



# INVESTOR'S INTEREST, OUR PRIORITY

Unit Trust Schemes | Private Retirement Schemes



Regulate



Protect



Educate

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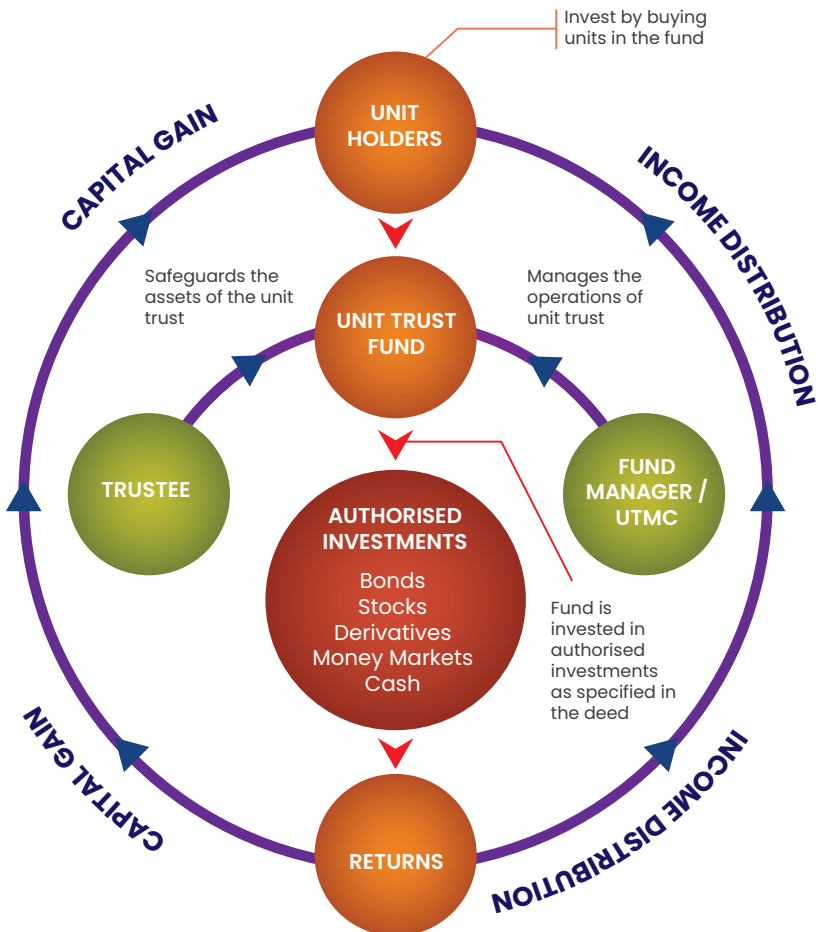
## WHAT ARE UNIT TRUSTS?

A form of collective investments that allow investors with similar investment objectives to pool their savings which are then invested in a portfolio of shares or other assets managed by professional fund managers.

Unit Trusts are usually managed by financial institutions referred to as Unit Trust Management Companies (UTMCs).

UTMCs are authorised to issue or offer for purchase of units of a unit trust scheme.

## HOW UNIT TRUSTS WORK?





## WHY INVEST IN UNIT TRUSTS?

01

### Portfolio Diversification



Unit Trust investments allow investors to invest in a broader range of securities than they would be able to when investing on their own. Diversification minimises exposure to any one type of risk.

02

### Asset Liquidity



There is an ease in selling and buying units as compared with investing directly in shares of companies where prices and opportunities to transact depend on the availability of both buyers and sellers.

03

### Continuous Professional Management



Unit trust funds are managed by professional and full-time fund managers who have the necessary skills, relevant experience and dedicated resources to maximise investments. This takes the worry out of the day-to-day decision whether to buy or sell an a financial asset – the fund manager does it all for you.

## BENEFITS OF INVESTING IN UNIT TRUSTS

01

### Access to Broader Array of Financial Assets



Fund managers can trade in investment products that are normally inaccessible to the individual investor, such as government and corporate bonds. With unit trust funds, an individual investor can enjoy the benefits of these investment products with a small capital outlay.

02

### Affordability



Unit trust investments require only a minimal capital outlay as most funds accept both small and large investments, making it affordable for the average investor to get started.

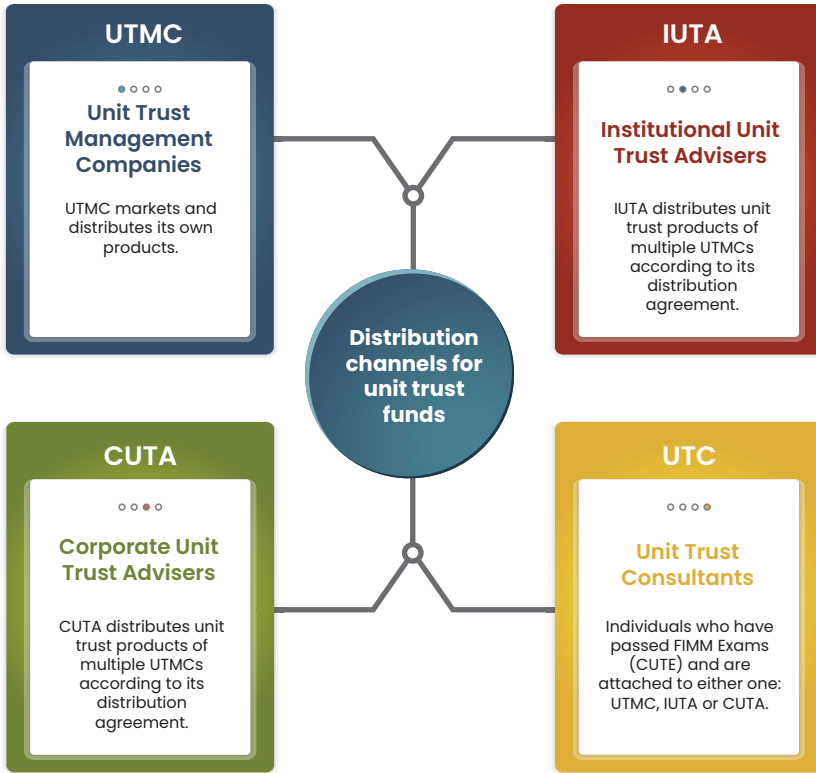
03

### Tax Benefits



Interest income and capital gains, in general, are tax exempted.

## DISTRIBUTION CHANNELS FOR UNIT TRUSTS



## TYPES OF FUNDS AND THEIR PROFILES

TYPE OF FUNDS	MONEY MARKET	FIXED INCOME	BALANCED	EQUITY
INVEST INTO	Short-term government securities and in low-risk money market instruments	Fixed income securities such as Malaysian Government Securities, corporate bonds, and money market instruments	Equities, fixed income securities and cash	Companies listed in public stock exchange such as Bursa Malaysia
OBJECTIVE	Provide preservation of principal by investing in a diversified portfolio of high-quality, short-term money market instruments	Provide regular income with less emphasis on producing capital growth	Provide investors with a single mutual fund that combines both growth and income	Provide reasonable rate of return on income and to realise capital growth
RETURN	Low	Low	Moderate	High
RISK	Low	Low	Moderate	High

# “ ALWAYS READ THE PROSPECTUS

All UTMCS are legally required to issue a prospectus and you are advised to read the prospectus to identify the type of fund that best suits your investment goals.

A Unit Trust Prospectus is a document that describes a fund for potential investors. It tells you how and what the fund will invest in, its potential risk and other material information such as the fund's Net Asset Value (NAV). NAV is the total value of the fund. It is generally calculated daily and reflected in the per-unit price of the fund.

”

## HOW DO I INVEST IN UNIT TRUSTS?

Speak to an  
authorised unit  
trust Consultant



Give it some  
thought before  
investing

01



What is your risk appetite?  
High, moderate or low risk?

02



Do you understand  
the charges and  
potential risk of  
investing in the fund?

03



What are your goals  
and timeline in  
undertaking this  
investment?

## THE DIFFERENCE BETWEEN INVESTMENTS AND SAVINGS

### Investments

Investments are commitments of funds to one or more assets that will be held over some future time period, with the hope that they will generate more income.

### Savings

Savings is a portion of current income that is being put aside for future use, or the flow of resources accumulated in this manner over a given period of time. It may take the form of increases in bank deposits, purchases of securities, or increased cash holdings.

## SAVINGS



### FEATURES

- 1 Keeps the value of money saved intact.
- 2 May provide small returns as determined by interest rates.
- 3 Always available when you need it.
- 4 Risk is minimal and usually guaranteed by banks or by the government.
- 5 Requires little financial knowledge.
- 6 Little increase in value over time.
- 7 Inflation may significantly diminish value.
- 8 Not completely risk-free.

### EXAMPLES

- Savings Accounts
- Fixed Deposits

## INVESTMENTS



### FEATURES

- 1 Grows the value of your money.
- 2 May return several times the amount of your initial investment.
- 3 Helps you build a nest egg for your retirement, children's education fund, etc.
- 4 Value of investment tends to correlate to inflation.
- 5 Risk level varies but generally higher than savings.
- 6 Money usually locked in for a predetermined period of time.
- 7 Understand the product, market and potential risks.

### EXAMPLES

- Equities (shares in company)
- Bonds
- Properties
- Unit Trusts



## DID YOU KNOW?

Savings and investments have different characteristics that can help you gain financial independence.

Ideally, a healthy financial portfolio contains both savings and investments to support your goals at different stages in life.

## RISK OF INVESTMENTS AND SAVINGS

Some investments such as equities are considered to be among the riskiest assets as they depend on various factors, including:



Market conditions



Economic conditions



Effectiveness of the company's management

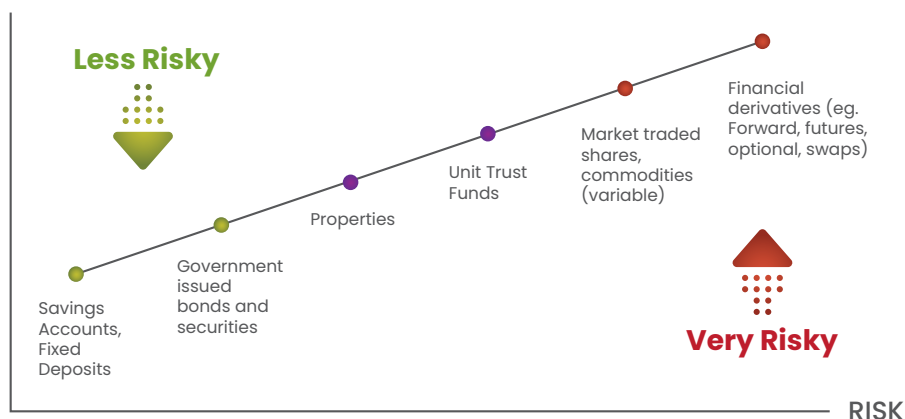


Government regulations

## THE RISK / REWARD TRADE OFF

The diagram below provides a snapshot of some of the more common investments and their relative level of risk. Although the risk profile of each individual asset may not fall neatly into the common categories above, the diagram provides a general guide for investors.

## RETURN



Risk and Return are tangent. High risk is associated with high potential returns whilst low risk is associated with low potential returns.

## THE DO'S AND DON'TS (UNIT TRUST INVESTMENT SUITABILITY)

### { IMPORTANT! }



Deal only with  
**authorised  
Consultants**



**DOs**



**DON'Ts**



**Do not give cash or  
issue a cheque**  
in the name of any unit  
trust Consultant



**Do not pre-sign  
investment forms**  
for own convenience

### { UNIT TRUST INVESTMENT SUITABILITY: }



Investor with  
medium to long term  
investment timeline



**SUITABLE**



**NOT  
SUITABLE**



**Investor with short  
term or less than a  
year investment  
timeline**



**Speculators**



## IS MY CONSULTANT AUTHORISED?



Unit Trust Schemes (UTS) and Private Retirement Schemes (PRS) Distributors and Consultants will be able to guide and help you choose the UTS/PRS that is most suitable to your needs and investment goals.



However, be careful! **Make sure that the Distributor/Consultant you are dealing with is authorised by FIMM.**



To check if your Distributor is registered, simply visit FIMM's website. We have a list of all registered Distributors. For Consultants, you can visit the **"Is My Consultant Authorised"** page on our website. Search his/her name (or his/her FIMM No.) and if his/her details appear, then that Consultant is registered and authorised.



Ensuring that your Distributor/Consultant is authorised should not be limited just to investments in UTS/PRS. When choosing to invest in properties or insurance, you should also check to ensure that the agents are authorised representatives.

https://www.fimm.com.my/search/

**FIMM**  
Federation of Investment Managers Malaysia

### Is My Consultant Authorised?

This online verification is intended to facilitate members of the public to ascertain whether individuals they are dealing with, for purposes of investment or contribution into unit trust schemes or private retirement schemes, are registered with FIMM as Consultants. Only individuals registered with FIMM as Consultants are authorised to promote, market and distribute unit trust schemes and private retirement schemes. Members of the public are advised to report to FIMM at 03-2092 3800, or the Securities Commission Malaysia, if they encounter unauthorised individuals promoting, marketing and distributing unit trust schemes or private retirement schemes.

#### How to Use This Tool

Just key in the Consultants FIMM No. or Full Name or IC No and click "Search" to verify.

Full name

Full Name

FIMM No

FIMM No

IC Number

IC No

Search

Back

Title	Download
List of PRS Consultants (2nd January 2021)	<div>Download</div>
List of Unit Trust Consultants (2nd January 2021)	<div>Download</div>

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You should always be on your toes if ever faced with offers that seem too good to be true. You may come across individuals who present you with extremely attractive offers that come with lucrative returns – but beware. When a proposition sounds far-fetched, it should raise red flags and you should stay sceptical when you encounter such a situation.

### Common features of illegal schemes

- Investors may not be given copies of any documentation including agreements by the operators.
- The approach by the operators may have been made via mail, telephone, Internet or in person, but the intention is always the same, that is, to take money from unsuspecting victims for goods or services that they have no intention to provide.
- The scheme promises very high returns.
- There is also no assurance that the operators of such schemes can continue to pay the high returns.
- Investors may be asked to pay in cash.

### How it works?

At the beginning of such schemes, the operators are able to use money received from subsequent depositors to pay high returns or to repay the principal amount to the earlier depositors.

The operators are however unable to invest the deposits in equally or more lucrative ventures or investments and therefore unable to sustain the high returns or repayment promised to their depositors.

These schemes fail eventually when there are no new deposits being continually received by the operators. At such time, the "get-rich-quick" schemes will collapse and the depositors or investors will lose their investments.

#### Disclaimer:

The contents on this page has been sourced from various FIMM's Member website to remind investors to always be vigilant.

### Why do you need to be cautious?

Members of the public found participating in illegal financial activities could be charged under the law as abetting the operators of such illegal activities.

### How to Protect Yourself?

- Remember the golden rule – if it sounds too good to be true, it is probably a fraudulent scheme.
- Deal only with licensed financial institutions and authorised Consultants.
- Always check with the relevant authorities before investing/depositing. Visit Bank Negara Malaysia's official website at [www.bnm.gov.my](http://www.bnm.gov.my) or the Securities Commission Malaysia's (SC) official website at [www.sc.com.my](http://www.sc.com.my) for the complete list of unauthorised investment products/websites/companies/individuals.
- Don't be pressured or rushed to invest.
- Be extra careful with investments over the Internet.
- Be wary of any investment opportunity that is not in writing.
- The best way to combat financial fraud is through PREVENTION. Avoid becoming a victim!





## HOW TO LODGE A COMPLAINT

If you have a complaint against a Distributor or Consultant of UTS or PRS, you may lodge your complaint by completing and submitting FIMM's online complaint form.

Alternatively, you may **download** FIMM's complaint form from our website and submit the completed form to:

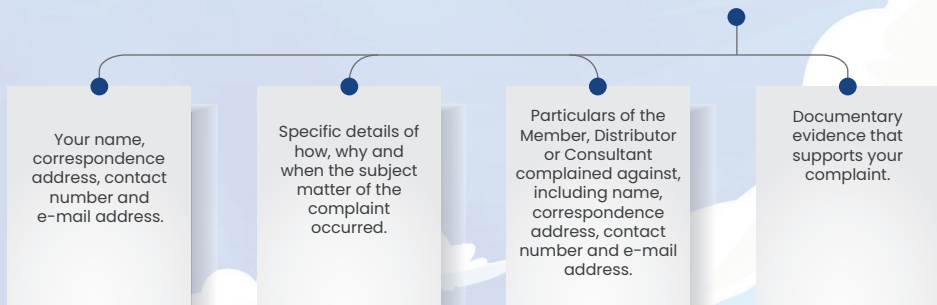
### Legal & Regulatory Affairs

Federation of Investment Managers Malaysia  
19-06-1, 6th Floor, Wisma Tune  
No. 19, Lorong Dungun  
Damansara Heights  
50490 Kuala Lumpur

Or

<https://www.fimm.com.my/home/investors/investor-protection/lodge-a-complaint/>  
[complaints@fimm.com.my](mailto:complaints@fimm.com.my)

To allow your complaint to be investigated properly, you should give full and accurate information, including:



Pursuant to the Personal Data Protection Act 2010, please refer to our Privacy Notice which is available at our website: <https://www.fimm.com.my/>



## WHAT IS A PRIVATE RETIREMENT SCHEME (PRS)?

Private Retirement Scheme (PRS) is a voluntary long-term savings and investment scheme designed to help you save more for your retirement. PRS seek to enhance choices available for all Malaysians whether employed or self-employed to supplement their retirement savings under a well-structured and regulated environment. Each PRS offers a choice of retirement funds from which individuals may choose to invest in based on their own retirement needs, goals and risk appetite. The fund options under PRS are intended to enhance long-term returns for members within a regulated framework.

## WHY PRS?

Contributing in PRS may be one of the best things you can do for your retirement. Here's why:

01

**Designed for retirement**



PRS was established with the main aim of helping you accumulate more savings for your retirement.

02

**Easy investments**



Choice of Providers and self-selected funds or default option funds based on your age.

03

**Affordable savings**



You could potentially save more with PRS by contributing a minimum of 10% monthly salary to grow your retirement savings.

04

**Tax Incentive**



Enjoy personal tax relief of up to RM3,000 per year.\*  
*\*Terms apply.*

05

**PRS Central Administrator**



Private Pension Administrator provides a one-stop account management and on-going member services to serve and protect your interests.

06

**Regulated framework**



PRS is regulated by the SC and the schemes are safeguarded by the Scheme Trustees.

## REGULATORY FRAMEWORK

The PRS regulatory framework is established under the Capital Markets & Services Act (CMSA) 2007 and is regulated and supervised by the SC to ensure robust regulation and supervision of the PRS industry whilst promoting trust and confidence in the PRS. There is a proper segregation of roles and responsibilities of all key parties in the PRS industry as follows:

### **Roles and Responsibilities**

#### **Securities Commission Malaysia (SC)**

- Empowered by the Capital Markets & Services Act 2007 (CMSA) to regulate the PRS industry
- Provide a regulatory environment for the development of PRS industry

#### **PRS Providers**

- Exercise the PRS Providers' powers for a proper purpose and in good faith, in the best interest of the members as a whole
- Exercise the degree of care and diligence
- Keep complete and accurate records of all information
- Not make investments in which it could have a financial interest or derive a benefit without approval of the Scheme Trustee
- Provide interim reports, annual reports and account statements

#### **Scheme Trustee**

- Ensure compliance of PRS Officers and Delegates
- Provide accurate valuation and pricing
- Ensure accuracy of all transactions to avoid unnecessary costs or risk to the fund
- Adequate accounting for all accounts

#### **Private Pension Administrator Malaysia (PPA)**

- Protect members' interest
- Provide a life-time central account management, facilitating transactions and promoting efficient administration
- Acts as a one-stop resource centre
- Educate the public and promote awareness on PRS
- Provide central administration and develop the industry

#### **PRS Distributors and Consultants**

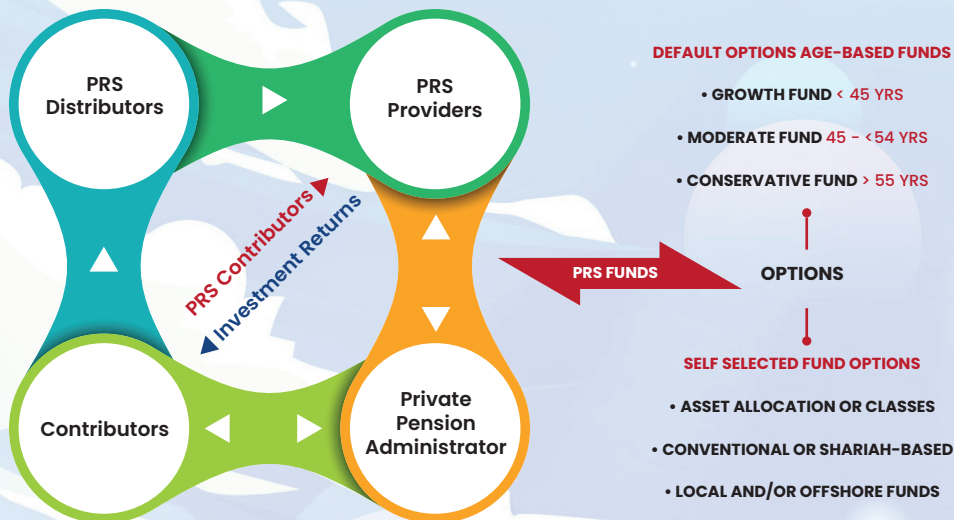
- PRS Distributors are licensed for dealing in PRS or registered persons under the CMSA 2007
- PRS Consultants are representatives of PRS Distributors and need to be registered with FIMM
- Institutional PRS advisers are licensed financial institutions to distribute PRS schemes from more than one PRS Providers
- Corporate PRS advisers are financial planning firms that represent and distribute products from more than one PRS Provider

- PRS Consultants must obtain minimum knowledge of the PRS industry and act with integrity and high level of professionalism

## STRUCTURE OF PRS / HOW PRS WORKS?

To start your PRS savings, you may choose to make contributions directly to the PRS Provider or through their registered Distributors. Once you have successfully started your PRS savings, you are automatically given a PRS account.

PPA, as the central administrator for PRS, will be administering your PRS account and will provide you an annual consolidated statement of your PRS account with the PRS Provider(s).



## TYPES OF PRS DISTRIBUTORS:

### PRS PROVIDERS

PRS Providers who are approved by the SC. The eight (8) available PRS Providers are:

- **AFFIN HWANG ASSET MANAGEMENT BERHAD**
- **AIA PENSION AND ASSET MANAGEMENT SDN BHD**
- **AMFUNDS MANAGEMENT BERHAD**
- **KENANGA INVESTORS BERHAD**
- **MANULIFE INVESTMENT MANAGEMENT (M) BERHAD** (formerly known as Manulife Asset Management Services Berhad)
- **PRINCIPAL ASSET MANAGEMENT BERHAD** (formerly known as CIMB-Principal Asset Management Berhad)
- **PUBLIC MUTUAL BERHAD**
- **RHB ASSET MANAGEMENT SDN BHD**

### INSTITUTIONAL PRS ADVISERS (IPRA)

IPRA are approved banking and financial institutions' distributors, marketing for a panel of PRS Providers.

### CORPORATE PRS ADVISERS (CPRA)

CPRA are independent advisers, marketing for a panel of PRS Providers.

Members of the public should only deal with licensed PRS Distributors and PRS Consultants.

Investors seeking for holistic financial planning services or advice in regard to PRS can also contact licensed financial planners, the list of which can be found at the SC's website together with contact details.

## BENEFITS OF PRS

### Diversification

Investors' contributions will be pooled for the purchase of a diversified portfolio of stocks, fixed income securities as well as other permissible assets which yields returns at lower risks compared with investing directly in any individual investment such as stocks.

### Ease of transactions

The funds do not require cumbersome administrative paperwork or record keeping on investors' part in managing a range of investments.



### Professional management

The funds are managed by professional fund managers with the expertise and resources to manage the assets of the funds.

### Enjoy tax reliefs

Individuals (both self-employed and employees) are allowed to claim a tax relief on the amount of contribution made to the funds subject to a maximum of RM3,000 per annum, or any other amount as may be determined by the relevant authorities from time to time. Additionally, employers are also allowed to claim a tax deduction on contributions to PRS made on behalf of their employees up to 19% of employees' remuneration.

Income of the fund is exempted from Malaysian income tax. As such, the income distributed from the funds to you should be exempted from Malaysian income tax as well.

## WHAT SHOULD YOU CONSIDER?

When making your PRS contribution, you need to take into account various factors such as your age, personal and household income, risk tolerance, retirement objectives as well as the suitability of the different funds under the various schemes to meet your retirement needs. It is important to bear in mind the cost of living and inflation in setting your retirement goals as well as to think long-term and do not be overly concerned about short-term market fluctuations.

As our needs change through different stages of our lives, you should review your PRS portfolio regularly so that it matches your risk appetite and investment objectives.

### Your Objectives

#### Growth

Primary focus is to generate compounding and accelerating capital growth by investing in equities.

#### Growth & Income

Balanced requirement for compounding capital growth as well as income by investing in mixed assets i.e. equities and bonds/fixed income instruments.

#### Income

Primary focus is to generate regular income stream by investing in bonds/fixed income instruments.

### Your Life Stage

#### Under 45 years old

You may want to focus on capital growths.

#### Between 45 – 54 years

You may want a balanced portfolio of capital growth and income.

#### Above 55 years

You may be focused on generating a sustainable income.

## Your Risk Appetite

### Aggressive

You are able to withstand market volatility and capital losses.

### Moderate

You are looking at balancing market risk and returns.

### Conservative

You are risk averse and seek capital preservation.

## PRS TAX RELIEF

The PRS Tax Relief was specially introduced to encourage you to save more for your retirement.

The good news is an individual who makes contribution to his or her PRS funds is allowed to claim tax relief of up to RM3,000 by the Inland Revenue Board of Malaysia. This tax incentive is available for a period of 10 years, ending in year 2025.

### How much do you save?

This table provides an illustration of the tax savings amount you could enjoy from your annual RM3,000 PRS contributions.

For example, if your tax bracket is 14%, your RM3,000 PRS contributions will give you tax savings of RM420.

#### PERSONAL TAXABLE INCOME

#### TAX BRACKET

#### TAX SAVINGS

RM

%

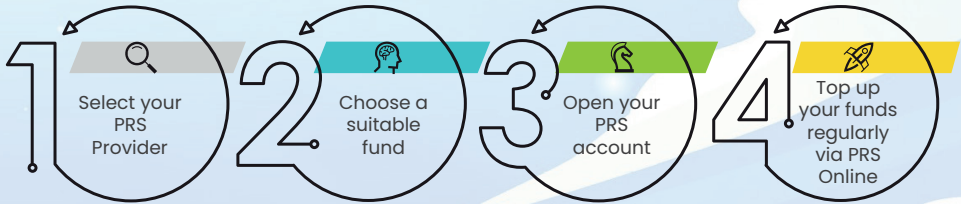
RM

5,001-20,000	1	30
20,001-35,000	3	90
35,001-50,000	8	240
50,001-70,000	14	420
70,001-100,000	21	630
100,001-250,000	24	720
250,001-400,000	24.5	735
400,001-600,000	25	750
600,001-1,000,000	26	780
1,000,001 - 2,000,000	28	840
Exceeding 2,000,000	30	900

**Inland Revenue Board Income Tax Rates for Assessment Year 2020**

## HOW TO INVEST IN PRS?

Start your journey to save more for your retirement with PRS by following these 4 simple steps:



## HOW TO MAKE A NOMINATION

When you invest in PRS, you are automatically enrolled as a lifetime member of PPA. As a member, you may make a nomination for the purpose of easy disbursement of your PRS balance in the event of your demise.

You can nominate up to six (6) persons and allocate specified percentage of the PRS balance to be paid to the nominee(s).





## INVESTMENT RISKS

When you invest in a PRS Fund, there are investment risks involved. These are general risks which you will be exposed to when investing in any of the PRS Funds as well as specific risks associated with the investment portfolio of each PRS Fund. Therefore you should consider the different type of risks that may affect you and the fund. These risks are disclosed in the PRS Scheme Disclosure Document or Product Highlights Sheet (PHS).

For a list of the PRS fund's general and specific risks with your respective PRS Provider, please refer to Funds & Providers section at <https://www.ppa.my/prs-providers/list-of-scheme-funds/>. Alternatively, you may contact any of the PRS Providers and ask for a copy of their PRS Scheme Disclosure

## FREQUENTLY ASKED QUESTIONS (FAQS)

### Frequently Asked Questions (FAQs)

#### How do I invest in a Unit Trust Scheme (UTS) and Private Retirement Schemes (PRS)?

You can approach a Distributor. There are several types of Distributors:

- Unit Trust Management Company (UTMC);
- Private Retirement Scheme Provider (PRS Provider);
- Institutional Unit Trust Scheme Advisers (IUTA);
- Institutional Private Retirement Scheme Advisers (IPRA);
- Corporate Unit Trust Scheme Advisers (CUTA); and
- Corporate Private Retirement Scheme Advisers (CPRA).

To get details on Distributors, you can refer here:

<https://www.fimm.com.my/industry/members-distributors/>

You can also approach a Consultant who has been authorised to sell investments in UTS/PRS.

#### How do I know if a Consultant is authorised to sell UTS/PRS?

You should ask the Consultant to show you his/her FIMM Authorisation Card. Only Consultants that are registered with FIMM are authorised to sell UTS and PRS. Additionally, once he/she shows you the FIMM Authorisation Card, you can check his/her FIMM Number at <https://www.fimm.com.my/search/> to verify his/her registration status.

#### How would I know if the UTS/PRS that I am planning to invest in is an approved fund and not a scam?

All UTS and PRS in Malaysia must be approved by the Securities Commission Malaysia (SC). You can refer to the SC's website for a list of approved UTS and PRS. (<https://www.sc.com.my/analytics/fund-management-products>)



FIMM also maintains a list of approved UTS and PRS. You can refer to this page: <https://www.fimm.com.my/industry/members-distributors/members-and-funds/>.

If the UTS/PRS being offered has not been approved by the SC, you should not invest in it.

**Q4**

**When meeting with a Consultant for the purposes of investing into a UTS/PRS, what information should I share with him/her?**

In order to help you choose the most suitable UTS/PRS to invest in, the Consultant would need to know some information about you, such as your investment objective, risk tolerance level, investment preferences, and investment timeframe. The more information you share with your Consultant regarding your investment needs and preferences, the more productive your consultation with him/her will be.

**Q5**

**Will the information that I share with the Consultant be secured?**

Yes. The Consultant is subject to a confidentiality agreement with his/her Distributor. He/She is not allowed to share the information that you provided unless it is required by law or you have provided prior written consent.

**Q6**

**What can I expect from a Consultant when meeting with him/her?**

The Consultant must act in an open, honest and professional manner. His/her role is to help you decide on a UTS/PRS that is suitable for you to invest in. As such, you can expect your Consultant to recommend a UTS/PRS that matches your investment needs, preferences, and personal circumstances. The Co should be able to explain to you the features of the UTS/PRS and why it is suitable for you as well as inform you the fees involved in investing in that UTS/PRS.

If there are any parts of his/her explanation that is unclear to you, do not hesitate to ask.

**Q7**

**What should I ask the Consultant when he/she is recommending a UTS/PRS to me?**

Getting to know the UTS/PRS before investing in it is very important. As such, you should ask about features of the UTS/PRS. This includes information on:

- The UTS/PRS investment objectives;
- The investment strategy;
- Whether the UTS/PRS pays out distribution? If yes, how often does it pay distribution? If yes, do you receive the distribution payment in cash or in additional units?;
- The risks of investing in the UTS/PRS;
- The price, fees, and charges involved; and
- The minimum initial investment amount and the minimum additional investment amount.

Also, make sure to ask for a copy of the recommended UTS prospectus or the PRS disclosure document. Alternatively, because the prospectus/disclosure document is relatively thick, you can request for a PHS instead. A PHS is a summary of the prospectus/disclosure document. All these documents are also available for free online. Although the Consultant should be able to inform you about the features of the UTS/PRS, you should still do your own research and due diligence.

**I have received a copy of the UTS prospectus/PRS disclosure document. What should I look for when reading it?**

The best approach is to read the entire prospectus/disclosure document. However, if you are not able to read the entire document, you can read the PHS instead, which summarises the prospectus/disclosure document.

Nonetheless, the sections in the prospectus/disclosure document that you should focus on are:

- The UTS/PRS objectives;
- The investment strategy;
- Distribution policy;
- Fees, charges, and expenses;
- Risks; and
- Transaction information.

**What are the fees and charges involved when investing in UTS/PRS?**

There are a few fees and charges that you need to consider:

- **Approximate price of each unit** – you may not be able to know the exact price at the time when you invest. Usually, the price of each unit is calculated the day AFTER you invest. However, the difference shouldn't be substantial;
- **Sales charge** – more commonly known by the public as 'commission' for the Consultants;
- **Redemption charge** – the amount you will be charged for taking your investment out of the UTS/PRS. The redemption charge will generally be reduced if you hold your investment over a longer period of time;
- **Management fee** – the amount charged by the UTMC/PRS Provider for managing the UTS/PRS investments; and
- **Trustee fee** – the amount charged by the trustee for safekeeping your investment.

The above list does not cover all the fees and charges involved. You can refer to the prospectus/disclosure document for the full list.

**What should I consider before investing in a UTS/PRS?**

It depends on your personal circumstances and what you are looking to achieve by investing in a UTS/PRS. As a general guide, here are some things you should consider:

- What do you want to achieve by investing?
- How much do you want to invest?
- For how long do you want to invest?
- What risks are you willing to tolerate while investing?

**Can I transfer my money to my Consultant and let him/her handle all the necessary payments?**

No, you must never give money to your Consultant, be it physically giving cash or transferring money to his/her personal bank account. By doing this, you are putting your money at great risk because the Consultant may lose your money, regardless of whether or not he/she has any bad intentions.

Always make your payments in the manner prescribed in the prospectus/disclosure document.

Q8

Q9

Q10

Q11

**Q12**

**The forms that I have to fill in to invest in UTS/PRS are too complicated. Can I just sign the forms and let my Consultant fill in the details?**

No, you must not sign any blank forms. By doing so, you are putting your money at great risk. A Consultant with bad intentions could fill in the pre-signed blank forms to perform unwanted transactions using your money. On the other hand, a Consultant may not have bad intentions but he/she could fill in the pre-signed blank forms wrongly, inadvertently performing unwanted transactions.

Always fill in and complete all the required forms yourself before signing and submitting them.

**Q13**

**Can I invest in UTS/PRS using my Employees Provident Fund (EPF) savings?**

Yes, you may do so for UTS but not PRS. This is known as the EPF Members Investment Scheme (EPF-MIS) and is subject to EPF requirements. However, not all UTS is available for you to invest your EPF money.

For more information, please visit the following EPF's webpage: <https://www.kwsp.gov.my/member/investment>.

**Q14**

**Can I redeem the investments I made using my EPF savings?**

Yes, you can. The proceeds from the repurchase/redemption will be paid directly into your EPF-Account 1 if you are below 55 years old.

**Q15**

**I made an investment in a UTS/PRS but I have just changed my mind. Can I get a refund?**

Yes, you can get a 'refund' during the six (6) business day 'cooling-off period' provided that you meet the criteria:

- You are investing for the first time in a UTS/PRS offered by the unit trust management company (UTMC);
- You are not a staff of the UTMC; or
- You are not someone who can deal in UTS/PRS.

You will get a refund of the amount invested and the sales charge within ten (10) calendar days.

If you do not meet the criteria for a 'cooling-off right,' you will simply have to redeem your investment and incur the relevant charges.

**Q16**

**How can I keep track of my investment?**

You will be given:

- a confirmation statement from the Distributor within one (1) week of all transactions made with regards to the UTS/PRS;
- an interim statement reflecting the transactions made within the reporting period (usually, six (6) months) and an interim report of the UTS/PRS;
- an annual statement reflecting the transactions made within the financial year together with an audited annual report of the UTS/PRS; and
- if your investment is made via EPF-MIS, quarterly statements from EPF.

**Q17**

**How can I keep track of the UTS/PRS performance?**

**You can check at:**

- The websites of the UTMIC;
- The financial section of local newspapers, including the Lipper Weekly Fund Table published by The Edge Weekly;
- Interim reports, annual reports and performance statements from the UTMIC; and
- Monthly or quarterly fund fact-sheets published by the UTMIC.

**Q18**

**Can I change my investment in one UTS/PRS to a different UTS/PRS?**

Yes, you may 'switch' from one UTS/PRS to another provided that it is with the same Distributor. A switching transaction may be subject to a switching charge.

**Q19**

**Will any part of my investment in UTS/PRS be taxed?**

Not directly. Any taxes will be charged to the UTS/PRS, not to you specifically. That means any returns you receive from investing in the UTS/PRS is yours to keep.

**Q20**

**Is there any minimum contribution for PRS?**

The minimum contribution varies from Provider to Provider. To find out more on the minimum contribution amount for each respective PRS Provider, please visit the PRS Providers' website.

**Q21**

**What are the contribution types?**

Any individual who has attained the age of 18 years as of the date of the account opening of a private pension account may make a contribution to any fund under the PRS. The PRS is offered to Malaysians and non-Malaysians as well.

**Q22**

**Can my spouse/ parent/ partner contribute to the PRS on my behalf?**

Yes, they can. However, contribution to the PRS must be done under their own PPA account.

**Q23**

**Do I need to contribute on a monthly basis to the PRS?**

Being a voluntary scheme, there are no fixed amounts or fixed intervals for making contributions. Individuals can contribute to the PRS as often as they like and are encouraged to make regular monthly contributions to take advantage of "Dollar cost averaging" – a technique designed to reduce market risk through the systematic regular contributions at predetermined intervals (monthly) and set amounts to achieve their intended retirement goals. PRS members could make additional contributions to their respective PRS funds via PRS Online Top Up or through their selected PRS Provider(s).

**Q24** >

**When do I start contributing to my PRS account?**

Contributions to your PRS account could be made at the same time or prior to opening your PRS account.

**Q25** >

**How do I make payment to my Provider?**

First decide the amount, then either make payment to your respective PRS Providers through direct debit or online fund transfer. Additional contributions into your funds could be done through PRS Online Top Up, PPA's online service for the convenience of all PRS Members. To find out more about PRS Online, go to PPA's Online page.

**Q26** >

**Can I withdraw from my EPF to contribute to the PRS?**

The PRS is a supplementary form of retirement savings in addition to the EPF and is voluntary in nature. Members are not permitted by law to withdraw from EPF to contribute to the PRS.

**Q27** >

**Where do I check my contribution details?**

Contribution details may be obtained from your PPA online account.

**Q28** >

**Is the investment into PRS guaranteed by the government or does it have a minimum dividend policy?**

PRS investments are not guaranteed and it does not have any statutory minimum dividend policy. You are advised to read and understand the Disclosure Document and Product Highlights Sheet to understand the risks involved before investing into a PRS.

**Q29** >

**What happens to the contributions in my PRS account if I am declared a bankrupt after having participated in the scheme?**

As an undischarged bankrupt, you or your employer may continue to contribute to PRS. You will still enjoy rights accorded to PRS Members including the right to switch funds or request for transfer of any accrued benefits to another PRS Provider. You may also request for withdrawals according to the permitted circumstances as specified in the Guidelines of Private Retirement Schemes ("PRS Guidelines"). However, withdrawals from the account will be subjected to the oversight and conditions from the Director General of Insolvency ("DGI").

**Disclaimer:**

The FAQs for the section "Private Retirement Schemes" in this booklet was obtained from the Private Pension Administrator's website [www.ppa.my](http://www.ppa.my).



### ABOUT



The Federation of Investment Managers Malaysia (FIMM) is a self-regulatory organisation (SRO) that regulates the marketing and distribution of Unit Trust Schemes (UTS) and Private Retirement Schemes (PRS).

FIMM was established in 1993 to support the development of the investment management industry. On 20 January 2011, FIMM was recognised as a Self-Regulatory Organisation (SRO) by Securities Commission Malaysia. As an SRO, FIMM regulates and supervises its members and registered persons to strive for the highest level of integrity and standards of practice that will best serve the investment management industry and promote investor protection.

## ROLES AND RESPONSIBILITIES

### SELF-REGULATORY ORGANISATION

#### Gate-keeping

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

#### Supervision

- Assess level of compliance with the relevant rules and regulations
- Impose appropriate sanctions resulting from non-compliance with rules and regulations

### INDUSTRY REPRESENTATIVE

#### Industry focal point

- Represent industry on industry issues
- Promote industry growth

#### Investor awareness

- Increase awareness of FIMM and 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



#### Disclaimer:

This booklet is designed for new investors who are looking to invest in unit trust schemes or private retirement schemes. The contents of this guide aim to provide an overall view of unit trust schemes and private retirement schemes and it does not contain all advice or information on the subject matter. The examples provided in this guide are meant for illustrative purposes only and reflect the market conditions at a specified point in time, which may lapse and affect relevance. If in doubt, you are strongly recommended to seek professional advice. For more information, please visit our website at [www.fimm.com.my](http://www.fimm.com.my)

## ABBREVIATIONS

CMSA	CAPITAL MARKETS AND SERVICES ACT
CPRA	CORPORATE PRIVATE RETIREMENT SCHEME ADVISER
CUTA	CORPORATE UNIT TRUST ADVISER
EPF	EMPLOYEES PROVIDENT FUND
EPF-MIS	EPF MEMBERS INVESTMENT SCHEME
FIMM	FEDERATION OF INVESTMENT MANAGERS MALAYSIA
IPRA	INSTITUTIONAL PRIVATE RETIREMENT SCHEME ADVISER
IUTA	INSTITUTIONAL UNIT TRUST ADVISER
NAV	NET ASSET VALUE
PHS	PRODUCT HIGHLIGHTS SHEET
PRS	PRIVATE RETIREMENT SCHEME
PRS PROVIDER	PRIVATE RETIREMENT SCHEME PROVIDER
SC	SECURITIES COMMISSION MALAYSIA
SRO	SELF-REGULATORY ORGANISATION
UTC	UNIT TRUST CONSULTANTS
UTMC	UNIT TRUST MANAGEMENT COMPANY
UTS	UNIT TRUST SCHEME





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