705)	980,423
<b>Cash Flows From Financing Activities</b>		
Repayment of leases	(613,704)	-
Net cash used in investing activities	(613,704)	-
<b>Net increase in cash and cash equivalents</b>	(11,788,620)	3,109,484
<b>Cash and cash equivalents at the beginning of the financial year</b>	38,729,345	35,619,861
<b>Cash and cash equivalents at the end of the financial year</b>	26,940,725	38,729,345

# Statement of Cash Flows

For the financial year ended 31 December 2019 (continued)

	2019 RM	2018 RM
<b>Cash and cash equivalents at the end of the financial year comprises:</b>		
Fixed deposits with a financial institutions	41,944,415	37,603,416
Cash and bank balances	1,168,772	1,125,929
	43,113,187	38,729,345
Less: Deposits with original maturity of more than 3 months	(16,172,462)	-
	26,940,725	38,729,345

# Notes to the Financial Statements

## 1. Corporate Information

The Federation of Investment Managers Malaysia ("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. 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, 2016 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 2019 are as follows:

#### Annual periods beginning on/after 1 January 2019

- MFRS 16, Lease
- Amendments to MFRS 9, Prepayment Features with Negative Compensation
- Amendments to MFRS 128, Long-term Interests in Associates and Joint Venture
- IC Int. 23 - Uncertainty over Income Tax Treatments
- Amendments to MFRS 3 - Business Combinations (Annual Improvements to MFRS Standards 2015–2017 Cycle)
- Amendments to MFRS 11 - Joint Arrangements (Annual Improvements to MFRS Standards 2015–2017 Cycle)
- Amendments to MFRS 112 - Income Taxes (Annual Improvements to MFRS Standards 2015–2017 Cycle)
- Amendments to MFRS 123 - Borrowing Costs (Annual Improvements to MFRS Standards 2015–2017 Cycle)

# Notes to the Financial Statements

## 2. Basis of Preparation (continued)

### (a) Basis of preparation (continued)

The above accounting standard and amendments to accounting standards effective during the financial year do not have significant impact to the financial results and position of the Federation except as follows:

MFRS 16 Leases ("MFRS 16") supersedes MFRS 117 Leases ("MFRS 117") and the related interpretations. Under MFRS 16, a lease contract (or part of a contract) that conveys the right to control the use of an identified asset for a period of time in exchange for consideration. MFRS 16 eliminates the classification of leases by lessee as finance leases (on balance sheet) or operating leases (off balance sheet). MFRS 16 requires a lessee to recognise a "right-of-use" of the underlying asset and a lease liability reflecting future lease payments for most leases. The right-of-use asset is depreciated in accordance with the principle in MFRS 116, Property, Plant and Equipment and the lease liability is accreted over time with interest expense recognised in income statement.

The Federation adopted MFRS 16 using the modified retrospective method of adoption with the date of initial application of 1 January 2019. Under this method, the standard is applied retrospectively with the cumulative effect of initially applying the standard recognised at the date of initial application. The Federation applied the standard only to contracts that were previously identified as leases applying MFRS 117.

#### *Leases previously accounted for as operating leases*

The Federation recognised right-of-use assets and lease liabilities for those leases previously classified as operating leases. The right-of-use assets were recognised based on the amount equal to the lease liabilities, adjusted for any related prepaid and accrued lease payments previously recognised. Lease liabilities were recognised based on the present value of the remaining lease payments, discounted using the incremental borrowing rate at the date of initial application.

The effect from the adoption of MFRS 16 on 1 January 2019 is as follows:

	Note	2019 RM	2018 RM
<b>Assets</b>			
Right-of-use assets	7	1,629,906	-
<b>Liabilities</b>			
Lease liabilities	14	1,629,906	-

# Notes to the Financial Statements

## 2. Basis of Preparation (continued)

### (a) Basis of preparation (continued)

The lease liabilities as at 1 January 2019 can be reconciled to the operating lease commitments as of 31 December 2018, as follows:

	2019 RM	2018 RM
<b>Assets</b>		
Operating lease commitments as at 31 December 2018	1,744,770	-
Weighted average incremental borrowing rate as at 1 January 2019	5%	-
Discounted operating lease commitments as at 1 January 2019	1,629,906	-
Lease liabilities as at 1 January 2019	1,629,906	-

### Annual periods beginning on/after 1 January 2020

- Amendments to MFRS 3, Definition of a Business
- Amendments to MFRS 101 and MFRS 108, Accounting Policies, Changes in Accounting Estimates and Errors - Definition of Material
- Revised Conceptual Framework for Financial Reporting
- Amendments to MFRS 7, MFRS 9 and MFRS 139, Interest Rate

### 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

# Notes to the Financial Statements

## 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.

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.

#### (ii) Subsequent costs

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.

# Notes to the Financial Statements

## 3. Significant accounting policies (continued)

### (b) Property, plant and equipment (continued)

#### (iii) Depreciation and impairment (continued)

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

The Federation assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

#### Federation as a lessee

The Federation applies a single recognition and measurement approach for all leases. The Federation recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

#### (i) *Right-of-use assets*

The Federation recognises right-of-use assets at the commencement date of the lease. Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, lease payments made at or before the commencement date less any lease incentives received, and an estimate of costs to be incurred in dismantling and removing the underlying asset, restoring the site on which it is located or restoring the underlying asset to the condition required. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets, as follows:

- |                       |             |
|-----------------------|-------------|
| • Office premises     | 3 years     |
| • Photocopier machine | 3 - 4 years |

Details of right-of-use assets are disclosed in Note 7 of the financial statement.

#### (ii) *Lease liabilities*

At the commencement date of the lease, the Federation recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Federation and payments of penalties for terminating the lease, if the lease term reflects the Federation exercising the option to terminate.

Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

# Notes to the Financial Statements

## 3. Significant accounting policies (continued)

### (c) Leases (continued)

#### (ii) *Lease liabilities (continued)*

In calculating the present value of lease payments, the Federation uses incremental borrowing rate at the lease commencement date. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g. changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

### (d) Financial assets

#### Initial recognition and measurement

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost, fair value through other comprehensive income ("FVOCI"), and fair value through profit or loss ("FVTPL").

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Federation's business model for managing them. Trade receivables that do not contain a significant financing component or for which the Federation are measured at the transaction price determined under MFRS15.

The Federation's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

#### Subsequent measurement

##### *Financial assets at amortised cost*

The Federation measures financial assets at amortised cost if both of the following conditions are met:

- (i) The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows; and
- (ii) The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at amortised cost are subsequently measured using the effective interest ("EIR") method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

# Notes to the Financial Statements

## 3. Significant accounting policies (continued)

### (e) Impairment of financial assets

The Federation recognises an allowance for Expected Credit Losses ("ECL") based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Federation expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

For trade receivables, the Federation applies a simplified approach in calculating ECLs. Therefore, the Federation does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Federation assesses each trade receivable individually to derive the ECL at each reporting date.

The carrying amount of the financial asset is reduced through the use of an impairment allowance account and the amount of the ECL is recognised in profit or loss. If, in a subsequent period, the amount of the ECL decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised ECL shall be reversed and recognised in profit or loss. An uncollectible financial asset classified as impaired is written-off after taking into consideration the realisable value of collateral, if any, when in the opinion of management, there is no prospect of recovery.

### (f) 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 recognised 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.

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.

# Notes to the Financial Statements

## 3. Significant accounting policies (continued)

### (g) 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.

### (h) 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.

FVTPL 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.

### (i) 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.

### (j) 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

## 3. Significant accounting policies (continued)

### (k) 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.

### (l) 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 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.

# Notes to the Financial Statements

## 3. Significant accounting policies (continued)

### (m) 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.

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 realised 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 utilised.

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 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.

# Notes to the Financial Statements

## 4. Significant accounting estimates and judgements (continued)

### (b) 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.

### (c) Income taxes

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

## 5. Property, plant and equipments

	Office equipment RM	Furniture and fittings RM	Office renovations RM	Motor vehicles RM	Total RM
<b>Cost</b>					
At 1 January 2019	2,150,234	366,427	570,250	169,223	3,256,134
Additions	54,567	-	-	-	54,567
Disposals	(473,492)	(10,466)	-	(169,223)	(653,181)
Write-off	(139,711)	(31,779)	-	-	(171,490)
At 31 December 2019	1,591,598	324,182	570,250	-	2,486,030
<b>Accumulated depreciation</b>					
At 1 January 2019	1,282,818	290,722	570,246	169,220	2,313,006
Charge for the financial year	269,951	19,085	-	3	289,039
Disposals	(473,248)	(9,288)	-	(169,223)	(651,759)
Write-off	(139,703)	(31,776)	-	-	(171,479)
At 31 December 2019	939,818	268,743	570,246	-	1,778,807
<b>Carrying amount</b>					
At 31 December 2019	651,780	55,439	4	-	707,223
<b>Cost</b>					
At 1 January 2018	2,117,515	361,586	570,250	169,223	3,218,574
Additions	32,719	4,841	-	-	37,560
At 31 December 2018	2,150,234	366,427	570,250	169,223	3,256,134
<b>Accumulated depreciation</b>					
At 1 January 2018	1,007,735	271,467	570,246	169,220	2,018,668
Charge for the financial year	275,083	19,255	-	-	294,338
At 31 December 2018	1,282,818	290,722	570,246	169,220	2,313,006
<b>Carrying amount</b>					
At 31 December 2018	867,416	75,705	4	3	943,128

# Notes to the Financial Statements

## 6. Intangible asset

<b>Cost</b>	<b>2019 RM</b>	<b>2018 RM</b>
At 1.1.2019	1,634,902	1,406,740
Additions	274,620	228,162
Write-off	(286,226)	-
At 31.12.2019	1,623,296	1,634,902
<b>Accumulated amortisation</b>		
At 1.1.2019	1,352,344	1,257,441
Charge for the financial year	103,409	94,903
Write-off	(286,219)	-
At 31.12.2019	1,169,534	1,352,344
<b>Carrying amount</b>		
At 31.12.2019	453,762	282,558

## 7. Rights-of-use assets

<b>Cost</b>	<b>Office premises RM</b>	<b>Photocopier machine RM</b>	<b>Total RM</b>
At 1 January 2019 / 31 December 2019	1,598,449	31,457	1,629,906
<b>Accumulated amortisation</b>			
At 1 January 2019	-	-	-
Charge for the financial year	564,159	9,197	573,356
At 31 December 2019	564,159	9,197	573,356
<b>Carrying amount</b>			
At 31 December 2019	1,034,290	22,260	1,056,550

# Notes to the Financial Statements

## 8. Deferred tax asset

	2019 RM	2018 RM
At 1 January	265,714	225,547
Recognised in profit or loss (Note 19)	(85,749)	40,167
At 31 December	179,965	265,714

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

	Lease liabilities RM	Provisions RM	Property, plant and equipment RM	Total RM
<b>2019</b>				
At 1 January 2019	-	517,454	(251,740)	265,714
Recognised in profit or loss	1,756	(89,017)	1,512	(85,749)
At 31 December 2019	1,756	428,437	(250,228)	179,965
<b>2018</b>				
At 1 January 2018	-	492,781	(267,234)	225,547
Recognised in profit or loss	-	24,673	15,494	40,167
At 31 December 2018	-	517,454	(251,740)	265,714

## 9. Other receivables

	2019 RM	2018 RM
Other receivables	435,518	412,645
Deposits	181,237	330,037
Prepayments	71,924	359,983
	688,679	1,102,665

Other receivables mainly consist of accruals of fixed deposits income amounting to RM428,638 (2018: RM401,242) and other debtors amounting to RM6,880 (2018: RM11,403).

# Notes to the Financial Statements

## 10. Fixed deposits with financial institutions

The fixed deposits' interest rates range from 2.95% to 4.19% (2018: 2.95% to 4.15%) per annum and the tenure ranges from 5 to 365 days (2018: 8 to 184 days) respectively.

## 11. Other payables

	2019 RM	2018 RM
Other payables	225,883	45,850
Accruals		
- Staff bonus and benefit	1,098,720	1,000,160
- Others	260,640	389,339
Advance billings	519,806	341,637
Deferred revenue	13,570	72,327
	2,118,619	1,849,313

Advance billings mainly consist of prepayments received from members and registered persons.

## 12. Accumulated fund

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

## 13. SRO requirement reserve

	2019 RM	2018 RM
At 1 January	15,855,207	15,100,197
Transfer from accumulated fund	792,760	755,010
At 31 December	16,647,967	15,855,207

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.

# Notes to the Financial Statements

## 14. Lease liabilities

	2019 RM	2018 RM
At 1.1.2019	1,629,906	-
Accretion of interest	66,512	-
Payments	(613,704)	-
At 31.12.2019	1,082,714	-

## 15. 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.

## 16. Other income

	2019 RM	2018 RM
Conference fees received	79,268	144,208
PRS familiarisation program	7,750	74,057
Interest income	1,368,394	1,246,145
Sundry income	58,946	13,419
Gain on disposal of property, plant and equipment	26,111	-
	1,540,469	1,477,829

# Notes to the Financial Statements

## 17. Administration expenses

	2019 RM	2018 RM
Auditors' remuneration	40,500	48,500
Depreciation of property, plant and equipment	289,039	294,338
Amortisation of intangible and right-of-use assets	676,765	94,903
Key management personnel compensation (Note 20)	645,120	478,502
Other project expenses	279,591	197,158
Rental of premises	-	579,335
UTC seminar expenses	207,242	418,043
Examination expenses	1,122,639	1,320,150
Attendance fees		
-Directors	335,500	477,500
-Subject Matter Experts	11,000	8,000
Annual allowance of Public Interest Directors and Chairman	101,000	108,000

## 18. Staff Costs

	2019 RM	2018 RM
Staff costs (excluding Directors)	6,952,902	6,719,430

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 RM688,723 (2018: RM666,001)
- (b) contributions made to registered Private Retirement Scheme for eligible employees of the Federation amounting to RM60,094 (2018: RM46,842).

# Notes to the Financial Statements

## 19. Taxation

	2019 RM	2018 RM
Current tax:		
- Current year	340,195	302,641
- Under/(Over) provision in prior year	3,930	(102,820)
	344,125	199,821
Deferred tax (Note 8):		
- Current year	82,918	30,383
- Under/(Over) provision in prior year	2,831	(70,550)
	85,749	(40,167)
Tax expense for the financial year	429,874	159,654

Income tax is calculated at the statutory tax rate of 26% (2018: 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:

	2019 RM	2018 RM
Excess of revenue over expenditure	3,903,025	3,784,817
On the first RM600,000 of chargeable income	134,650	134,650
26% (2018: 26%) on the balance of chargeable income	858,786	828,052
Expenses not deductible for tax purposes	122,757	128,292
Tax exempt income	(693,080)	(757,970)
Under/(over) provision of current taxation in prior year	3,930	(102,820)
Under/(over) provision of deferred taxation in prior year	2,831	(70,550)
Tax expense for the financial year	429,874	159,654

- \* 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% (2017: 26%) and the scale rates applicable to the Federation.

# Notes to the Financial Statements

## 20. Key management personnel compensation

	2019 RM	2018 RM
Other key management personnel		
- Short term employee benefit	645,120	478,502

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.

## 21. Financial Instruments

	2019		2018	
	Amortised cost/ other financial liabilities RM	Total RM	Amortised cost/ other financial liabilities RM	Total RM
<b>Financial assets</b>				
Other receivables	688,679	688,679	1,102,665	1,102,665
Fixed deposits with financial institutions	41,944,415	41,944,415	37,603,416	37,603,416
Cash and bank balances	1,168,772	1,168,772	1,125,929	1,125,929
	43,801,866	43,801,866	39,832,010	39,832,010
<b>Financial liabilities</b>				
Other payables	2,118,619	2,118,619	1,849,313	1,849,313
	2,118,619	2,118,619	1,849,313	1,849,313

### 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.

# Notes to the Financial Statements

## 21. Financial Instruments (continued)

### (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.

	Carrying amount RM	Contractual interest rate %	Contractual cash flows RM	Below one year RM
2019				
Other payables	2,118,619	-	2,118,619	2,118,619
2018				
Other payables	1,849,313	-	1,849,313	1,849,313

## 22. Capital management

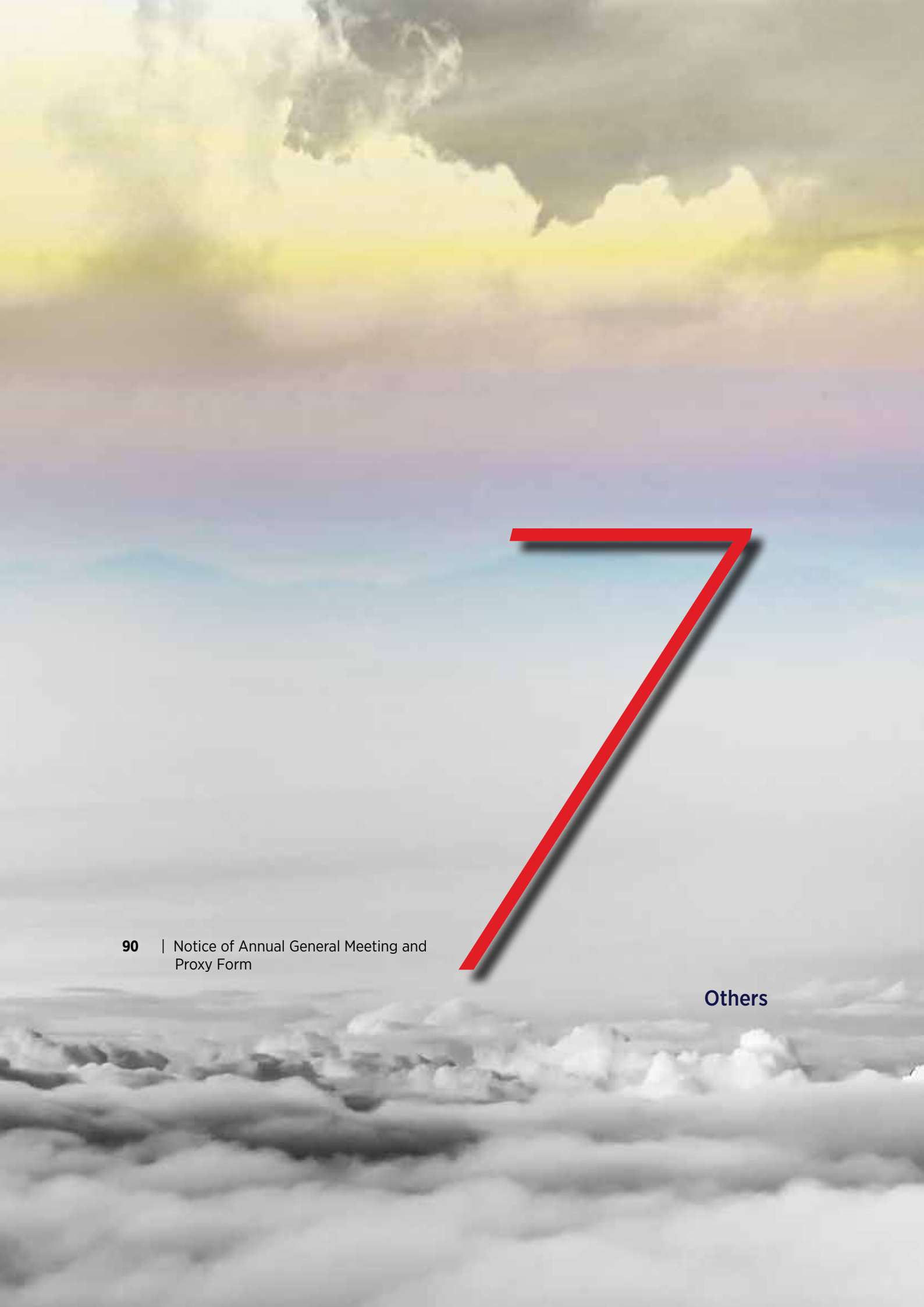
The Federation is a recognised SRO since 2011 under Section 323(1) of the CMSA by the Securities Commission.

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 13 to the financial statements.

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

## 23. Date of authorisation for issue

The financial statements of the Federation for the financial year ended 31 December 2019 were authorised for issue in accordance with a resolution of the Board of Directors on 11 March 2020.



**90** | Notice of Annual General Meeting and  
Proxy Form

**Others**

# NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the Twenty-Sixth (26th) Annual General Meeting of Federation of Investment Managers Malaysia (FIMM) will be held virtually on the date, time and at the Broadcast Venue as set out below:

Date : Wednesday, 24 June 2020  
 Time : 10:00 A.M.  
 Broadcast Venue : Boardroom of FIMM, Unit No. 19-06-01, 6th Floor, Wisma Tune, No. 19, Lorong Dungun, Damansara Heights, 50490 Kuala Lumpur

The only venue involved is the Broadcast Venue where only essential individuals, including the Chairman of FIMM, will be physically present to organise the virtual AGM and we request Members to attend FIMM's 26th AGM remotely using the Microsoft Teams software application (particulars of which are described in the "Administrative Guide on the participation in a Virtual General Meeting" appended in Appendix A of this Notice).

The 26th AGM will be held for the following purposes:

## AGENDA

1. To receive the Audited Financial Statements for the financial year ended 31 December 2019 and the reports of the Directors and Auditors thereon. **Notification**

*Refer to Explanatory Note 1*

2. To re-appoint Ernst & Young PLT as Auditors of FIMM to hold office until the conclusion of the next Annual General Meeting (AGM) of FIMM and to authorise the Directors to fix their remuneration. **Ordinary Resolution 1**

3. To approve the total annual allowance of RM39,000.00 paid to two (2) Chairmen in the year 2019. **Ordinary Resolution 2**

*Refer to Explanatory Note 2*

4. (a) To note the total attendance fee of RM335,500.00 paid to members of the Board of Directors (Board) and Committees for meeting attendances and the total attendance fee of RM11,000.00 paid to non-members of the Board for Committee meetings attendances in the year 2019. **Notification**

(b) To note the total annual allowance of RM62,000.00 paid to the Public Interest Directors in the year 2019.

*Refer to Explanatory Note 3*

5. To transact any other ordinary business for which due notice has been given. **Notification**

By Order of the Board,

**Chua Siew Chuan (MAICSA 0777689) (SSM PC No.: 201908002648)**

**Tan Ley Theng (MAICSA 7030358) (SSM PC No.: 201908001685)**

Company Secretaries

Dated: 2 June 2020

### 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/her 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. Jessica Tee) 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 2019

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. Chairman's Allowance

- i. The total annual allowance of RM39,000.00 paid to the Chairmen in the year 2019 is based on the monthly allowance of RM3,000.00 to each of the two (2) Chairmen in the month of June 2019. This is due to the appointment of Encik Mohd Ridzal bin Mohd Sheriff as Chairman by the Securities Commission Malaysia effective 12 June 2019 after the retirement of Datuk Siti Hadzar bt Mohd Ismail on the same date.
- ii. The Chairman's monthly allowance payment of up to RM3,000.00, effective 1 January 2010, was previously approved at the 16th AGM held on 4 June 2010.

### 3. Directors' fees and allowances

(a) Attendance fees paid to the Members of the Board for attending Board and Board Committee meetings in 2019 are as follows:

	Attendance Fee (per meeting)	
	Board Meeting	Board Committee Meeting
Chairman	RM3,000.00	RM1,500.00
Members	RM2,000.00	RM1,000.00

(b) Allowance and fee paid to each Public Interest Director in the year 2019 are as follows:

- Annual allowance of RM12,000.00.
- Fee of RM500 for each attendance at any official meetings/dialogues.

(c) Based on previous years, RM470,000.00 has been estimated to be paid to the Directors being payment for allowances and attendance fees for meetings in 2020.

Last date and time for lodging the : Monday, 22 June 2020 at 10.00 a.m.  
aforesaid instrument

## APPENDIX A

### Administrative Guide on Participation in a Virtual General Meeting

1. In light of the Covid-19 outbreak and subsequent measures to be taken post MCO, including physical distancing and no gathering of large groups, Members are encouraged to participate at FIMM's 26th AGM via virtual conferencing.
2. Hence, we urge all Members to attend the 26th AGM remotely using the **MICROSOFT (MS) TEAMS** virtual conferencing software application. Kindly ensure that your laptop/desktop is equipped with this software application, as well as the audio/visual facilities to operate this application.
3. You may exercise your right as a Member of the Company to participate (including to pose questions to the Board/Management of the Company) and vote at the 26th AGM, from the comfort of your home.

### Proxy

4. If a Member is not able to attend the meeting via MS TEAMS virtual conferencing on 24 June 2020, he/she can appoint the Chairman of the meeting as his/her proxy and indicate the voting instructions in the Proxy Form.
5. Please submit your Proxy Form to 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. Jessica Tee) or e-mail your Proxy Form to [leytheng.tan@sshsb.com.my](mailto:leytheng.tan@sshsb.com.my)/[hui.tian.tee@sshsb.com.my](mailto:hui.tian.tee@sshsb.com.my) by **10:00 a.m. on 22 June 2020**.
6. For Members who have submitted proxy forms appointing persons as their proxies, the proxy appointment can be revoked should he/she decide to personally participate at the 26th AGM remotely.

### Participation and Voting

7. As notified earlier, Members who wish to participate and vote at the 26th AGM must revert with your reply slip (inclusive of your email address and mobile number) to FIMM via email ([belinda@fimm.com.my](mailto:belinda@fimm.com.my) or [vivian.bong@fimm.com.my](mailto:vivian.bong@fimm.com.my)) by **10:00 a.m. on 22 June 2020**.
8. Upon receipt and verification of such document, FIMM will respond to your virtual participation request vide an **MS TEAMS email invitation** to the Member **OR** appointed Proxy to participate in the 26th AGM.

### Enquiry

9. If you have any further enquiry prior to the general meeting, you may contact the following officers during office hours from 8.30 a.m. to 5.30 p.m. (Monday to Friday):

	Name	Position / Department	Contact Email/Number
a.	Mr Jegatheesan Govintharaj	Senior Manager, Legal & Regulatory Affairs Department	<a href="mailto:jegatheesan@fimm.com.my">jegatheesan@fimm.com.my</a> 603 2093 2600 (ext. 320)
b.	Ms Belinda Yeo	Manager, Secretarial Department	<a href="mailto:belinda@fimm.com.my">belinda@fimm.com.my</a> 603 2093 2600 (ext. 120)
c.	Ms Vivian Bong	Senior Executive, Secretarial Department	<a href="mailto:vivian.bong@fimm.com.my">vivian.bong@fimm.com.my</a> 603 2093 2600 (ext. 111)

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**FEDERATION OF INVESTMENT MANAGERS MALAYSIA**  
(Incorporated in Malaysia)  
(Registration No: 199301017839 (272577-P))

**PROXY FORM**

I/We, \_\_\_\_\_  
(FULL NAME IN BLOCK LETTERS, NRIC NO./COMPANY NO.)

of \_\_\_\_\_  
(FULL ADDRESS 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)	
NRIC/PASSPORT NO. (IN BLOCK LETTERS)	
PHONE NO.	
E-MAIL ADDRESS (FOR MS TEAMS EMAIL INVITATION)	
ADDRESS (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-Sixth (26th) Annual General Meeting of FIMM to be held via MS Teams Virtual Conferencing with the Broadcast Venue at the Boardroom of FIMM, Unit No. 19-06-01, 6th Floor, Wisma Tune, No. 19, Lorong Dungun, Damansara Heights, 50490 Kuala Lumpur on Wednesday, 24 June 2020 at 10.00 a.m. and at any adjournment thereof \*for/against of that meeting.

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

Resolutions	For	Against
<b>Ordinary Resolution 1</b> To re-appoint Ernst & Young PLT as Auditors of FIMM to hold office until the conclusion of the next Annual General Meeting (AGM) of FIMM and to authorise the Directors to fix their remuneration.		
<b>Ordinary Resolution 2</b> To approve the total annual allowance of RM39,000.00 paid to two (2) Chairmen in the year 2019.		

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2020.

\_\_\_\_\_  
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	: Monday, 22 June 2020 at 10.00 a.m.
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(Attn: Ms. Tan Ley Theng/Ms. Jessica Tee) (ley.theng.tan@sshsb.com.my/hui.tian.tee@sshsb.com.my) (Tel No.: 03 - 2084 9000; Fax No.: 03-2094 9940)
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**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**  
(Company No. 199301017839 (272577-P))  
19-06-1, 6th Floor, Wisma Tune, 19, Lorong Dungun,  
Damansara Heights, 50490 Kuala Lumpur, Malaysia



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**Federation of Investment Managers Malaysia**  
(FIMM)

