

FIMM e-Zine
Our Inaugural Digital Issue!

PRS
FAMILIARISATION
PROGRAM

INDUSTRY
ENGAGEMENT

FIMM
Federation of Investment Managers Malaysia

ANNUAL REPORT

2020 *MEDIA
SURVEILLANCE*



You are invited to:
FIMM's
**INDUSTRY
BRIEFING**

W. F. H.

Weathering Formidable Hurdles

**NATIONWIDE
SURVEY** *Report*

**EXAM
STUDY
GUIDE**
CUTE &
CPRE

Introduction	+
Chairman's Statement	03
CEO's Message	05
Our Divisions' Achievements	07
2020 Industry Snapshot	11
Who We Are	12
FIMM's 5-Year Strategic Blueprint + Progress	14
Industry Development	+
2020 Distributors Snapshot	20
Capacity Building	21
<i>Regulatory Training Sessions on Code of Ethics (COE)</i>	21
<i>Private Retirement Scheme Familiarisation Programme (PRSFP)</i>	22
<i>CPD Tracker System</i>	22
<i>FIMM Examination</i>	23
<i>Revision of FIMM's Study Guide</i>	24
<i>Industry Briefing</i>	25
Positioning FIMM as a Thought Leader	26
Stakeholders Management & Engagement	28
Reinforcing Confidence	+
Ensuring Compliance	32
Enforcement	37
Outreach Programmes	+
Virtual Roadshows	41
Participation in InvestSmart Fest 2020	42
FIMM e-Zine	43
FIMM TV	44
Social Media Engagement	44
Leadership	+
Board of Directors & Committees	48
Management	58
Our People	59
Financial Report	+
Directors' Report	62
Statement by Directors	66
Statutory Declaration	67
Independent Auditors' Report to the Members of FIMM	68
Statement of Financial Position	71
Statement of Comprehensive Income	72
Statement of Changes in Accumulated Fund	73
Statement of Cash Flows	74
Notes to the Financial Statements	76
Others	+
Notice of AGM, Reply Slip and Proxy Form	98



1

INTRODUCTION

Search



Introduction



Chairman's Statement	03
CEO's Message	05
Our Divisions' Achievements	07
2020 Industry Snapshot	11
Who We Are	12
FIMM's 5-Year Strategic Blueprint + Progress	14

Chairman's Statement



It gives me great pleasure to present the FIMM 2020 Annual Report. 2020 has been an extraordinary year with challenges unheard of and unprecedented in our lifetime. Covid-19 continues to dominate the attention of governments, companies, and ordinary people throughout the world. No doubt, we all hope that with vaccines and continued safety measures, we will overcome this disruptive pandemic.

“Nonetheless, FIMM and the Malaysian Funds Industry, have shown remarkable resilience in the face of adversity”.

Whilst investment sentiments were severely affected in the initial shock of global lockdown, the markets gradually recovered albeit with caution as seen in its volatility. The unit trust industry grew, a testament to Malaysian investors understanding the value of investing for long-term financial security.

FIMM also adapted its day-to-day operations to meet the new challenges. A key challenge faced is: how does FIMM continue to effectively

communicate with its stakeholders? At the start of the Movement Control Order in March 2020, many organisations including FIMM were unprepared. FIMM then very quickly adapted to the changed circumstances. Like other organisations, FIMM has utilised technology to operate remotely on a day-to-day basis.

FIMM has accelerated its ability to enable all operations remotely, including sensitive internal functions such as finance, human resources, information technology, etc. For its membership, FIMM has fast-tracked the ability to make enquiries, view bulletins and presently even sit for exams online. Whilst we hope Covid-19 goes away soon, at the same time we have prepared for the possibility of this pandemic remaining with us for the long term.

There is always a silver lining in every crisis. To my mind, this pandemic has forced FIMM to transform into a technology-centric company in its various internal and external activities. A technology-centric FIMM was always a topic for discussion, some initiatives were introduced and others were held back due to budget or resources. Like many other organisations, we moved to transform but it was never urgent. A crisis forces transformation and I am happy to report that FIMM overcame those challenges successfully.

Some of the significant changes from physical to digital included:

- Seminars and public engagements conducted online such as InvestSmart Fest 2020 and various webinars.
- FIMM's dormant hardcopy magazine, FIMM Today, was replaced with the digital magazine, FIMM e-Zine.
- Exams could not be conducted at exam centres due to SOP restrictions. Nonetheless, by February 2021, we launched the Interim FIMM Virtual Examination to allow candidates to take the examinations remotely.
- Meetings, including board and committee meetings as well as the 2020 Annual General Meeting (AGM) were conducted virtually using Microsoft Teams.

FIMM also has had to plan workarounds of its regular scheduled annual activities. For example, supervisory engagements could no longer be done physically, on site. As such, FIMM's supervision plans had to be amended to accommodate Distributors who are also facing challenges due to the Covid-19 restrictions.

FIMM's investor education plans also had to be revised as it is not advisable to congregate physically. This is where FIMM leveraged heavily on social media platforms for investor education activities.

Amidst the pandemic upheavals, we welcomed Jas Bir Kaur as a Director to the FIMM Board. Jas Bir, a respected figure from her Securities Commission Malaysia days, brings a wealth of regulatory experience and in particular, a keen understanding of the local funds industry. We welcome her to the Board. In the past 6 months, Jas Bir has made invaluable contributions to Board deliberations. Sadly, new and existing Board members have not physically met for over a year now. We look forward to a time when we can meet friends and colleagues openly.

The Members and stakeholders of FIMM have made and continue to make significant contributions for the betterment of the industry. Member representation at Board, Board Committees, Subject Matter Experts and Ad Hoc Committees has been tremendous. Now, we embark on a new chapter of this journey as the advent of Covid-19 has changed industry norms and practices. FIMM will need the Members' continued insight and support to adapt the industry towards changes forced upon us by new circumstances. I thank

Members for your efforts and urge you to continue your active participation in the various initiatives and projects conducted by FIMM. More than ever, we need to open clear channels of communications between FIMM and its Members.

Lastly, for and on behalf of an appreciative FIMM Board of Directors, we thank the dedicated FIMM staff who have worked tirelessly through difficult circumstances to continue FIMM's stated efforts of being a performance-based organisation. It has been the stated intentions of management that FIMM must be a catalyst for the funds industry through standards, training and discipline. The FIMM team has worked hard to maintain their drive for these objectives under difficult circumstances. We can see positive changes and urge the FIMM team to continue their efforts.

I end on a positive note, as I did last year. My fervent wish is to have the 2022 FIMM AGM in physical mode again where FIMM and its Members can meet to celebrate its successes as we have done in years past. In the meanwhile, the new normal dictates social distancing so I hope we can e-meet at the 2021 AGM. I look forward to your continued support!

Mohd Ridzal Mohd Sheriff
Chairman

CEO's Message

Thank you for taking the time to read the 2020 FIMM Annual Report, which summarises how we navigated through a year full of challenges and uncertainty. Unfortunately, we are still "Weathering Formidable Hurdles" at the time of writing this note.

I grew up with visions of grandeur and perfection as to what the year 2020 would be like. But never did I, nor most of us, envisaged a global pandemic that would rewrite all plans, even contingency ones, with such catastrophic impact. Despite the sudden change in the landscape, impacting the manner we interact and how we operate, my biggest consolation is that FIMM has performed its level best in upholding its role as a Self-Regulatory Organisation (SRO).

To sum up our 2020 journey, it has been a Triple A experience, denoting three different phases – Adapting, Accelerating and Accepting.

Adapting

From the release of the official news on this pandemic outbreak, it has been a series of adapting to safety and health rules issued by the Government and regulators. In response to this, immediate changes were instituted (and constantly reviewed) to ensure that we achieve Business-As-Usual as much as possible.

Apart from adapting to the sudden and dynamic environmental changes, equally important was ensuring the continuation of our existing plans. As 2020 also coincided with the conclusion of FIMM's 2-Year Operationalisation Plan (Operationalisation Plan), a crucial milestone in terms of charting FIMM's future direction, we conducted a thorough reassessment on its execution, feasibility and relevance. Despite the circumstances, I am pleased to share that we managed to execute a significant portion of the Operationalisation Plan.

Our decision to embark on a digital shift helped smoothen some key initiatives. This was evident in the Industry Education initiatives launched during the year, such as the FIMM e-Zine, Pseudo e-Learning, social media presence and webinars. Collectively, these efforts sum up our statement of intent in capitalising on the digital frontier to reach and educate not only our Consultants and members, but the investing public too.

Within FIMM, our functions and operations underwent a digital transformation, with virtual meetings connecting our people with the Board of Directors, industry members and the public. From Board to regulatory meetings, supervisory engagements to disciplinary hearings, and industry briefings to regional participation – our efforts to engage as well as be engaged were executed seamlessly, limited only by bandwidth availability.



Accelerating

As the saying goes, every crisis breeds opportunity. Capitalising on the Work-From-Home situation allowed us to institute new methods of conducting certain work (i.e. recruitment, procurement, examination, complaints handling, etc), thus inculcating a paperless process.

Two notable milestones that I would like to elaborate further is the launch of the Nationwide Survey report (in June) and the Centralised Database project – Phase 1, which were successfully executed despite the pandemic. In a time where retirement funds and more investment products are needed to accelerate the replenishment of retirement savings, we hope that these two key projects will help proliferate product innovation as well as further increase financial literacy.

As I have shared earlier on the various adaptation and acceleration efforts, they are a result of painstaking hours and assessment. However, my biggest regret is that we were unable to provide online examinations much earlier. While we have finally managed to do so in February 2021 and addressed the backlog of candidates resulting from rescheduling due to varying MCO situations happening at different times throughout the country, the challenges of pushing the existing system infrastructure and instituting a full-fledged systems revamp before and during a pandemic proved daunting. The positives generated by the ongoing Interim FIMM Virtual Examination and concurrent systems enhancements should not only prepare us for similar situations, but also provide a better user experience in future.

Our acceleration efforts will continue, as evident by our 3-Year Business Plan (i.e. Y3ARS) for 2021-2023, which will see a record number of initiatives and significant expenditure to cater for various industry (involving Members, Consultants and investors) needs. For regular updates, I invite you to refer to our circulars and briefings, visit our website, as well as follow us on our social media platforms for the latest announcements.

Accepting

The "New Normal" just gets "newer" every day as we continue to grapple with the pandemic's developments. One thing that remains constant is the need for us to adapt and execute our role in an evolving landscape.

The encouragement we have comes from your support and confidence in our work, as evident by the strong feedback and participation rate. Equally important is the guidance and support from the Board and the Securities Commission Malaysia, in ensuring that we fulfil our role and responsibilities as an SRO.

Special token of appreciation to my team, who have made significant adjustments to their work and personal lives all round. Together, they rose to the occasion by intensifying their efforts in ensuring that FIMM continues to function as a high performance organisation.

We will continue to push the envelope and strive for improvements to ensure we meet our objective as an advocator for the development and growth of the industry.

Wishing a better year for everyone.

Kaleon Leong Rahan
Chief Executive Officer

Key Achievements: Corporate Services Division (CSD)

As the global pandemic unfolded, FIMM adapted to the New Normal via digital acceleration at various fronts. Year 2020 marked an unprecedented event for many companies and FIMM alike. Leveraging on our existing IT infrastructure that is already cloud-enabled, we were able to provide online support and remote access to various key systems for Members, Distributors and our employees. We were able to quickly adapt our processes, people, systems, regulatory requirements, etc. under the given circumstances and continued to deliver good performance and discharge our responsibility as an SRO and industry representative for the UTS and PRS industries.

Being the pillar of FIMM's internal operations, the Corporate Services Division (CSD) has given our utmost attention and support to achieve the organisation's goals and strategies. With the guidance of Board members and interactive collaboration amongst employees, we were able to complete the foundation building for FIMM to progress as a dynamic organisation.

Throughout 2020, CSD delivered 17 policies and procedures (new/updated/enhanced) covering wide range of areas, such as Delegated Authority Limits, Procurement, Business Continuity Plan, IT Policy, Competency and Performance Framework, Records Management, and many others. The formalisation of these policies and procedures has created a sound foundation for the organisation to operate with greater transparency among its employees and the stakeholders.

With the advent of technology and accelerated digitalisation efforts, the CSD team had explored various communication and collaboration tools/platforms to enable continuous connectivity and engagement with our stakeholders, both internal and external. The operational efficiency arising from automation of certain processes coupled with the virtualisation efforts in our stakeholder engagement have propelled us to continuously innovate our operations. As the saying goes, every challenge is an opportunity and rest assured, the FIMM team will think of a way to come out on top of it.

The Covid-19 outbreak has delivered an indiscriminate blow to most businesses and forced us to adapt. What was deemed impossible before became possible, and we adapted our working style and even reinvented ourselves in our daily operations. Amongst the key milestones and transformation during this period included the virtual onboarding of four (4) new talents into the company via full online interview and assessment; online training and webinars for employee development; online tender and procurement process; digitisation of all our investor education efforts and outreach activities by leveraging on social media platforms; transforming our publication materials into digital formats; celebration of festivities and staff engagement activities virtually; paperless documentation; digital signatures; and many more. The digital transformation effort is here to stay and will continue to improve as we embark on our future proofing journey.

With this new backdrop, there is a need for a cultural change and mindset shift in our people's attitude and perception. As we prepare for the future, FIMM's resources will be continuously upskilled/reskilled to ensure they remain fit for purpose and ready to contribute in years to come. Capacity building will remain as our top priority in building a resilient team that shares a common goal towards the betterment of FIMM and the industry.



Dr. Rosliza Mat Yatim
General Manager
Corporate Services Division

Key Achievements: Regulatory Services Division (RSD)

In our role as an SRO, FIMM functions as a "gatekeeper" and "supervisor" to ensure that only qualified companies/individuals are registered with FIMM; and their marketing activities on UTS and PRS are carried out in an orderly manner, with the investors' best interests in mind.

These functions are spearheaded by the following departments under the purview of RSD:

1. Registration Department (RD), which ensures that only corporations and individuals (i.e. Distributors and Consultants) who are fit and proper are registered and able to carry on business in the marketing and distribution of UTS and PRS.
2. Supervision Department (SD), which performs reviews, surveillance, and supervision on registered Distributors and Consultants, to ensure that their practices do not harm the interests of investors.
3. Legal & Regulatory Affairs Department (LRAD), which formulates and enforces rules and policies governing the Distributors and Consultants as well as deals with complaints against them (specifically on the marketing and distribution of UTS and PRS).

Under FIMM's 2-year Operationalisation Plan, we successfully streamlined the auto renewal process for Consultants as well as introduced the single FIMM authorisation card to approximately 22,000 Consultants who are registered with the same principal for both UTS and PRS. This is part of our move towards single registration regime which would allow harmonisation of practices and reduce cost for both Distributors and Consultants.

We also reviewed and revised the FIMM's Code of Ethics to provide further clarity on the expected conduct of Distributors and Consultants. The revised *Code of Ethics (Third Edition)* was published on 13 January 2020.

Desktop reviews continued to be conducted to ensure Distributors are in compliance with various industry guidelines and regulations. The Annual Compliance Review (ACR), Post-Registration Assessment (PRA) and Quarterly Complaints report predominantly made up the various desktop reviews were undertaken in 2020. All gaps that were identified have been closely monitored. Complaints which require further investigation were dealt with.

The limitation on physical visits arising from the pandemic did not dampen our supervisory and surveillance efforts in 2020. We conducted thematic engagements and examinations on 10 Distributors using the virtual mode.

Additionally, Social Media Surveillance was introduced in tandem with the growing number of online marketing activities by Consultants. Mystery Shopping activities continued to be performed to complement the Social Media Surveillance efforts. All observations noted during the supervisory visits and surveillance activities were communicated to the respective Distributors for remediation or referred to LRAD for enforcement action, where necessary.

With regard to complaints management, a total of 79 complaints were lodged with FIMM in 2020, which is a 36% increase compared to 2019 (58 complaints). Following the decisions made at Disciplinary Hearings, a total of 20 sanctions were meted against errant Consultants. We will continue our efforts to minimise Consultants' misconducts by strengthening our enforcement actions and intensifying regulatory training.

Summarily, in addition to completing all the key deliverables that were set for 2020, RSD facilitated the industry by simplifying the ACR checklists and allowing e-submission of documents for registration as well as granting one (1) month extension for the submission of First Quarter 2020 complaints report in responding to the Covid-19 pandemic.



Sahlawati Mustafa
General Manager
Regulatory Services Division

Key Achievements: Industry Services Division (ISD)

Although 2020 ushered in a new era labelled as the “new normal”, the fundamentals of our roles at ISD remain unchanged. Nonetheless, we stepped up and adapted quickly to the new way of carrying out our duties and responsibilities.

Essentially, the role of ISD is to serve as an industry focal point for Members as well as Distributors of UTS and PRS products. Together, we discuss matters relating to the industry, promote industry growth, and share industry information. We also represent FIMM Members collectively in discussions with various stakeholders including the Malaysian government, regulators, as well as statutory and industry bodies.

ISD’s responsibilities also extend to enhancing professionalism among Distributors and Consultants by way of education and training, as well as establishing and promoting industry standards and best practices among FIMM members and distributors in their conduct of managing funds/fund operations and the marketing and distribution of UTS and PRS.

Throughout the year, our teams continued to deliver exceedingly well, despite the challenges posed by the Covid-19 pandemic and the ensuing stages of MCO. Some of the key achievements include:

- *The FIMM Nationwide Survey*

This survey received an overwhelming response from 3,317 respondents, encompassing a wide demographic cross-section of the investing population. The survey identified the present investment pulse of Malaysians that included investors’ financial status, their perceptions on UTS and PRS, the role of Fintech in their savings and investments as well as their thoughts and expectations on their financial future.

From the gaps and shortcomings that the survey has identified, we have developed key industry initiatives to be undertaken in the coming years. The initiatives are related to investor education and awareness programmes, an additional survey on UTS and PRS Consultants especially in the areas of capacity building as well as in-depth research on UTS/PRS fees and sales charges.

- *Combined Study Guide for FIMM Examination*
FIMM has completed the first edition of the combined Dealing in Unit Trusts and Private Retirement Scheme Examination Study Guide. The combined Study Guide paves the way to facilitate the implementation of the single registration regime for UTS and PRS Consultants to be rolled out later. Under this new regime, eligible individuals will be required to sit for one examination (FIMM Examination) only to qualify in the marketing and distribution of both UTS and PRS.

The combined Study Guide was reduced by about one-third of the two separate guides with the removal of common subjects. We have circulated the English version to Members in November 2020, to facilitate the industry’s preparation on matters related to Consultants’ training and examinations.

- *Regulatory Training for Consultants on FIMM’s Code of Ethics (COE Training)*

In adapting to the New Normal, we changed our approach of delivering our COE Training, via a “Pseudo e-learning” approach. This has enabled us to train 4,984 Consultants.

Despite our achievements in 2020, we strive to improve ourselves and perform better in 2021. Although Covid-19 is still present and the MCO gets enacted whenever necessary, ISD will continue to perform our roles and responsibilities diligently to meet FIMM’s goals.



Koh Hwee Ngim
General Manager,
Industry Services Division

2020 Industry Snapshot

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

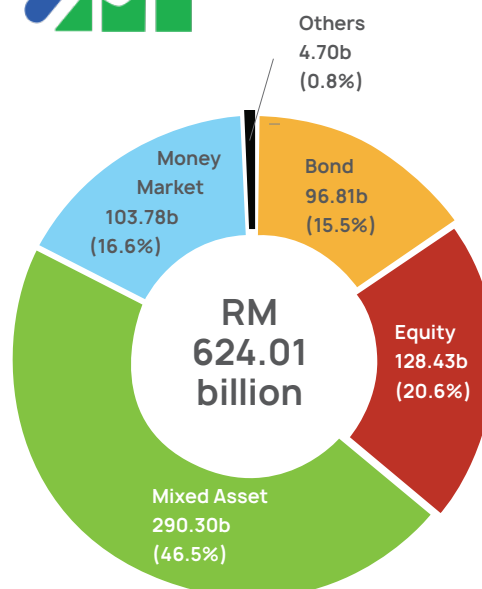
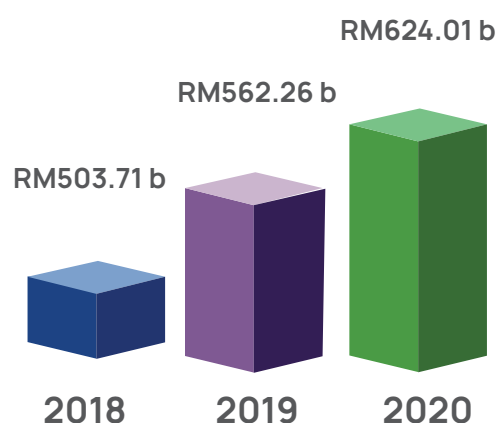
RM624.01 billion

Assets Under Management

Total Number of Funds: 1,498



11.3%
CAGR (2018-2020)



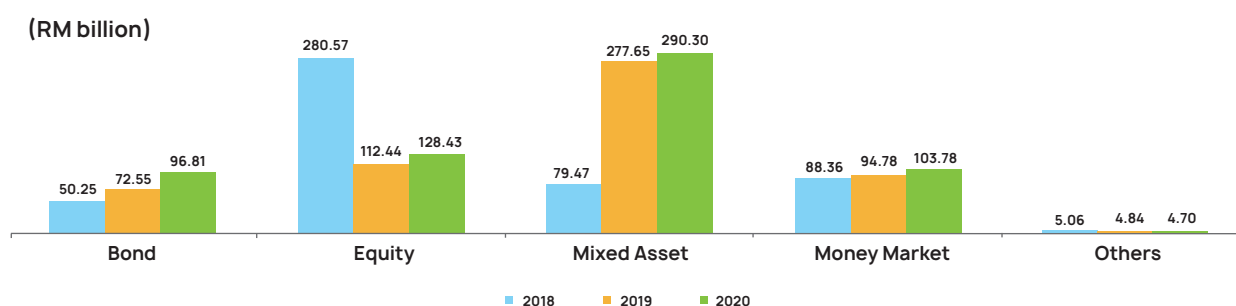
Notes : AUM includes funds managed by FIMM members only (Unit Trust Scheme (UTS), Wholesale Funds (WSF), Private Retirement Scheme (PRS) and Exchange Traded Funds (ETF)).

For total number of funds, different fund classes within the same fund were accounted for as separate funds.

Classification of fund category is based on Lipper (Refinitiv) classification, hence may be different from the information published on Securities Commission Malaysia's website.

Due to rounding, numbers presented may not add up to the total indicated.

AUM by Asset Class (2018 - 2020)



Asset Class	2018 (RM billion)	2019 (RM billion)	2020 (RM billion)*
Bond	50.25	72.55	96.81 ▲ +33.4%
Equity	280.57	112.44	128.43 ▲ +14.2%
Mixed Asset	79.47	277.65	290.30 ▲ +4.6%
Money Market	88.36	94.78	103.78 ▲ +9.5%
Others	5.06	4.84	4.70 ▼ -2.9%
Total	503.71	562.26	624.01 ▲ +11.0%

Notes : AUM includes funds managed by FIMM members only (UTS, WSF, PRS and ETF).

Classification of fund category is based on Lipper (Refinitiv) classification, hence may be different from the information published on Securities Commission Malaysia's website.

Due to rounding, numbers presented may not add up to the total indicated.

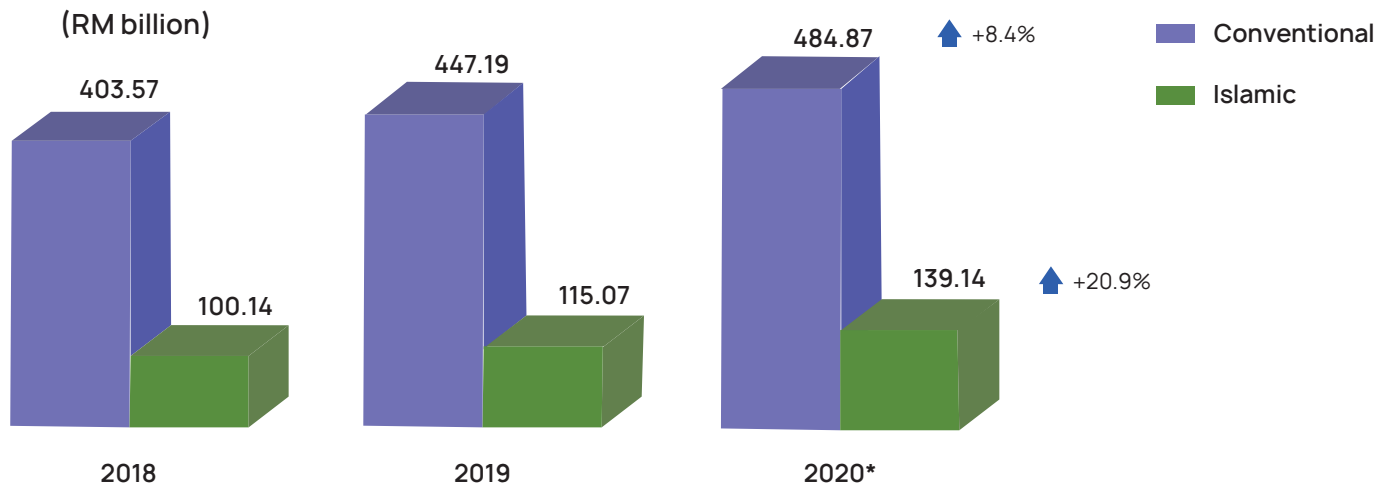
* percentage are Year-Over-Year (YoY) growth of 2019 vs 2020.

AUM by Collective Investment Scheme (2018 - 2020)

		(RM billion)	(RM billion)	(RM billion)	YoY Growth
		2018	2019	2020	
1	UTS	444.05	505.52	553.24	↑ + 9.4%
2	WSF	55.55	51.66	64.27	↑ + 24.4%
3	PRS	2.68	3.50	4.75	↑ + 35.7%
4	ETF	1.44	1.58	1.76	↑ + 11.3%
	Total	503.71	562.26	624.01	↑ + 11.0%

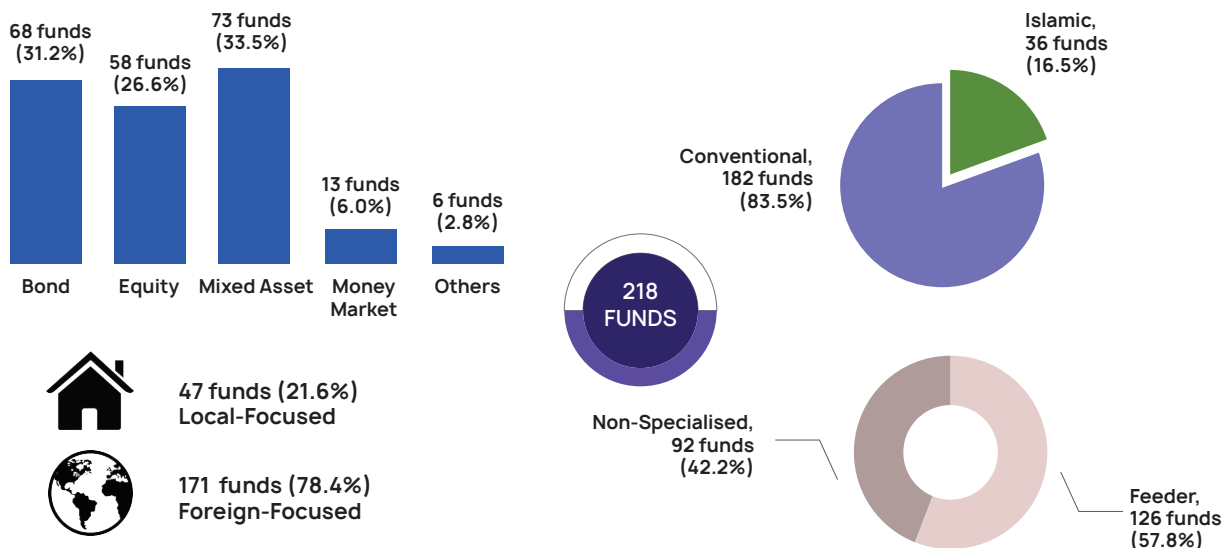
Notes : AUM includes funds managed by FIMM members only (UTS, WSF, PRS and ETF).
Due to rounding, numbers presented may not add up to the total indicated.
Year-Over-Year (YoY) Growth.

AUM by Conventional & Islamic (2018 - 2020)



Notes : AUM includes funds managed by FIMM members only (UTS, WSF, PRS and ETF).
* percentage are Year-Over-Year (YoY) growth of 2019 vs 2020.

New Funds Launched in 2020



Notes : Includes 140 wholesale funds and 2 ETFs launched by FIMM members; and excludes Real Estate Investment Trust (REIT).
Different fund classes within the same fund were accounted for as separate funds.
Classification of fund category is based on Lipper (Refinitiv) classification, hence may be different from the information published on Securities Commission Malaysia's website.
Due to rounding, numbers presented may not add up to the total indicated.

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 undertakes the following roles:

Self-Regulatory Organisation

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 Representative

INDUSTRY FOCAL POINT

- Represent the 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

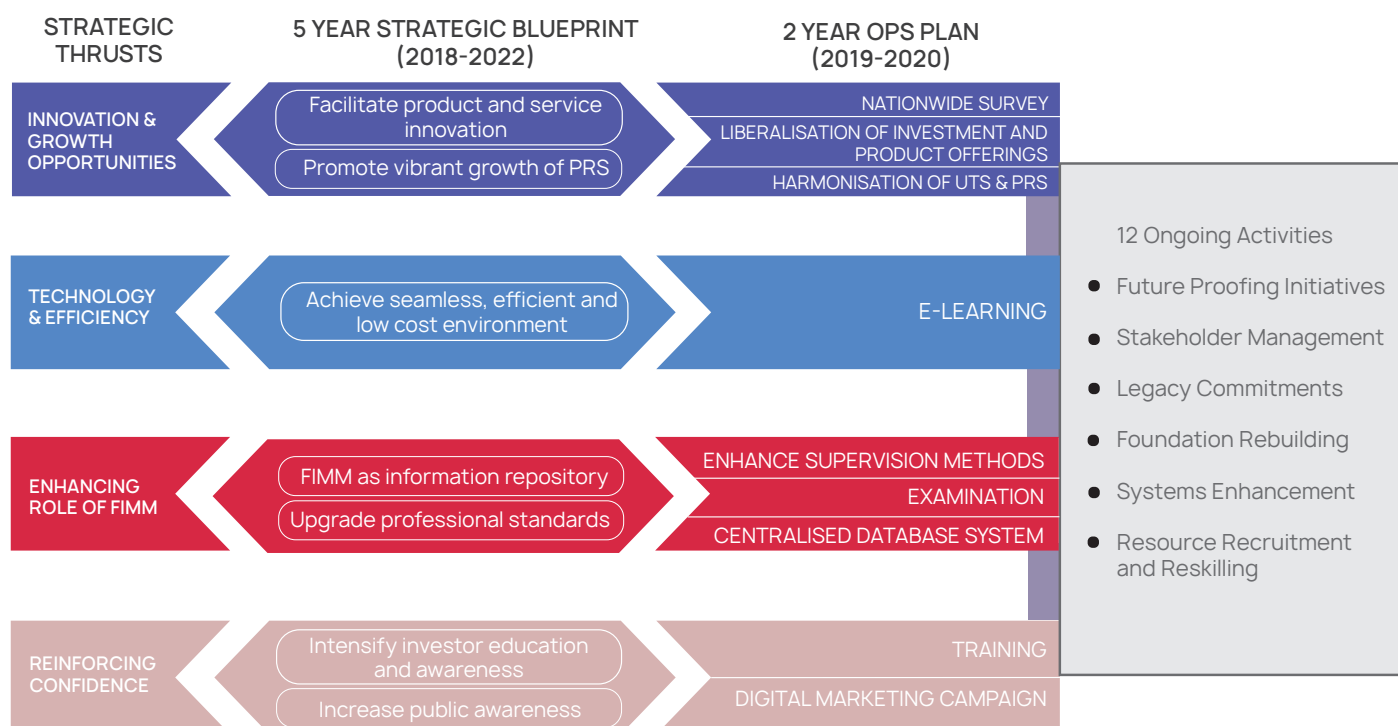
- Enhance professionalism among Distributors and Consultants

5-Year Strategic Blueprint + Progress

In 2018, FIMM announced its 5-Year Strategic Blueprint (Blueprint) to chart the plans for 2018 to 2022, focusing on the following areas:



Subsequently, a 2-Year Operationalisation Plan (2019-2020) was formulated to add granularity on the execution, timing and resources available/needed to execute the Blueprint. The relationship between the Blueprint and the Operationalisation Plan are set out below.



Progress vis-à-vis the Key Initiatives

Nationwide Survey

COMPLETED:

The *Nationwide Survey Report* was launched on 24 June 2020.

Liberalisation of Investment and Product Offerings

COMPLETED:

Virtual Conference with IMAS and HKIFA - Organised a joint virtual conference with the Investment Management Association of Singapore (IMAS) and Hong Kong Investment Funds Association (HKIFA) on dealing with low interest rates and how investors need to re-think their investment strategies.

Revision to the *Standards on Qualifying Collective Investment Scheme (CIS)* - Submitted industry feedback to the SC to facilitate ASEAN Capital Market Forum's effort to expand the range of cross-border offerings of CIS across the region by including the Philippines in the *ASEAN CIS Framework*.

ONGOING:

Review of the *Guidelines on Unit Trust Funds* - Provided information and clarification on the earlier submitted industry proposals to the SC. Subsequently, sought the SC's clarification and consideration on some industry matters outlined in the SC's consultation paper on the revised *Guidelines on Unit Trust Funds (GUTF)*.

To know more, refer to the "Stakeholders Management & Engagement" section.

Harmonisation of UTS and PRS

COMPLETED:

Single authorisation card was introduced in January 2020.

Auto renewal process for UTS and PRS Consultants was streamlined commencing January 2020 renewal.

Reviewed current exam questions and translated them into two (2) languages (BM and Chinese).

ONGOING:

The user requirement specification of the **enhanced CPD Tracker** is in progress.

On-going revision to the question bank in relation to our recently **revised Study Guide**, which incorporates both CUTE and CPRE.

The **proposed amendments to the FIMM's Consolidated Rules** were submitted to the SC for review on 28 January 2020.

Harmonisation of UTS and PRS (cont.)

A comprehensive system revamp to update FIMM's core systems commenced in mid-October 2020 and is expected to be completed in 2021.

e-Learning

ONGOING:

FIMM has adopted a "Pseudo e-learning" approach to educate Consultants and Members on *Code of Ethics*. Through this method, we were able to cater for approximately 5,000 participants.

To know more, refer to the "Regulatory Training Sessions on Code of Ethics (COE)" section.

Enhanced Supervision Methods

COMPLETED:

FIMM's Industry Briefing on Regulatory Activities and Initiatives was held virtually on 28 September 2020.

Five (5) thematic engagements on CUTAs/ CPRAs and five (5) thematic examinations on UTMCI/ PRP.

Introduced Social Media (SOCMED) Surveillance review which includes Mystery Shopping activities where required.

To know more, refer to the "Ensuring Compliance" section.

Examination

COMPLETED:

Consolidated and updated the Computerised Unit Trust Examination (CUTE) and Computerised Private Retirement Scheme Examination (CPRE) study guides.

The English version of the revised Study Guide was issued to the industry for their internal reference on 3 November 2020. (The effective date has been revised to be in line with the implementation of the new examination system)

To know more, refer to the "Revision of FIMM Study Guide" section.

Centralised Database System

COMPLETED:

Phase 1 - Development of reports from internal data sources with 40 statistics generated.

ONGOING:

Phase 2 - Development of reports on regional/global statistics.

Phase 3 - Development of reports on FIMM Members/Distributors statistics.

Digital Marketing Campaign

COMPLETED:

Featured in The Malaysian Reserve: FIMM was featured in an article where we reassured the public that we were continuously monitoring the sales practices of our Members and Distributors.

Interview with The Edge Malaysia: As part of promoting the *Nationwide Survey Report*, FIMM was featured in the Personal Wealth section of The Edge Malaysia publication.

ONGOING:

Content creation: Continually creating public awareness on retirement savings and the benefits of investing in UTS and PRS.

FIMM e-Zine: Our dormant magazine, *FIMM Today*, was enhanced, digitised, and rebranded as *FIMM e-Zine*. In 2020, we published two (2) issues which garnered a total of 23,279 reads.

FIMM TV: Work on FIMM TV commenced in the last quarter of 2020. The first series, themed "Covid-19 and the UTS & PRS Industry", contained seven (7) videos and was released on 29 Jan 2021. As at 28 May 2021, the videos garnered a total of 1,776 views.

Enhanced social media presence: A total of 220 postings on social media platforms contributed to the gradual increase of followers throughout the year.

Increased dissemination of A&P materials via social media platforms: Content included industry education (benefiting both Consultants and investors) and key highlights of the *Nationwide Survey Report*.

Publication of a new digital booklet: Existing brochures in physical format were updated and digitised. As physical events are still not feasible due to the pandemic, the digital booklet provides an additional digital method to disseminate educational information about UTS and PRS to the general public.

To know more, refer to the "Outreach Programmes" section.



2

INDUSTRY
DEVELOPMENT

Search



X



Industry Development



2020 Distributors Snapshot	20
Capacity Building	21
<i>Regulatory Training Sessions on Code of Ethics (COE)</i>	21
<i>Private Retirement Scheme Familiarisation Programme (PRSFP)</i>	22
<i>CPD Tracker System</i>	22
<i>FIMM Examination</i>	23
<i>Revision of FIMM's Study Guide</i>	24
<i>Industry Briefing</i>	25
Positioning FIMM as a Thought Leader	26
Stakeholders Management & Engagement	28

2020 Distributors Snapshot

Category	2018	2019	2020
Members	37	39	40
Institutional Unit Trust Advisers (IUTAs)	50	54	54
Corporate Unit Trust Advisers (CUTAs)	17	17	18
Private Retirement Scheme Providers (PRPs)	8	8	8
Institutional Private Retirement Scheme Advisers (IPRAs)	11	12	13
Corporate Private Retirement Scheme Advisers (CPRAs)	17	17	18

	2018	2019	2020
 UTS Consultants	59,565	58,068	55,179
 PRS Consultants	22,946	24,728	24,916

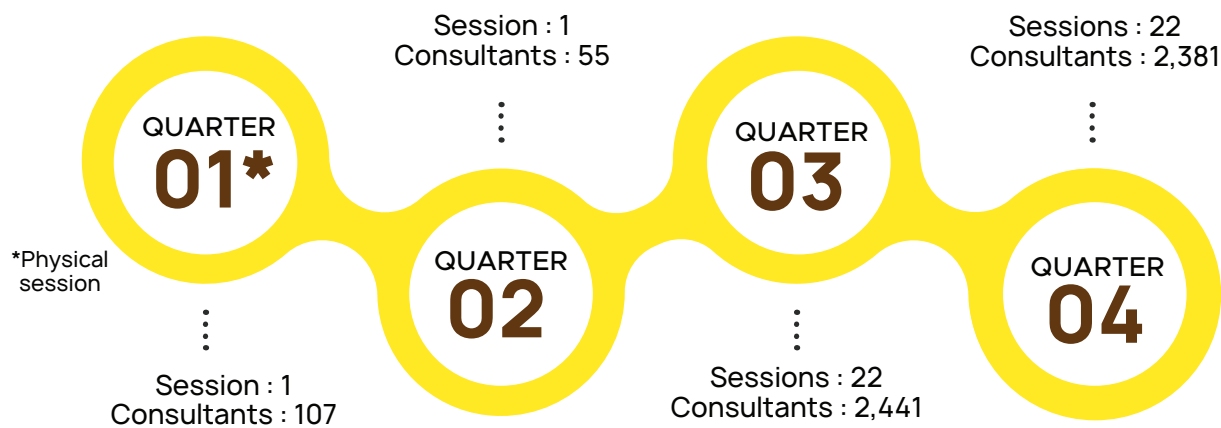
Capacity Building

Regulatory Training Sessions on Code of Ethics (COE)

To further enhance our role as an advocate for the industry and Consultants, FIMM is focused on raising the professional standards and knowledge of UTS and PRS Consultants by conducting COE training sessions regularly.

Whilst the ongoing restrictions caused by the Covid-19 pandemic has posed challenges in conducting physical sessions, FIMM was able to respond by opting for a "Pseudo e-learning" approach – conducting training via virtual conferencing platforms such as Microsoft Teams, Zoom or Webex. Each training session is complemented with live/interactive Q&A participation.

Sessions & Attendance

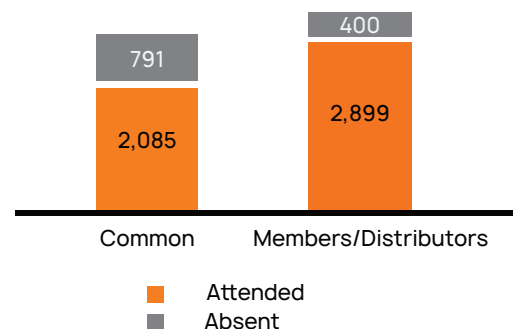
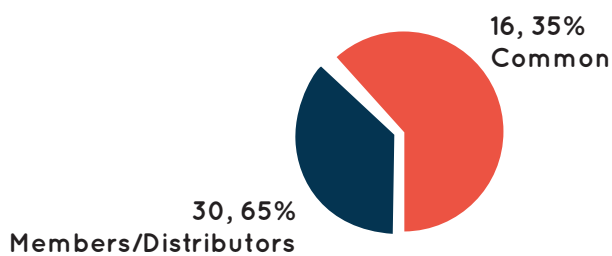


46 SESSIONS



4,984 CONSULTANTS

Common Sessions vs Members/Distributor Sessions



Private Retirement Scheme Familiarisation Programme (PRSFP)

FIMM re-introduced the PRSFP on 17 June 2020 in response to the high demand for recruitment of new PRS Consultants by Distributors. PRSFP allows qualified UTS Consultants and insurance agents with at least three (3) years of experience and no adverse records to register as PRS Consultants without having to sit for the CPRE examination. However, such individuals must complete a 2-day seminar conducted by trainers authorised by FIMM. The programme ended on 30 November 2020.

PRSFP Participants



1,827

Qualified as PRS Consultants



1,052

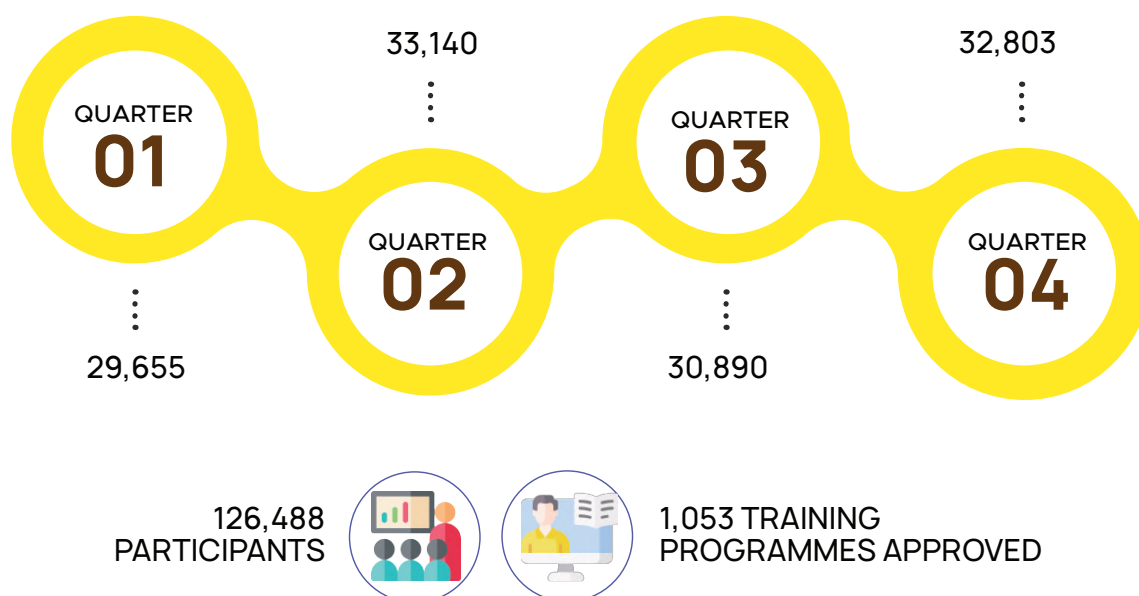
PRSFP Train-the-Trainer

Due to the demand for PRSFP, FIMM organised a virtual session for the PRSFP Train-the-Trainer Programme (TTT) on 24 and 25 September 2020. Those who completed the TTT will be allowed to conduct the seminars for qualified individuals.

A total of 95 participants attended the session.

CPD Tracker System

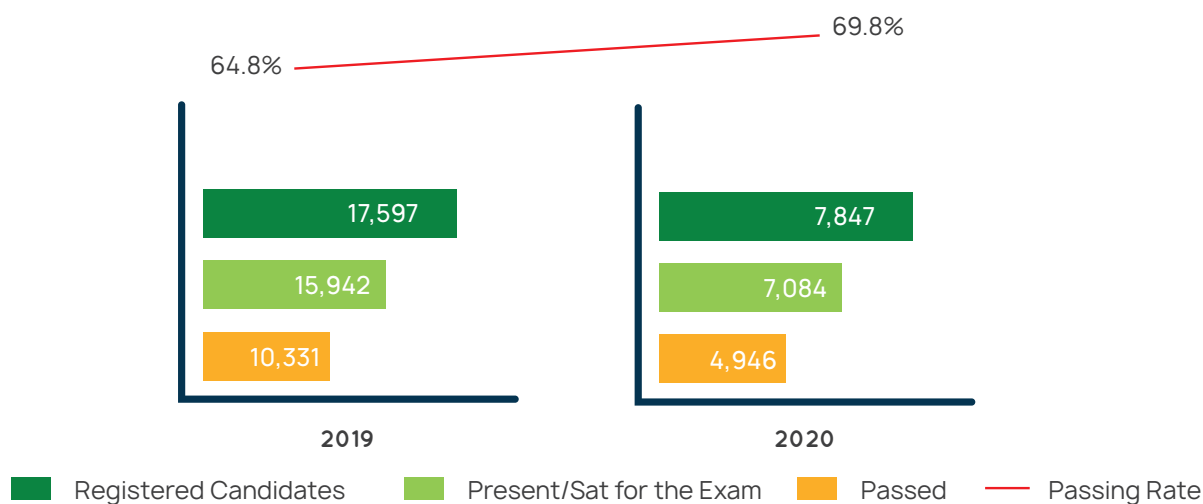
Participants of CPD Programmes submitted via the CPD Tracker System



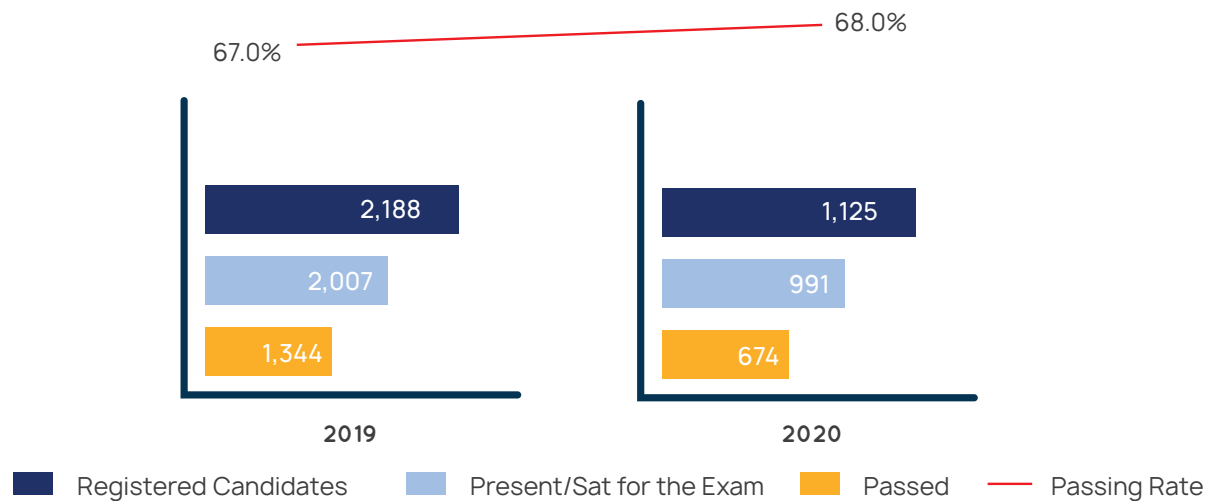
FIMM Examination

In 2020, a total of 8,075 candidates sat for FIMM examinations - 88% (7,084) took the CUTE, while the remaining 12% (991) sat for the CPRE.

Computerised Unit Trust Examination (CUTE)



Computerised Private Schemes Retirement Examination (CPRE)



The number of examination candidates in 2020 dropped by 55% from 17,949 candidates in 2019 due to cancellation of examination sessions resulting from the MCO and subsequent Conditional MCO (CMCO).

During the year, FIMM explored various options to re-open FIMM Examinations in line with the requirements prescribed under the MCO and CMCO. This resulted in incorporating additional features (virtual examination with proctoring system) in FIMM's new examination system as well as an interim virtual examination system, which was eventually offered in February 2021.

Revision of FIMM's Study Guides

Previously, two (2) study guides were made available to candidates to help them prepare for FIMM examinations. These study guides were:



As part of the project to update the study guides, both versions have been combined into a single edition, now known as the '*Exam Study Guide, CUTE & CPRE*' Study Guide. While this first edition will take effect in line with the implementation of the new examination system, the English version was circulated to Members in November 2020 to facilitate Members' preparation, especially on matters related to Consultants' training and examinations.

The combined Study Guide paves the way to facilitate the implementation of a single examination for aspiring candidates to be registered to market/distribute both UTS and PRS products. Whilst the syllabus remains unchanged, the contents have been updated to be consistent with the latest industry developments.

Revision of the Study Guide was made possible through the collaborative efforts between FIMM and the following members of the Study Guide Working Group:

- **Ms. Jas Bir Kaur**
Subject Matter Expert and FIMM Public Interest Director
- **Mr. Tan Kien Teck**
Head of Training, RHB Asset Management Sdn Bhd
- **Ms. Evelyn Chu Swee Yin**
General Manager, Business Learning and Development Department, Public Mutual Berhad
- **Mr. Sam CK Wong**
Head of PRS Distribution, AIA Pension and Asset Management Sdn Bhd
- **Ms. Tong Tiong Yin**
Head of Agency Training, Principal Asset Management Berhad
- **Mr. Steve Lim Lip Hoong**
Chief Learning Officer, Affin Hwang Asset Management Berhad

Industry Briefings

Briefing on PayNet Services and Requirements Relating to a Higher Daily Settlement Limit



12 November 2020



Online

FIMM organised a sharing session between Members and PayNet Network Malaysia Sdn Bhd (PayNet) in light of PayNet's proposed amendments of its FPX Operating Procedures to facilitate the increase of daily online settlement limit from RM30,000 to RM100,000. The proposed amendments require the implementation of the necessary internal controls by Unit Trust Management Companies (UTMCs) and PRS Providers (PRPs) that intend to adopt the said higher online settlement limit.

The sharing session was conducted to enable Members to have a better understanding on the features of PayNet's payment platforms and the proposed revised FPX operating procedures.

Members were able to seek clarification from PayNet, particularly on matters related to the payment platforms, including:

- 1) Transaction limit
- 2) FPX process flows, payment practices and different requirements among banks
- 3) Real Time Payment Platform

The session was very productive as it helped Members to make an assessment on the readiness of their respective systems and standard operating procedures to fulfil the requirements set out in the Revised FPX Operating Procedures.



60 participants

Positioning FIMM as a Thought Leader

FIMM has had the opportunity to share its knowledge and insights in various ways to promote the development of the UTS and PRS industry.



FIMM was featured in The Malaysian Reserve newspaper where we reassured the public that we were continuously monitoring the sales practices of our Members and Distributors.

13
April
2020

July
2020

Interviewed by Ignites Asia on how the asset management industry in Malaysia is performing in light of the Covid-19 pandemic.



Contributed an article titled "*Protecting Your Investments: Use Your Pre-Investment Controls*" in the Securities Industry Dispute Resolution Center's (SIDREC) second "DR" digital publication.

3
September
2020

23
September
2020

Collaborated with Morningstar to conduct a joint webinar on "*Translating SRI/ESG into a Value Proposition*". Detailed information on the next page.



FIMM was featured in the Personal Wealth pullout of The Edge Malaysia publication as part of showcasing the Nationwide Survey report.

October
2020

Scan the QR code to read the articles.

FIMM & Morningstar Joint Webinar: Translating SRI/ESG into a Value Proposition



23 September 2020



Online

FIMM collaborated with Morningstar for this webinar to ensure the presentation and discussions were in line with the local industry's interest.

Participants were provided insights in the context of local, regional and global landscape during the presentation and discussion of the following topics :

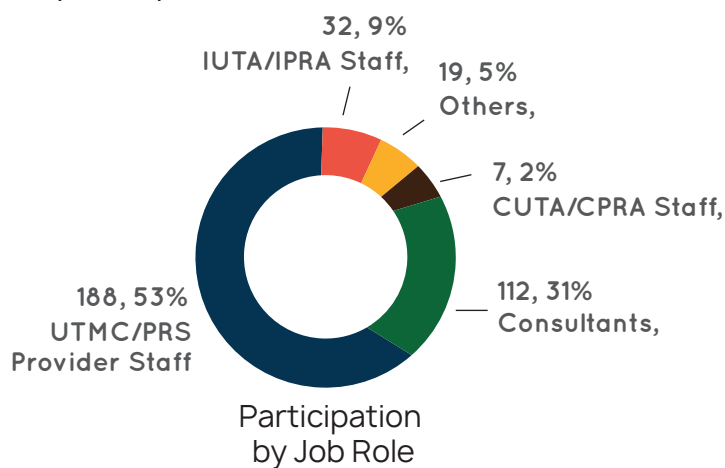
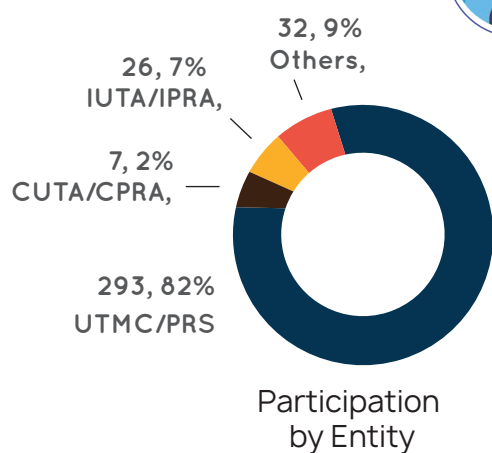
- Trends in Europe and Asia
- ESG product development
- Green product offering
- Blurring lines between conventional and sustainable funds
- Help provided to investors

In addition, the event moderator and panellists also discussed the following:

- Convergence of SRI/ESG and Shariah principles
- Challenges and issues in developing and marketing SRI/ESG investment products
- What the future holds for sustainable investing



358 participants



Majority of the participants were of the view that not only did they obtain valuable insights on SRI/ESG from the webinar, the topics presented met their learning objectives.



265 feedback forms received

Stakeholders Management & Engagement

Proposed Revision of the ASEAN CIS Framework

The SC, the Monetary Authority of Singapore (MAS), and the Securities and Exchange Commission Thailand are signatories of the ASEAN Capital Market Forum's (ACMF) Retail Memorandum of Understanding. They proposed to revise the Standards on Qualifying CIS to facilitate The Philippines Securities and Exchange Commission's intention to be an ACMF signatory and enable the cross border offering of Qualifying CIS to and from The Philippines.

The SC sought the industry's views regarding the additional requirement for the Total Expense Ratio of a Qualifying CIS to be offered in The Philippines to be capped at 10% of the Qualifying CIS's Net Asset Value. FIMM conveyed Members' comments and eventual agreement to the SC.

SC Digitalisation Initiative for Fund Management : e-KYC and Higher Online Settlement Limit

The SC's Fund Management Industry Digitalisation Group (FMDG) identified client onboarding and provision of fund services as key areas for digitisation. In support of this effort, FIMM assisted in the collation and analysis of Members' feedback on possible establishment of an e-KYC utility for the industry and the proposed revised FPX Operating Procedures to facilitate a higher online settlement limit.

FIMM also sought the Members' input on the SC's *Guidelines on Online Transactions and Activities in Relation to Unit Trusts* and *Guidelines on Unit Trust Advertisement and Promotional Materials* to ensure that these guidelines facilitate efficient marketing and advertising activities. Analysis on the Members' feedback was shared with the SC accordingly.

SRI/ ESG JC3 : Industry Feedback Survey on Climate Change

FIMM, in collaboration with other members of the Joint Committee on Climate Change (JC3) Product Innovation sub-committee, issued a survey to our Members to identify key challenges as well as gaps for the demand and supply of SRI/ESG investments, including green financing investments. This survey also sought Members' recommendations to address these challenges.

FIMM shared the collation and analysis on the issues and challenges faced by Members in the existing landscape with the SC. As an extension of this, FIMM has included the SRI/ESG topic as a potential industry initiative for the year 2021.

Industry Survey on Guidance Notes For SC's Advertising Guidelines

The SC issued the '*Guidelines on Advertising for Capital Market Products and Related Services*' (Advertising Guidelines) on 4 May 2020. While a set of Frequently-Asked-Questions (FAQs) was also issued to provide guidance on the application of the Advertising Guidelines, they covered only some aspects that are applicable to UTS and PRS (as the Advertising Guidelines are applicable to other capital market products and services too).

In view of this, FIMM conducted a survey to obtain feedback from Members/Distributors on the provisions set out in the Advertising Guidelines. The feedback was intended to be used to identify areas that require clarification and where necessary, to develop an industry guide/best practice in order to ease Members' and Distributors' efforts in the operationalisation of and compliance with the requirements of the Advertising Guidelines, specifically for UTS and PRS.

FIMM also carried out a benchmarking study on advertisements and promotional guidance issued by Singapore, Hong Kong and Australia. In brief, whilst some areas were identified as requiring guidance notes that could be mapped against the guidelines/guidance issued by those countries, other areas could not be matched exactly where granularity was required.

Based on the outcome of the survey, FIMM is proceeding with the development of the guidance notes for the industry.

Engagement with the Employees Provident Fund (EPF)

EPF-MIS Fund Evaluation 2020/21

The EPF Members Investment Scheme (EPF-MIS) Fund Evaluation is an annual evaluation conducted by FIMM in relation to the recommendation of EPF-MIS qualifying funds.

In 2020, the evaluation resulted in a total of 280 funds being approved for EPF withdrawal, out of which 260 (92.9% of total funds) are existing EPF-approved funds and 20 were re-instated funds. EPF's approval of the existing and re-instated funds came into effect on 1 April 2020.

Review of Draft Revised EPF-MIS Guidelines

Issued in 1999, the EPF-MIS Guidelines prescribe rules and requirements imposed on Fund Management Institutions (FMI), as well as funds approved under the EPF-MIS. The Guidelines include, among others, evaluation criteria, investment restrictions, fee payable to EPF and reporting/notification requirements.

EPF revised the Guidelines recently and the draft was forwarded to FMI on 26 June 2020 for comments. FIMM collated, analysed and presented the feedback to the Industry Development Committee (IDC) for deliberation and approval. Subsequently, FIMM submitted 14 industry proposals to EPF on 4 August 2020.

3

REINFORCING
CONFIDENCE

Search



Reinforcing Confidence



Ensuring Compliance
Enforcement

32
37

Ensuring Compliance

Off-Site Reviews

Adapting to the new normal in 2020 also meant that supervisory plans had to be adjusted. Despite the challenges, FIMM managed to complete the planned supervisory activities for the year, albeit mostly carried out remotely via virtual platforms.

Annual Compliance Review (ACR)



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

Common observations

FIMM observed the recurrence of the following three (3) common compliance issues amongst Distributors:

Compliance issues observed	ACR submitted in 2018	ACR submitted in 2019	ACR submitted in 2020
Absence of periodic review of existing manuals, policies and procedures on marketing and distribution of UTS and PRS	12	8	17
Anti-Money Laundering and Anti-Terrorism Financing (AML) training was not completed by Consultants	4	10	15
Delay in dissemination of interim and annual financial report to investors	2	7	10

We are closely monitoring the recurring compliance issues seen in the table above. Distributors are addressing the root cause of the recurring compliance issues and ensuring timely closure of the identified gaps. The affected Distributors were further reminded through issuance of follow up letters to revisit their existing policies and procedures to incorporate relevant action plans and ensure continuous compliance with FIMM's Rules and SC Guidelines in relation to the marketing and distribution of UTS and PRS.

Post-Registration Assessment (PRA)



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

FIMM reviewed a total of 5 PRAs relating to:

2 IUTAs

1 IUTA
and IPRA

2 CUTAs
and CPRAs

On-Site Reviews

Thematic Engagement with CUTAs/CPRAs

FIMM completed the virtual thematic supervisory engagements on five (5) CUTAs and CPRAs, where most were conducted virtually.

The following observations were made during the supervisory engagements:

1. Failure to comply with FIMM's requirements in implementing multiple-tiered agency structure
2. Inaccuracies observed from the submitted ACR checklist
3. Marketing and distribution of UTS/PRS by persons not registered with FIMM
4. Observations in complaints management:
 - (i) Incomplete recording of complaints received
 - (ii) Absence or weaknesses in complaints' monitoring mechanism

Common Areas for Improvement

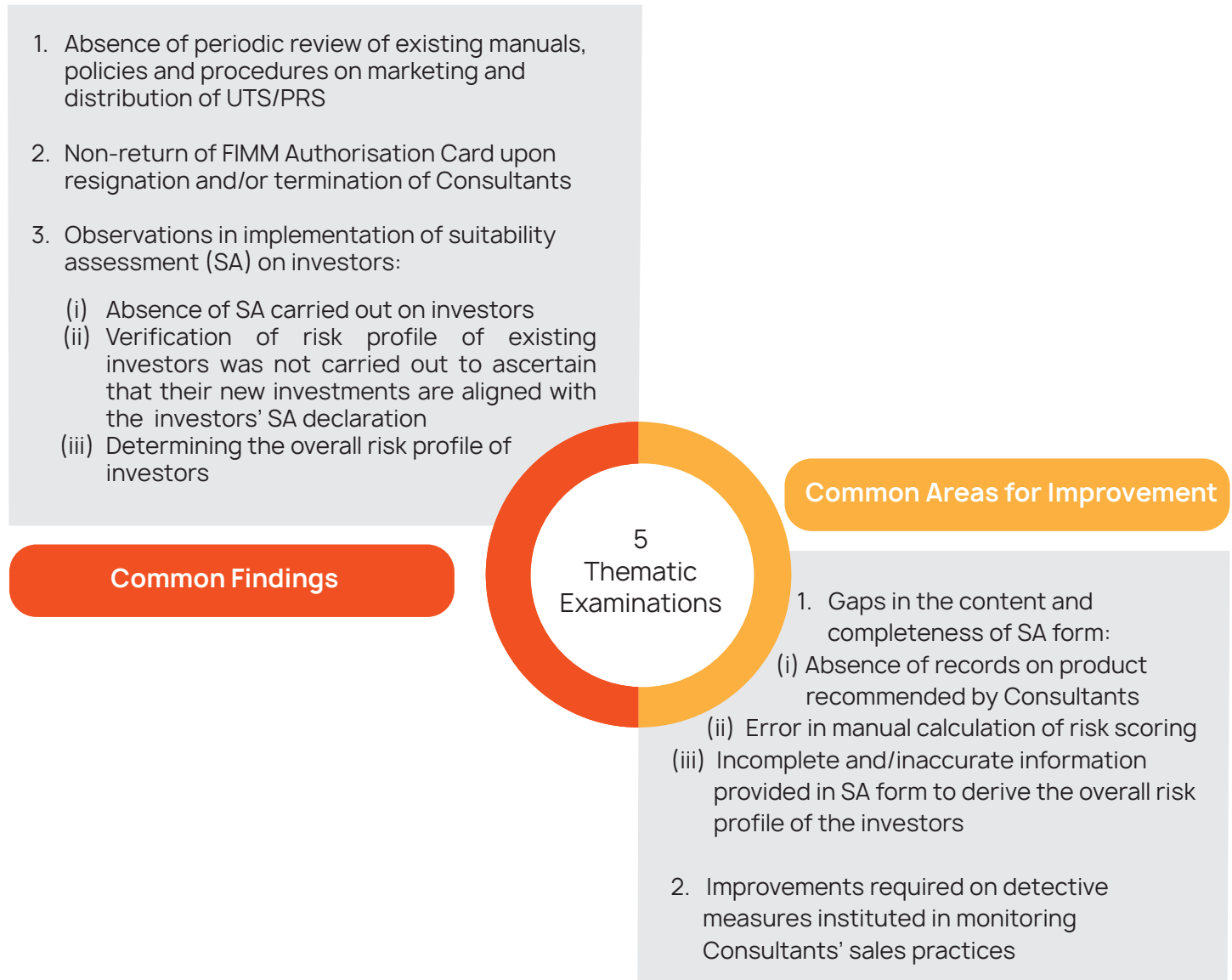
1. Gaps in compliance function where review conducted was not comprehensive to detect the weaknesses in complying with regulatory requirements

5
Thematic
Engagements

Common Findings

Thematic Examination on UTMCS/PRPs

FIMM carried out thematic examinations on five (5) UTMCS/PRPs virtually. The following observations were made during the thematic examinations:



Arising from the **thematic engagements** and **thematic examinations** above, the affected Distributors were required to submit remedial measures in addressing the observations raised. We have evaluated the appropriateness of the Distributors' remedial actions before issuing the final examination report. Thereafter, as part of our ongoing supervisory efforts, follow-up was carried out on the status of their implementation of the remedial actions.

Social Media Surveillance with Mystery Shopping exercise

In 2020, FIMM embarked on a new initiative – Social Media (SOCMED) Surveillance – to monitor activities in the marketing of UTS/PRS on their social media platforms. Here are some of the observations noted from the SOCMED surveillance:



In gathering additional information to support observations, we undertook a Mystery Shopping exercise.

Notification letters were issued to affected Distributors highlighting the observations noted from our SOCMED review. The Distributors were required to revert on the corrective measures taken to address the concerns raised.

FIMM will continue this effort to detect misconducts by Consultants or any person in the marketing and distribution of UTS/PRS on social media platforms. This is also to ensure that professionalism is elevated amongst registered Consultants in maintaining healthy competition and communication with potential investors online.

Quarterly Complaint and Trend Analysis

All Distributors are required to submit a list of complaints received on a quarterly basis to FIMM. The list captures UTS and PRS related complaints made by both investors and members of the general public.

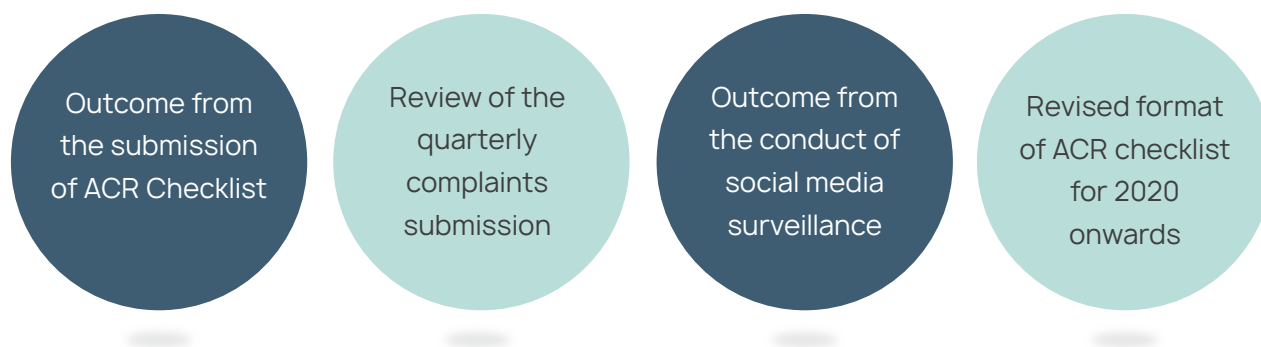
Five (5) common areas of complaints recorded in 2020

- 1 Unauthorised investment and withdrawal
- 2 Misrepresentation and misleading information
- 3 Poor after-sales services
- 4 Performance Issues
- 5 Operational Issues

We continue to monitor the complaints reported under the category of unauthorised investments and withdrawal, and have made referral for further actions to be taken if they are found to be not adequately dealt with by the Distributors. Compared to the previous year, we noted that more serious actions have been taken by the Distributors on Consultants with continuous complaints made against them for such matters in 2020.

Supervisory Engagement

FIMM held an Industry Briefing virtually highlighting regulatory activities and initiatives on 28 September 2020. The following topics were covered during the session which was attended by 119 participants.



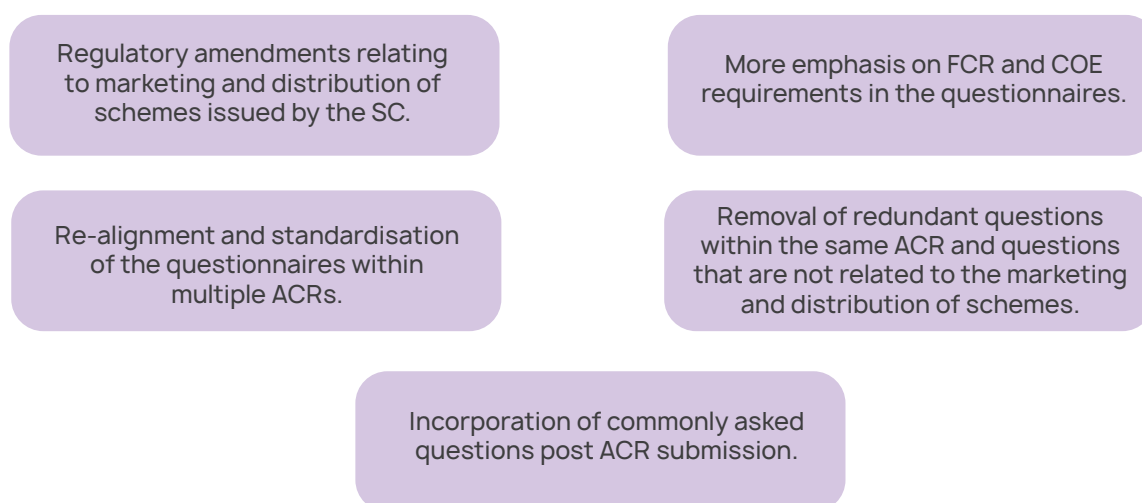
Subsequent to the Industry Briefing, a "Dear CEO" letter was sent to the Distributors via a circular on 4 March 2021. The letter reiterated FIMM's supervisory observations in 2020 which require the Distributors to take relevant corrective actions.

In addition, Distributors are reminded of their duty to ensure the maintenance of high standards of professional conduct, and the same responsibility must also be set upon their Consultants as this is vital to upholding the reputation of the UTS and PRS industry.

Revised Annual Compliance Review (ACR) Checklist

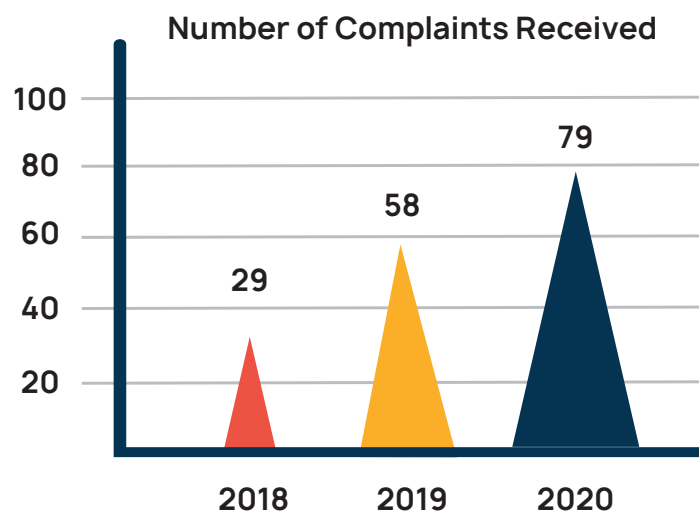
The revision of the ACR Checklist was performed as part of FIMM's efforts to enhance the existing ACR Checklists which was first introduced in 2017 following the issuance of FIMM's Consolidated Rules (FCR).

The revised ACR Checklist encompassed the following:



Enforcement

FIMM received a total of 79 complaints in 2020. A breakdown in the number of complaints received over the last three (3) years is reflected below:



Ten (10) Most Common Nature of Complaints of 2020



20
Unauthorised transaction
(investment/redemption/switching)



7
Falsification of academic certificate



18
Unsatisfactory services



5
Misappropriation of money



13
Misrepresentation by a Consultant



5
Accepting cash into personal account



10
Pre-sign/Pre-thumbprint investment
form



5
Non-registered person dealing with
UTS and/or PRS



10
Fit and Proper



5
Making arrangement with another
Consultant/ parking of sales

Note: Each complaint may consist of more than one type of misconduct. Hence, the number in this table will not tally with the total amount of complaints received per year.

Number of Consultants sanctioned by the Disciplinary Committee in 2020

Nature of Misconduct	Number of Consultants Sanctioned	Type of Sanctions
<ul style="list-style-type: none"> False declaration in Statutory Declaration Falsified academic certificate 	2	<ul style="list-style-type: none"> Barring from future registration
<ul style="list-style-type: none"> Accepting cash Misappropriation of money Making arrangement with another Consultant/Parking of sales 	1	<ul style="list-style-type: none"> Barring Public Reprimand
<ul style="list-style-type: none"> Accepting cash 	1	<ul style="list-style-type: none"> Public Reprimand
<ul style="list-style-type: none"> Allowed non-registered person to market/distribute UTS and/or PRS 	1	<ul style="list-style-type: none"> Suspension for 1 Year Public Reprimand
<ul style="list-style-type: none"> Accepting cash Misappropriation of money Falsified document 	2	<ul style="list-style-type: none"> Barring Public Reprimand
<ul style="list-style-type: none"> Accepting cash Misappropriation of money 	1	<ul style="list-style-type: none"> Barring Public Reprimand
<ul style="list-style-type: none"> Accepting cash Misappropriation of money Pre-sign investment forms 	1	<ul style="list-style-type: none"> Barring Public Reprimand
<ul style="list-style-type: none"> Non-registered person dealing with UTS and/or PRS Making arrangement/Parking of sales Acting for more than one principal 	1	<ul style="list-style-type: none"> Barring Public Reprimand
<ul style="list-style-type: none"> Making arrangement/Parking of sales Unauthorised transaction 	1	<ul style="list-style-type: none"> Barring Public Reprimand
<ul style="list-style-type: none"> Acting for more than one principal Making arrangement/Parking of sales 	2	<ul style="list-style-type: none"> Barring Public Reprimand
<ul style="list-style-type: none"> Making arrangement/Parking of sales Unsatisfactory services 	3	<ul style="list-style-type: none"> Written warning Public Reprimand
<ul style="list-style-type: none"> Making arrangement/Parking of sales Unsatisfactory services 	1	<ul style="list-style-type: none"> Barring Public Reprimand
<ul style="list-style-type: none"> Forging signature 	1	<ul style="list-style-type: none"> Barring from registration for 1 year
<ul style="list-style-type: none"> Dealing with unapproved/unauthorised funds 	1	<ul style="list-style-type: none"> Written warning Attend training
<ul style="list-style-type: none"> Unauthorised transaction 	1	<ul style="list-style-type: none"> Barring Public Reprimand
	20	

4 Outreach Programmes

Search



X

Outreach Programmes



Virtual Roadshows	41
Participation in InvestSmart Fest 2020	42
FIMM e-Zine	43
FIMM TV	44
Social Media Engagement	44

Outreach Programmes

As an SRO, it is FIMM's role to educate investors and promote public awareness of UTS and PRS. The educational initiatives support the *Financial Education Network's (FEN) five (5) Strategic Priorities of the National Strategy for Financial Literacy*. To achieve this mandate, FIMM regularly participates in roadshows and outreach programmes.

Virtual Roadshows

With the current pandemic, FIMM went through a digital transformation and all investor education efforts went virtual. FIMM participated in various virtual events to promote and educate on the benefits and risks of investing in UTS and PRS. In 2020, FIMM participated in a total of 12 virtual events as per the lists below:

1. Virtual Financial Planning Workshop with Universities (jointly with the Malaysian Financial Planning Council (MFPC))

No.	Date	University	No. of Pax
1	22 May	International Islamic University Malaysia	35
2	9 June	Universiti Utara Malaysia	70
3	22 July	Universiti Sains Islam Malaysia	60
4	27 July	Universiti Malaysia Sabah	73
5	29 July	Universiti Pendidikan Sultan Idris	100
6	25 Sept	Universiti Pendidikan Sultan Idris	39
Total			377

2. My Money & Me: Invest2Progress (Virtual Financial Planning Workshops 2020 organised by MFPC)

No.	Date	Venue	No. of Pax
1	22 Aug	West Zone	211
2	12 Aug	North Zone	213
3	19 Sept	Middle Zone	184
4	26 Sept	East Zone	272
5	10 Oct	Sabah & Sarawak	205
6	21 Nov	Selangor	701
Total			1,786



Engaged with
2,163 people

Participation in InvestSmart Fest 2020

The virtual *InvestSmart Fest 2020 (ISF2020)* was the very first virtual event where FIMM participated with a virtual booth to promote the organisation and the UTS and PRS industry. There were 1,069 visitors at our booth throughout the 3-day event.

In addition, FIMM also anchored a panel discussion at ISF2020 themed *Unit Trust & PRS – Diversify and Demystify* on 24 October 2020. The panel of speakers included industry experts and practitioners as listed below:

Moderator
En. Mohd Ridzal Mohd Sheriff Chairman of FIMM
Panelists
En. Ameer Ali Vali Mohamed Independent Non-Executive Director, Amanah Raya Investment Management Sdn Bhd
Mr. Danny Wong Teck Meng Chief Executive Officer, ARECA Capital Sdn Bhd & Director at FIMM
Mr. Edwin Lee Chief Marketing Officer, UOB Asset Management Malaysia Berhad
Ms. Chan Ai Mei Chief Marketing & Distribution Officer, Affin Hwang Asset Management Berhad
Mr. Long Shih Rome Head of Economic Research & Communications – Investment, Public Mutual Berhad



Scan the QR code to watch the event.

Publication of FIMM e-Zine

In line with FIMM's digitalisation efforts to meet the demands of a fast moving industry, we published two (2) issues of *FIMM e-Zine*, a re-vamped and enhanced digital version of the *FIMM Today*.

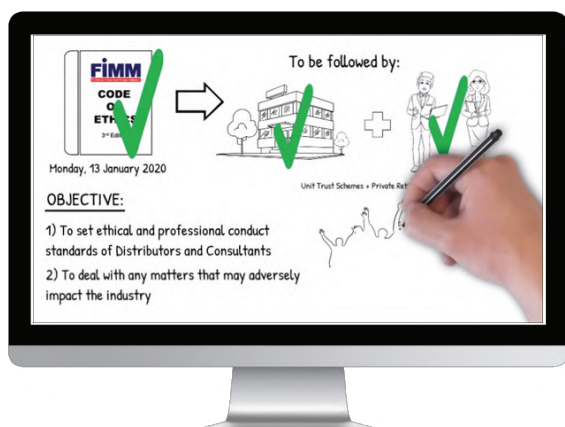
Aimed at disseminating the latest news and information to Members, Distributors and Consultants, the magazine also includes educational materials about UTS and PRS for investors and the general public. It is published on our website and social media platforms (*Facebook* and *Twitter*), thus making it accessible to a much wider readership.

Issue 1 was published on 8 April 2020, while *Issue 2* was made available on 13 August 2020. The digital magazine also allows Consultants to claim four (4) Continuing Professional Development (CPD) points as part of their developmental needs.

FIMM e-Zine readership as at 31 Dec 2020



To complement the *FIMM e-Zine*, we also produced two (2) educational videos, which were incorporated into both editions.



Issue 1 : This video covers the revised version of FIMM's COE, and it is targeted at helping Consultants and Distributors to familiarise themselves with the revised COE.

Issue 2: This video focuses on educating the public in relation to taking loans to finance their investments, with special highlights on the relevant benefits and risks.



FIMM TV

In the last quarter of 2020, we commenced work on *FIMM TV*, a series of videos aimed at educating the investing public through interviews with industry leaders and experts who will provide first-hand knowledge and insights on the fund management industry.



1,776 Views
(as at 28 May 2021)

Produced periodically, the first series of *FIMM TV* videos focused on the theme of "Covid-19 and the Unit Trust Scheme & Private Retirement Scheme Industry". Seven (7) videos were released on 29 January 2021 across three (3) platforms: YouTube, Facebook, and FIMM's website.

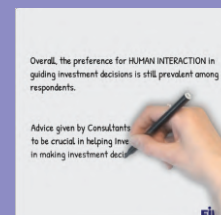
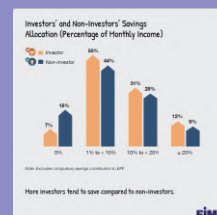
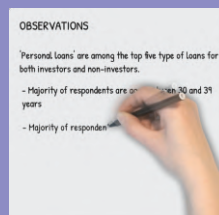
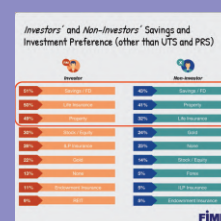
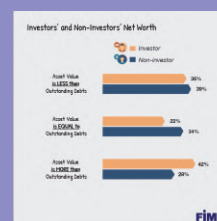
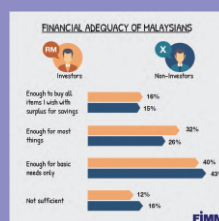
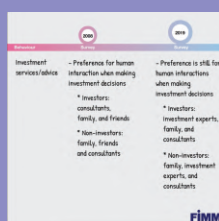
Social Media Engagement

FIMM leveraged heavily on the social media platforms in 2020. The content developed for FIMM's social media engagement mainly focused on the *Nationwide Survey Report* (NWS), 'Investing 101' (i.e. basic topics to educate investors on the fundamental elements of investing in UTS and PRS), and sharing of relevant postings from other sources (as part of knowledge sharing). In 2020, FIMM made a total of 220 posts on social media.

There is also an increasing trend in the number of followers for both FIMM's Facebook and Twitter accounts. The table below shows the gradual increase throughout 2020.

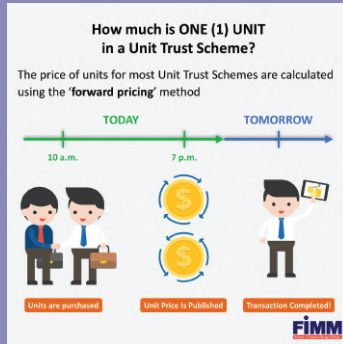
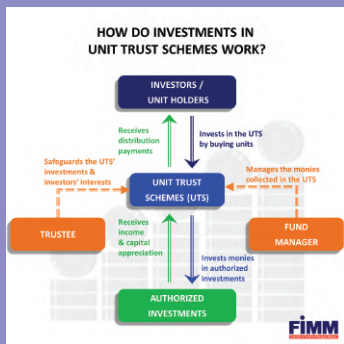
Platform	Q1 2020	Q2 2020	Q3 2020	Q4 2020
Facebook	2,763	2,907	3,060	3,265
Twitter	65	102	106	152

Nationwide Survey Report Posts



Scan the QR code to read more.

Investing 101 Posts



Need more funds to invest in Unit Trust Schemes?

USE YOUR EPF SAVINGS!

You are allowed to invest 30% of the 'Excess Money' in your EPF Account 1 in eligible unit trust schemes.

* Excess Money = Total in EPF Account 1 – Basic Savings

FIMM

IS YOUR INVESTMENT AUTHORISED?

All investment products offered in Malaysia, including unit trust schemes (UTS), private retirement schemes (PRS), shares, and exchange-traded funds (ETF), must be authorised by the Securities Commission (SC).

To verify if the investment product offered to you is authorised, visit www.sc.com.my.

Suruhanjaya Sekuriti Malaysia

FIMM

Why should you invest in UNIT TRUST SCHEMES?

- Affordable**
For most UTS, you only need to invest RM1000 at the beginning. To add more, you only need a minimum of RM100.
- Lower Risk**
UTS can only invest a certain percentage of its monies in a specific investment. As such, it must diversify its investment holdings. The greater the diversification, the LOWER the risk.
- Managed by Professionals**
Investment managers of UTS received their investment education in universities and are also mentored by their experienced seniors. As such, they are well-trained to manage your investments.

FIMM

What is the Structure of a PRIVATE RETIREMENT SCHEME (PRS)?

CORE FUNDS

- Must be part of PRS
- Three (3) funds offered

NON-CORE FUNDS

- Discretionary part of PRS
- Up to four (4) funds offered (conventional)
- Up to seven (7) funds offered (Shariah)

TYPES OF CORE FUNDS

- GROWTH**
 - Higher risk
 - Potentially higher returns
 - For below 45 years old
- MODERATE**
 - Medium risk
 - Potentially medium returns
 - Between 45 and 54 years old
- CONSERVATIVE**
 - Lower risk
 - Potentially steadier returns
 - For 55 years old and above

FIMM

Can we withdraw our investment in Private Retirement Schemes (PRS) before we retire?

Yes you can....

- from the investments in sub-account B, and
- you will incur an 8% tax penalty.

Nonetheless, you can still withdraw without the 8% tax penalty if the withdrawal is for:

- healthcare
- housing
- total permanent disability (from sub-account A)
- leaving Malaysia permanently (from sub-account A)

FIMM

COOLING-OFF RIGHT

It is your right to a refund of the investment amount plus any charges imposed when you invest for the first time in a unit trust scheme managed by a particular fund manager.

DAY 1 **DAY 6** **DAY 16**

You purchase units with this fund manager for the first time You change your mind and submit a cooling-off application You receive your refund

FIMM

INVESTMENT OBJECTIVE AND STRATEGY

Every Unit Trust Scheme (UTS) has an investment objective and an investment strategy.

INVESTMENT OBJECTIVE
what the UTS seeks to achieve

INVESTMENT STRATEGY
how the UTS will achieve its objective

Knowing the UTS' investment objective and investment strategy tells you whether or not the UTS is suitable for you and in line with your own financial goals.

Nonetheless, before investing in a UTS, make sure you read and understand its prospectus first!

FIMM

DOLLAR COST AVERAGING

What is it?

This is an investment method where you invest consistently a small amount at regular intervals (e.g. once a month), regardless of the unit price.

BENEFITS:

- You can ease into building up your investment over time
- You will avoid making a lump sum investment at less opportune times

FIMM

"ALL INVESTMENTS HAVE RISKS."

However, just because there are risks, it does not mean that the investment is not safe.

RISK

By knowing the risks of your investments, you can decide:

- whether or not to accept the risk, and
- how to manage the risk to make your investments safer.

Information on a fund's risk is readily available in the prospectus/disclosure document.

FIMM

INCOME DISTRIBUTION

Each unit trust scheme (UTS) has different income distribution policies*

- Some UTS pays regularly (e.g. once a year)
- Some UTS pays incidentally
- Some UTS do not pay income distributions*

* Incident these UTS rely on unit price increasing to return on investment

TWO methods of receiving Income Distribution

- Reinvestment (in the form of new units in the UTS)
- Payment (in the form of money paid into your bank account)

* Information on Income Distribution Policy is available in the prospectus/disclosure document.

FIMM

BEWARE OF SCAMS!

Investing to make more money is the smart thing to do. However, make sure you know the difference between an investment opportunity and a scam!

How to know the difference? Do your research.

- Check if the investment is authorised by the Securities Commission
- Check if your Consultant/agent is authorised by FIMM

Remember: A careful investor is a smart investor

FIMM

INCOME DISTRIBUTION TIMELINE

Fund Manager Declares Income Distribution **Record Date** **Ex Distribution Date** **Distribution Date**

If you own units in the unit trust scheme on this date, then you are eligible to receive the distribution payment

This date the fund units' monies to be distributed to investors. On this date, the unit price will be quoted before the distribution amount.

This date you receive your distribution payments (either via cash or reinvestment)


Information on the Mode of Income Distribution is available in the prospectus/disclosure document.

FIMM

5

LEADERSHIP



Search 

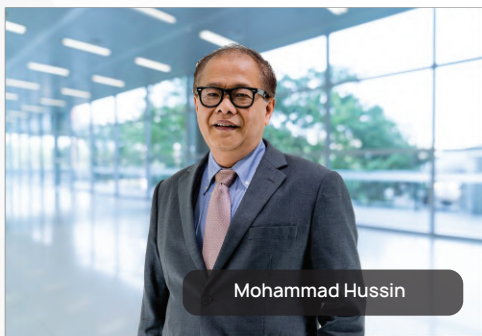
Leadership		+
Board of Directors & Committees		48
Management		58
Our People		59

Board of Directors & Committees

Public Interest Directors



Elected Directors



Roles & Responsibilities



Board Committees

In carrying out its functions, the Board is supported by the regulatory, governance and industry development committees which operate within their respective defined terms of reference, thus enabling the Board to perform its fiduciary duties in a more efficient and focused manner.

Board of Directors



Regulatory

Appeal Committee (AC)

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

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.

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.

Governance

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.

Industry Development

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. Apart from providing a forum for discussion on all PRS-related matters, the sub-committee is empowered to make decisions on the implementation of the promotion and advertising of PRS.

Composition of the Board of Directors (Board) & Board Committees

The composition of the Board and Board Committees collectively constitute as key elements of corporate governance. As at 31 December 2020, the Board is made up of seven (7) Public Interest Directors (PID) appointed by the SC and six (6) Elected Directors (ED) elected in accordance with FIMM's Constitution. There was no resignation of Directors in 2020.

Dato' Mohd Sallehuddin Othman	Re-appointed as PID by the SC for a period of two (2) years effective 5 April 2020.
Jas Bir Kaur	Appointed as PID by the SC effective 13 January 2020 for a period of three (3) years. Her appointment as Director of FIMM was approved by the Companies Commission of Malaysia (CCM) effective 1 June 2020.

Appointments to Board Committees

On 9 July 2020, the Board approved the following appointments to the respective Board Committees:

- (i) Jas Bir Kaur to the DC, IDC, RC and PRSSC
- (ii) Lim Suet Ling to the ARC

On 9 September 2020, the Board approved the appointment of Che Zakiah Che Din to the IDC.

Public Interest Directors	No. of Committees	Committee / Sub-Committee			
Mohd Ridzal Mohd Sheriff (Chairman of the Board)	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	4	IDC	AC	ARC	NRC
Steven Choy Khai Choon	4	IDC	PRSSC	RC	DC
Yon See Ting	4	IDC	RC	DC	PRSSC
Jas Bir Kaur	4	IDC	PRSSC	RC	DC
Elected Directors (non-PID)	No. of Committees	Committee / Sub-Committee			
Mohammad Hussin	4	IDC	ARC	RC	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	4	IDC	AC	NRC	ARC

 Chairmanship

Changes to Composition of Board Committee

To accommodate the increasing number of Board members and to allow for a more robust and balanced participation during meetings by the respective Committee members, the Board unanimously approved the following changes to the composition of members of Board Committees on 9 July 2020:

Committee	Members (prior to 9 July 2020)	Members (approved on 9 July 2020)
DC	Seven (7) members comprising: <ul style="list-style-type: none"> • Three (3) PID • Four (4) ED 	Eight (8) members comprising: <ul style="list-style-type: none"> • Four (4) PID • Four (4) ED
IDC	Eleven (11) members comprising: <ul style="list-style-type: none"> • Four (4) PID • Seven (7) ED 	<ul style="list-style-type: none"> • All Board members • Subject Matter Expert(s) invited by the Board
NRC	Five (5) members comprising: <ul style="list-style-type: none"> • Three (3) PID • Two (2) ED 	Six (6) members comprising: <ul style="list-style-type: none"> • Three (3) PID • Three (3) ED
RC	Nine (9) members comprising: <ul style="list-style-type: none"> • Four (4) PID • Five (5) ED 	Ten (10) members comprising: <ul style="list-style-type: none"> • Five (5) PID • Five (5) ED

Board Meetings

The Board held a total of seven (7) meetings (including Special Meetings) in 2020, which exceeded the minimum requirement of four (4) meetings stipulated in FIMM's Board Charter.

The Board also conducted a self-assessment evaluation assessment, which is carried out annually in the first quarter of the following year, for the purpose of improving its effectiveness in fulfilling its duties and responsibilities. The findings, which were discussed by the Board, were compiled and prepared by FIMM's external Company Secretary, Securities Services (Holdings) Sdn Bhd, and reported on an anonymous basis.

Board Committee Meetings

Each of the six (6) Board Committees and one (1) Sub-Committee focuses on clearly defined areas of FIMM's operations, where their respective functions and duties are set out in their respective Terms of Reference (TOR).

In summary, a total of **34** Board and Board Committee meetings were held in 2020 (2019: 35 meetings), whereby the total number of meetings held was in compliance with the Board Charter and the respective Board Committees' TOR.

Board & Committee Meeting Attendance

BOARD

PUBLIC INTEREST DIRECTORS

Mohd Ridzal Mohd Sheriff (Chairman)	7/7
Dato' Mohd Sallehuddin Othman	7/7
Koid Swee Lian	7/7
Che Zakiah Che Din	7/7
Steven Choy Khai Choon	7/7
Yon See Ting	6/7
Jas Bir Kaur (appointed w.e.f. 01.06.2020)	3/7

ELECTED DIRECTORS

Mohammad Hussin	7/7
Yeoh Kim Hong	6/7
Eliza Ong Yin Suen (on sabbatical from 01.02.2020 to 31.03.2021)	5/7
Ismitz Matthew De Alwis	7/7
Danny Wong Teck Meng	7/7
Lim Suet Ling	5/7

DISCIPLINARY COMMITTEE*

PUBLIC INTEREST DIRECTORS

Koid Swee Lian (Chairman)	9/9
Steven Choy Khai Choon	8/9
Yon See Ting	5/9
Jas Bir Kaur (appointed w.e.f. 09.07.2020)	4/9

ELECTED DIRECTORS

Yeoh Kim Hong	8/9
Eliza Ong Yin Suen (on sabbatical from 01.10.2020 to 31.03.2021)	3/9
Danny Wong Teck Meng	9/9

**Only Committee members who attended the initial disciplinary proceedings were invited to attend the disciplinary proceedings of any adjourned meetings in view of familiarity and seamless continuity with the initial cases presented. There were two (2) adjourned meetings held in 2020.*

NOMINATION & REMUNERATION COMMITTEE

PUBLIC INTEREST DIRECTORS

Che Zakiah Che Din (Chairman)	3/3
Mohd Ridzal Mohd Sheriff	2/3
Dato' Mohd Sallehuddin Othman	3/3

ELECTED DIRECTORS

Mohammad Hussin	3/3
Lim Suet Ling	2/3

AUDIT & RISK COMMITTEE

PUBLIC INTEREST DIRECTORS

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

ELECTED DIRECTORS

Mohammad Hussin	4/4
Ismitz Matthew De Alwis	4/4
Lim Suet Ling (appointed w.e.f. 09.07.2020)	1/4

INDUSTRY DEVELOPMENT COMMITTEE

PUBLIC INTEREST DIRECTORS

Mohd Ridzal Mohd Sheriff (Chairman)	7/7
Dato' Mohd Sallehuddin Othman	7/7
Koid Swee Lian	6/7
Steven Choy Khai Choon	6/7
Yon See Ting	7/7
Jas Bir Kaur (appointed w.e.f. 09.07.2020)	3/7
Che Zakiah Che Din (appointed w.e.f. 09.09.2020)	0/7

ELECTED DIRECTORS

Mohammad Hussin	5/7
Yeoh Kim Hong	7/7
Eliza Ong Yin Suen (on sabbatical from 01.10.2020 to 31.03.2021)	5/7
Ismitz Matthew De Alwis	7/7
Danny Wong Teck Meng	7/7
Lim Suet Ling	7/7

SUBJECT MATTER EXPERT

Munirah Khairuddin	3/7
--------------------	-----

REGULATORY COMMITTEE**PUBLIC INTEREST DIRECTORS**

Yon See Ting (Chairman)	3/3
Koid Swee Lian	3/3
Mohd Ridzal Mohd Sheriff	3/3
Steven Choy Khai Choon	3/3
Jas Bir Kaur (appointed w.e.f. 09.07.2020)	1/3

ELECTED DIRECTORS

Yeoh Kim Hong	3/3
Eliza Ong Yin Suen (on sabbatical from 01.10.2020 to 31.03.2021)	1/3
Ismitz Matthew De Alwis	3/3
Danny Wong Teck Meng	3/3

PRIVATE RETIREMENT SCHEME SUB-COMMITTEE**PUBLIC INTEREST DIRECTORS**

Steven Choy Khai Choon (Chairman)	1/1
Yon See Ting	1/1

APPOINTED REPRESENTATIVES

Yeoh Kim Hong	1/1
Eliza Ong Yin Suen (on sabbatical from 01.10.2020 to 31.03.2021)	1/1
Ismitz Matthew De Alwis	1/1
Munirah Khairuddin	1/1
Valerie Low Lai Kin (AAR of AmFunds)	1/1
Vincent Siau (AAR of AHAM)	1/1
Wan Shuhaida Wan Zainal Shukri	1/1
Nor Daliya Mohd Daud	1/1

SUBJECT MATTER EXPERT

Husaini Hussin	1/1
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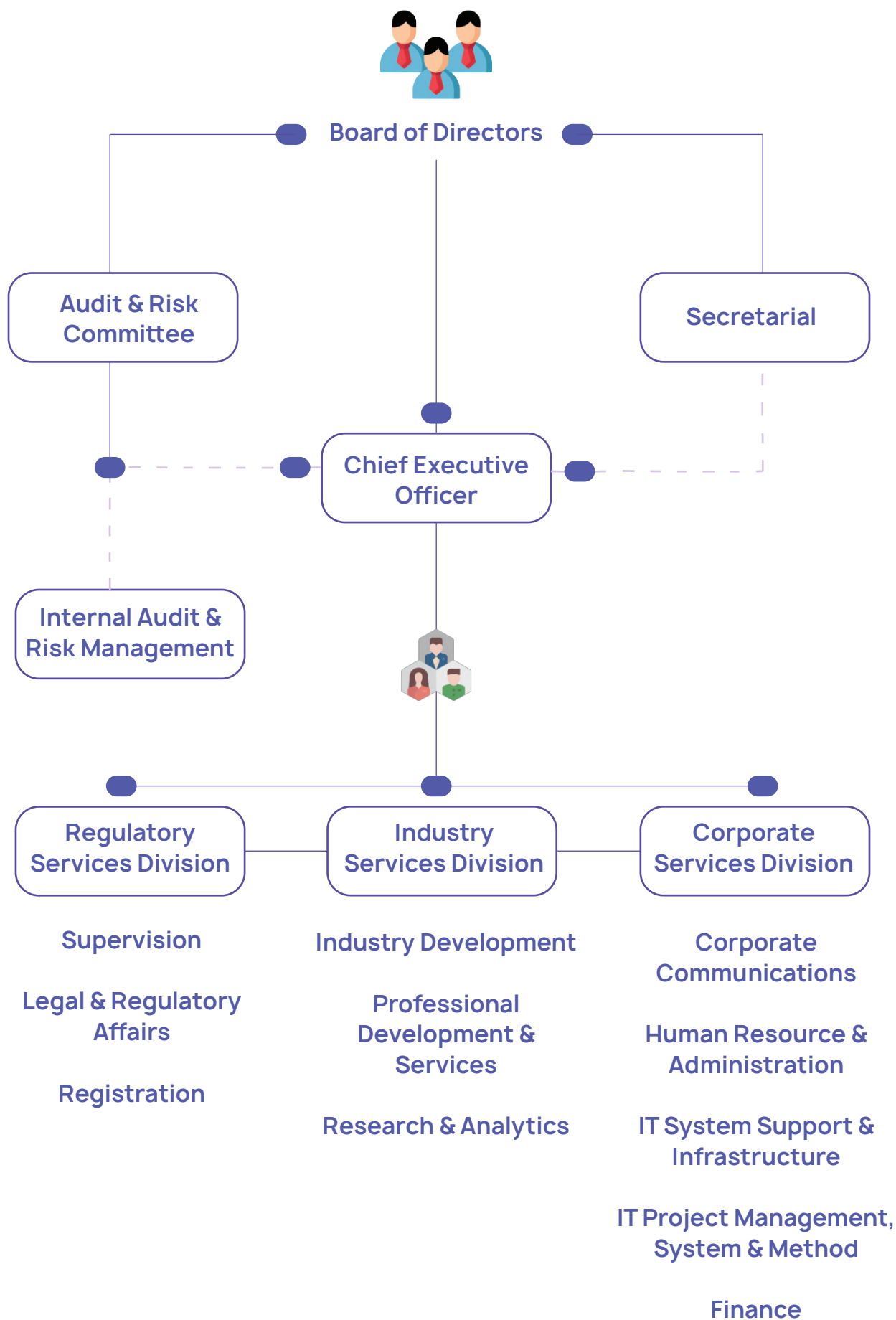
Note :

AAR = Alternate Appointed Representative

AmFunds = AmFunds Management Berhad

AHAM = Affin Hwang Asset Management Berhad

Organisation Structure



Management

CHIEF EXECUTIVE OFFICER

Kaleon Leong Rahan

Chief Executive Officer

INTERNAL AUDIT & RISK MANAGEMENT

Norlaily Jazam

Senior Manager

SECRETARIAL

Belinda Yeo

Manager

REGULATORY SERVICES DIVISION

Sahlawati Mustafa

General Manager

Ava Saffinaz
Che Ani

Senior Manager, Supervision

Jegatheesan
Govintharaj

Senior Manager, Legal & Regulatory Affairs

Sylvia Ooi

Manager, Registration

INDUSTRY SERVICES DIVISION

Koh Hwee Ngim

General Manager

Aishara Ab Rahim

Senior Manager, Industry Development

Lim Foong Ying

Senior Manager, Research & Analytics

Shahrul Nizam
Zainol

Senior Manager, Professional Development

CORPORATE SERVICES DIVISION

Dr. Rosliza Mat Yatim

General Manager

Lazman Halim Lajman

Senior Manager,
IT Project Management, System & MethodMariesa Mohamed
Ross

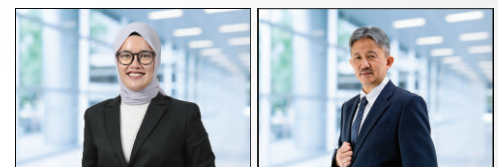
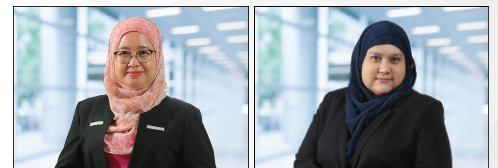
Senior Manager, Corporate Communications

Nazrul Izham Abdul
Ghaffar

Senior Manager, System Support & Infrastructure

Normala Mohamed

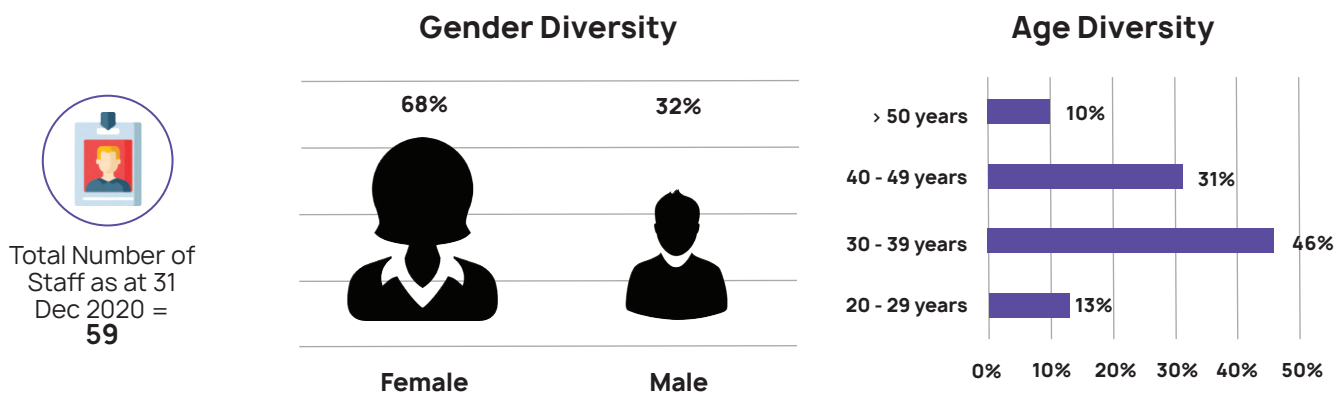
Senior Manager, Finance & Procurement

Shantini
RamachandranSenior Manager,
Human Resource & Administration

Our People

The Covid-19 pandemic has changed the way we work. FIMM implemented work from home (WFH) during the MCO and CMCO periods, to ensure the safety and health of its employees. The Human Resource and Administration Department transformed its operations to be fully functional remotely while continuing to provide the necessary support.

Online interviews and assessments were done to select talents; and trainings and sharing sessions (internal and external) were conducted online or through webinars for employees' development. To maintain connectivity and the morale of employees, engagement activities such as Townhalls were conducted virtually; tokens for festivities or birthdays were delivered to the employees' homes. Leaders in the organisation also evolved to managing their respective teams remotely and motivating the team members on staying focused, providing calm and clarity through daily use of various applications for effective communication.



Employee Training

In this 'new normal', FIMM continued to develop and upskill all its employees. A total of 88 programmes were carried out throughout the year, of which 86% were conducted online.

Internally, sharing sessions were done to emphasise on compliance matters such as:

- *Anti-Bribery and Corruption Policy.*
- HR Educational series (*Clean Desk Policy, Business Etiquette, Social Netiquette, Whistle Blowing Policy, Safety and Health*).
- Compulsory online programme on *Information Security Awareness Training*, covering various topics such as cyber risk, phishing, social media, password security, etc.

Industry Recognition

On 28 October, FIMM was recognised as an Association of Chartered Certified Accountants (ACCA) Approved Employer. This Approved Employer programme recognises employers' high standards of staff training and development and the commitment in ensuring ACCA students, affiliates and members have the right skills, ethics and competencies to add value and drive the business forward.

6

FINANCIAL
REPORT

Search



Financial Report



Directors' Report	62
Statement by Directors	66
Statutory Declaration	67
Independent Auditors' Report to the Members of FIMM	68
Statement of Financial Position	71
Statement of Comprehensive Income	72
Statement of Changes in Accumulated Fund	73
Statement of Cash Flows	74
Notes to the Financial Statements	76

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 2020.

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

	RM
Operating surplus for the financial year	2,122,436

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

Choy Khai Choon

Yon See Ting

Jas Bir Kaur A/P Lol Singh

(Appointed w.e.f. 1 June 2020)

Elected Directors:

Mohammad Hussin

Dato' Teng Chee Wai

Yeoh Kim Hong

Ong Yin Suen

Ismitz Matthew De Alwis

Wong Teck Meng

Lim Suet Ling

(Appointed w.e.f. 10 March 2021)

Directors' Report

Directors' benefits

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

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

Directors' interest

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

Directors' remuneration

Details of Directors' remuneration are disclosed in Note 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.

Directors' Report

Other statutory information (continued)

- (b) At the date of this report, the Directors are not aware of any circumstances which would render:
 - (i) it necessary to write off any bad debts or to make any allowance for doubtful debts in respect of the financial statements of the Federation; 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 in the financial statements 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.
- (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.

Directors' Report

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
17 March 2021

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 71 to 95 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 2020 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 17 March 2021.



Mohd Ridzal Bin Mohd Sheriff
Kuala Lumpur



Dato' Mohd Sallehuddin Bin Othman

Statutory Declaration

Pursuant to Section 251(1) (b) 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 71 to 95 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 17 March 2021



Kaleon Leong Bin Rahan Leong

Before me,

Commissioner for Oaths



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

Independent Auditors' Report

to the members of Federation of Investment Managers Malaysia (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 2020, 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 71 to 95.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Federation as at 31 December 2020, 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 Federation in accordance with the By-Laws (on Professional Ethics, Conduct and Practice) of the Malaysian Institute of Accountants ("By-Laws") and the International Code of Ethics for Professional Accountants (including International Independence Standards) ("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 material 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.

Independent Auditors' Report

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

Responsibilities of the directors for the financial statements

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

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

Auditors' responsibilities for the audit of the financial statements

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

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

- Identify and assess the risks of material misstatement of the financial statements of the Federation, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for 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.

Independent Auditors' Report

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

- 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.

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

Kuala Lumpur, Malaysia
17 March 2021



Ng Sue Ean
No. 03276/07/2022 J
Chartered Accountant

Statement of Financial Position

As at 31 December 2020

	Note	2020 RM	2019 RM
Non-Current Assets			
Property, plant and equipments	5	587,331	707,223
Intangible asset	6	347,947	453,762
Rights-of-use assets	7	483,194	1,056,550
Deferred tax asset	8	227,295	179,965
		1,645,767	2,397,500
Current Assets			
Other receivables	9	787,398	688,679
Tax recoverable		215,363	185,751
Fixed deposits with financial institutions	10	44,243,502	41,944,415
Cash and bank balances		1,305,663	1,168,772
		46,551,926	43,987,617
Current Liabilities			
Other payables	11	2,383,947	2,118,619
Net Current Asset		44,167,979	41,868,998
		45,813,746	44,266,498
Non-Current Liabilities			
Lease liabilities	14	507,526	1,082,714
		45,306,220	43,183,784
Equity attributable to owners of the parent			
Accumulated fund	12	27,825,854	26,535,817
SRO requirement reserve	13	17,480,366	16,647,967
		45,306,220	43,183,784

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

Statement of Comprehensive Income

For the financial year ended 31 December 2020

	Note	2020 RM	2019 RM
Revenue	15	12,554,033	14,088,690
Other income	16	1,212,116	1,540,469
Administrative expenses	17	(3,261,994)	(4,773,232)
Staff cost	18	(8,416,495)	(6,952,902)
		2,087,660	3,903,025
Excess of revenue over expenditure			
Taxation	19	34,776	(429,874)
Operating surplus and total comprehensive income for the financial year		2,122,436	3,473,151

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

Statement of changes in accumulated fund

For the financial year ended 31 December 2020

			← Non Distributable →	
		Accumulated fund	SRO requirement reserve	Total
	Note	RM	RM	RM
Balance as at 1 January 2020		26,535,817	16,647,967	43,183,784
Transfer to SRO Fund requirement reserve	13	(832,399)	832,399	-
Total comprehensive income for the financial year		2,122,436	-	2,122,436
Balance as at 31 December 2020		27,825,854	17,480,366	45,306,220
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

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

Statement of Cash Flows

For the financial year ended 31 December 2020

	2020 RM	2019 RM
Cash Flows From Operating Activities		
Excess of revenue over expenditure	2,087,660	3,903,025
Adjustments for:		
Depreciation of property, plant and equipment	282,065	289,039
Amortisation of intangible assets and leased assets	702,858	676,765
Interest expense on lease liabilities	38,516	66,512
Gain on disposal of property, plant and equipment	-	(26,111)
Interest income	(1,201,134)	(1,368,394)
Excess of operating revenue over expenditure before working capital changes	1,909,965	3,540,836
Changes in working capital:		
(Increase)/Decrease in other receivables	(200,628)	413,986
Increase in other payables	265,328	269,307
	64,700	683,293
Cash generated from operations	1,974,665	4,224,128
Tax paid	(440,442)	(293,339)
Tax refund	398,276	-
Net cash generated from operating activities	1,932,499	3,930,789
Cash Flows From Investing Activities		
Proceeds from sale of property, plant and equipment	-	27,550
Purchase of property, plant and equipment	(162,173)	(54,567)
Purchase of intangible assets	(23,687)	(274,620)
Interest received	1,303,043	1,368,394
Deposits and placement with licensed banks and other financial institutions with original maturity of more than 3 months	1,122,243	(16,172,462)
Net cash generated from/(used in) investing activities	2,239,426	(15,105,705)
Cash Flows From Financing Activity		
Repayment of leases	(613,704)	(613,704)
Net cash used in financing activity	(613,704)	(613,704)
Net increase/(decrease) in cash and cash equivalents	3,558,221	(11,788,620)
Cash and cash equivalents at the beginning of the financial year	26,940,725	38,729,345
Cash and cash equivalents at the end of the financial year	30,498,946	26,940,725

Statement of Cash Flows

For the financial year ended 31 December 2020 (continued)

	2020 RM	2019 RM
Cash and cash equivalents at the end of the financial year comprises:		
Fixed deposits with financial institutions	44,243,502	41,944,415
Cash and bank balances	1,305,663	1,168,772
	45,549,165	43,113,187
Less: Deposits with original maturity of more than 3 months	(15,050,219)	(16,172,462)
	30,498,946	26,940,725

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.

Notes to the financial statements

2. Basis of Preparation (continued)

(a) Basis of preparation (continued)

Amendments to accounting standards that are effective for the Federation's financial year beginning on or after 1 January 2020 are as follows:

Annual periods beginning on/after 1 January 2020

- Amendments to MFRS 3, Definition of a Business
- Amendments to MFRS 101 and MFRS 108 - Definition of Material
- Amendments to References to the Conceptual Framework for Financial Reporting
- Amendments to MFRS 7, MFRS 9 and MFRS 139, Interest Rate Benchmark Reform (Phase 1)

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

Annual periods beginning on/after 1 June 2020

- Amendments to MFRS 16, Covid-19 - Related Rent Concessions

Annual periods beginning on/after 1 January 2021

- Interest Rate Benchmark Reform - Phase 2 (Amendments to MFRS 9, MFRS 139, MFRS 7, MFRS 4 and MFRS 16)

Annual periods beginning on/after 1 January 2022

- Annual improvements to MFRS Standards 2018-2020
- Amendments to MFRS 3, Reference to the Conceptual Framework
- Amendments to MFRS 116, Property, Plant and Equipment - Proceeds before Intended Use
- Amendments to MFRS 137, Onerous Contract - Cost of Fulfilling a contract

Annual periods beginning on/after 1 January 2023

- MFRS 17, Insurance Contracts
- Amendment to MFRS 101, Classification of Liabilities as Current or Non-Current

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

- Amendment 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 renovations	3 years
Motor vehicles	5 years

The depreciable amount is determined after deducting the residual value.

Notes to the financial statements

3. Significant accounting policies (continued.)

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

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

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

(c) Leases

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.

Notes to the financial statements

3. Significant accounting policies (continued)

(c) Leases (continued)

(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.

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.

Notes to the financial statements

3. Significant accounting policies (continued)

(d) Financial assets (continued)

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 assets 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.

(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 decrease 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.

Notes to the financial statements

3. Significant accounting policies (continued)

(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.

(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.

Notes to the financial statements

3. Significant accounting policies (continued)

(h) Financial liabilities (continued)

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.

(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 effective interest method in profit or loss.

Notes to the financial statements

3. Significant accounting policies (continued)

(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.

(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.

Notes to the financial statements

3. Significant accounting policies (continued)

(m) Income and deferred taxes (continued)

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.

(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.

Notes to the financial statements

4. Significant accounting policies (continued)

(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
Cost					
At 1 January 2020	1,591,598	324,182	570,250	-	2,486,030
Additions	158,393	-	3,780	-	162,173
At 31 December 2020	1,749,991	324,182	574,030	-	2,648,203
Accumulated depreciation					
At 1 January 2020	939,818	268,743	570,246	-	1,778,807
Charge for the financial year	268,647	13,382	36	-	282,065
At 31 December 2020	1,208,465	282,125	570,282	-	2,060,872
Carrying amount					
At 31 December 2020	541,526	42,057	3,748	-	587,331
Cost					
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
Accumulated depreciation					
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
Carrying amount					
At 31 December 2019	651,780	55,439	4	-	707,223

Notes to the financial statements

6. Intangible asset

Cost	2020 RM	2019 RM
At 1 January	1,623,296	1,634,902
Additions	23,687	274,620
Write-off	-	(286,226)
At 31 December	1,646,983	1,623,296
Accumulated amortisation		
At 1 January	1,169,534	1,352,344
Charge for the financial year	129,502	103,409
Write-off	-	(286,219)
At 31 December	1,299,036	1,169,534
Carrying amount		
At 31 December	347,947	453,762

7. Rights-of-use assets

Cost	Office premises RM	Photocopier machine RM	Total RM
At 1 January / 31 December 2020	1,598,449	31,457	1,629,906
Accumulated amortisation			
At 1 January 2020	564,159	9,197	573,356
Charge for the financial year	564,159	9,197	573,356
At 31 December 2020	1,128,318	18,394	1,146,712
Carrying amount			
At 31 December 2020	470,131	13,063	483,194
Cost			
At 1 January / 31 December 2019	1,598,449	31,457	1,629,906
Accumulated amortisation			
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
Carrying amount			
At 31 December 2019	1,034,290	22,260	1,056,550

Notes to the financial statements

8. Deferred tax asset

	2020 RM	2019 RM
At 1 January	179,965	265,714
Recognised in profit or loss (Note 19)	47,330	(85,749)
At 31 December	227,295	179,965

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
2020				
At 1 January 2020	1,756	428,437	(250,228)	179,965
Recognised in profit or loss	4,571	(70,883)	113,642	47,330
At 31 December 2020	6,327	357,554	(136,586)	227,295
2019				
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

9. Others receivables

	2020 RM	2019 RM
Other receivables	330,236	436,203
Deposits	181,237	181,237
Prepayments	275,925	71,239
	787,398	688,679

Other receivables mainly consist of accruals of fixed deposits income amounting to RM326,729 (2019: RM428,638) and other debtors amounting to RM3,507 (2019: RM7,565).

10. Fixed deposits with financial institutions

The fixed deposits' interest rates range from 1.5% to 3.19% (2019: 2.95% to 4.19%) per annum and the tenure ranges from 2 to 365 days (2019: 5 to 365 days) respectively.

Notes to the financial statements

11. Other payables

	2020 RM	2019 RM
Other payables	136,472	225,883
Accruals		
- Staff bonus and benefit	1,131,837	1,098,720
- Others	202,570	260,640
Advance billings	707,677	519,806
Deferred revenue	205,391	13,570
	2,383,947	2,118,619

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

	2020 RM	2019 RM
At 1 January	16,647,967	15,855,207
Transfer from accumulated fund	832,399	792,760
At 31 December	17,480,366	16,647,967

The Federation is a recognised Self-Regulatory Organisation ("SRO") for the unit trust and private retirement schemes 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

	2020 RM	2019 RM
At 1 January	1,082,714	1,629,906
Accretion of interest	38,516	66,512
Payments	(613,704)	(613,704)
At 31 December	507,526	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.
- (b) application and annual subscription fees from members, Institutional Private Retirement Advisers and Private Retirement Consultants' examination fees received.

16. Other income

	2020 RM	2019 RM
Conference fees received	-	79,268
PRS familiarisation program	-	7,750
Interest income	1,201,134	1,368,394
Sundry income	10,982	58,946
Gain on disposal of property, plant and equipment	-	26,111
	1,212,116	1,540,469

Notes to the financial statements

17. Administration expenses

	2020 RM	2019 RM
Auditors' remuneration	40,500	40,500
Depreciation of property, plant and equipment	282,065	289,039
Amortisation of intangible and right-of-use assets	702,858	676,765
Lease interest expense	38,516	66,512
Key management personnel compensation (Note 20)	1,892,513	1,550,544
Other project expenses	34,586	279,591
UTC seminar expenses	-	207,242
Examination expenses	739,188	1,122,639
Attendance fees		
- Directors	370,500	335,500
- Subject Matter Experts	9,000	11,000
Annual allowance of Public Interest Directors and Chairman	103,000	101,000

18. Staff costs

	2020 RM	2019 RM
Staff costs (excluding Directors)	8,416,495	6,952,902

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 RM864,679 (2019: RM688,723).
- (b) contributions made to registered Private Retirement Scheme for eligible employees of the Federation amounting to RM66,230 (2019: RM60,094).

Notes to the financial statements

19. Taxation

	2020 RM	2019 RM
Current tax:		
- Current year	243,645	340,195
- (Over)/Under provision in prior years	(231,091)	3,930
	12,554	344,125
Deferred tax (Note 8):		
- Current year	(61,580)	82,918
- Under provision in prior year	14,250	2,831
	(47,330)	85,749
Tax (income)/expense for the financial year	(34,776)	429,874

Income tax is calculated at the statutory tax rate of 26% (2019: 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:

	2020 RM	2019 RM
Excess of revenue over expenditure	2,087,660	3,903,025
On the first RM600,000 of chargeable income	134,650	134,650
26% (2019: 26%) on the balance of chargeable income		
Expenses not deductible for tax purposes	386,792	858,786
Tax exempt income	119,705	122,757
(Over)/Under provision of current taxation	(459,082)	(693,080)
in prior years	(231,091)	3,930
Under provision of deferred taxation in prior year	14,250	2,831
Tax (income)/expense for the financial year	(34,776)	429,874

- * 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% (2019: 26%) and the scale rates applicable to the Federation.

Notes to the financial statements

20. Key management personnel compensation

	2020 RM	2019 RM
Other key management personnel		
- Short term employee benefit	1,892,513	1,550,544

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

	2020		2019	
Financial assets	Amortised cost/ other financial liabilities RM	Total RM	Amortised cost/ other financial liabilities RM	Total RM
Other receivables	787,398	787,398	688,679	688,679
Fixed deposits with financial institutions	44,243,502	44,243,502	41,944,415	41,944,415
Cash and bank balances	1,305,663	1,305,663	1,168,772	1,168,772
	46,336,563	46,336,563	43,801,866	43,801,866
Financial liabilities				
Other payables	2,383,947	2,383,947	2,118,619	2,118,619
	2,383,947	2,383,947	2,118,619	2,118,619

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	Contractual interest rate	Contractual cash flow	Below one year
	RM	%	RM	RM
2020				
Other payables	2,383,947	-	2,383,947	2,393,947
2019				
Other payables	2,118,619	-	2,118,619	2,118,619

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 2020 were authorised for issue in accordance with a resolution of the Board of Directors on 17 March 2021.



7
Others

Search 

Others	+
Notice of AGM, Reply Slip & Proxy Form	98

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the Twenty-Seventh (27th) Annual General Meeting of Federation of Investment Managers Malaysia (FIMM) will be held **virtually** on the date, time and at **Broadcast** venue as set out below:

Date : Wednesday, 23 June 2021

Time : 10:00 A.M.

Venue : Microsoft Teams Virtual Conferencing (revised)

We request Members to attend FIMM's 27th 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 27th AGM will be held for the following purposes:

AGENDA

- | | |
|---|------------------------------|
| 1. To receive the Audited Financial Statements for the financial year ended 31 December 2020 and the reports of the Directors and Auditors thereon.
<i>Refer to Explanatory Note 1</i> | Notification |
| 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 re-appoint Dato' Mohd Sallehuddin bin Othman as a member of the Board of FIMM and to hold office until the conclusion of the next AGM of FIMM pursuant to <i>Article 29(c) of FIMM's Articles of Association (FIMM's Constitution)</i> .
<i>Refer to Explanatory Note 2</i> | Ordinary Resolution 2 |
| 4. (a) To note the total attendance fee of RM370,500.00 paid to members of the Board of Directors (Board) and Committees for meeting attendances and the total attendance fee of RM9,000.00 paid to non-members of the Board for Committee meetings attendances in the year 2020. | Notification |
| b) To note the total annual allowance of RM36,000.00 and RM67,000.00 paid to the Chairman and Public Interest Directors respectively for the year 2020.
<i>Refer to Explanatory Note 3</i> | Notification |
| 5. To approve the estimated payment of RM884,000.00 being allowances and meeting attendance fees to be paid to the Directors from 1 January 2021 until the conclusion of the next AGM in 2022.
<i>Refer to Explanatory Note 4</i> | Ordinary Resolution 3 |
| 6. To re-elect the following nominees as members of the Board of FIMM in accordance with FIMM's Constitution: | |

No.	Constituency	Name of Nominees	Name of Members	
1.	A	Yeoh Kim Hong	Public Mutual Bhd	Ordinary Resolution 4
2.	B	Ong Yin Suen	RHB Asset Management Sdn Bhd	Ordinary Resolution 5
3.	D	Lim Suet Ling	UOB Asset Management (Malaysia) Bhd	Ordinary Resolution 6

Refer to Explanatory Note 5

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

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: 1 June 2021

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 2020

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. Ordinary Resolution 2 - Re-appointment of Dato' Mohd Sallehuddin bin Othman as Member of the Board of FIMM

Dato' Mohd Sallehuddin bin Othman will attain the age of 70 years on 8 July 2021, following the forthcoming AGM to be held on 23 June 2021. Pursuant to *Article 29(c) of FIMM's Constitution*, Members' resolution is required for him to hold office until the conclusion of the next AGM.

3. Directors' fees and allowances

- (a) Attendance fee paid to the Members of the Board for attending Board and Board Committee meetings in 2020 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 Chairman and each Public Interest Directors in the year 2020 are as follows:

- Annual allowance of RM36,000.00 for Chairman.
- Annual allowance of RM12,000.00 for each Public Interest Directors.
- Fee of RM500 for each attendance at any official meetings / dialogues.

4. Ordinary Resolutions 3 – Estimated payments to the Directors from 1 January 2021 until the conclusion of the next AGM in 2022

- (a) Attendance fees to be paid to the Members of the Board for attending Board and Board Committee meetings from 1 January 2021 until the conclusion of the next AGM in 2022 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 to be paid to Chairman and each Public Interest Directors in the year 2021 until the conclusion of the next AGM in 2022 are as follows:

- Annual allowance of RM36,000.00 for Chairman.
- Annual allowance of RM12,000.00 for each Public Interest Directors.
- Fee of RM500 for each Public Interest Director's attendance at any official meetings/dialogues.

5. Ordinary Resolutions 4, 5 and 6 – Election of Members of Board

- (a) *Article 46(2) of FIMM's Constitution* provides that an election of members of the Board (other than Public Interest Directors) shall take place every alternate year.

Article 48 of FIMM's Constitution provides that one (1) member of the Board representing each Constituency for the time being shall retire from office. The retiring Directors shall be those who have been the longest in office since their last election. A retiring Director shall be eligible for re-election.

Directors who are standing for re-election pursuant to *Article 48 of FIMM's Constitution* are as follows:

Name of Nominees*	Constituency
Yeoh Kim Hong	A
Ong Yin Suen	B
Lim Suet Ling	D

(*collectively as "Retiring Directors")

- (b) *Article 49 of FIMM's Constitution* provides that a Member shall only nominate its own Authorised Representative for election or re-election as a member of the Board and that Authorised Representative shall be a nominee representing the Constituency which the Member resides in that calendar year. The nomination shall be proposed by any member of the Board of the Member and shall be in writing and signed by the nominator and accompanied by the consent of the nominee.

Pursuant to *Section 326(1) of the Capital Markets and Services Act 2007*, the Securities Commission Malaysia has approved the following nomination of non-Public Interest Directors for re-election at the 27th AGM of FIMM:

- a) Yeoh Kim Hong
- b) Ong Yin Suen
- c) Lim Suet Ling

Last date and time for lodging the instrument appointing a proxy : Monday, 21 June 2021 at 10.00 a.m.

APPENDIX A

Administrative Guide on the Participation in a Virtual General Meeting

1. In light of the on-going Covid-19 outbreak and subsequent measures being taken, including physical distancing and no gathering of large groups, Members are invited to participate at the FIMM's 27th 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.

2. 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 27th AGM, from the comfort of your home or office.

Proxy

3. If a Member is not able to attend the meeting via MS TEAMS virtual conferencing on 23 June 2021, he/she can appoint the Chairman of the meeting as his/her proxy and indicate the voting instructions in the Proxy Form.

4. 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 ley.theng.tan@sshsb.com.my/hui.tian.tee@sshsb.com.my by **10:00 a.m. on 21 June 2021**.
5. 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 27th AGM remotely.

Participation and Voting

6. As notified earlier, Members who wish to participate and vote at the 27th AGM must revert with your reply slip (inclusive of your email address and mobile number) to FIMM via email (belinda@fimm.com.my or vivian.bong@fimm.com.my) by **10:00 a.m. on 21 June 2021**.
7. 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 27th AGM.

Enquiry

8. If you have any further enquiries 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	jegatheesan@fimm.com.my
b.	Ms Belinda Yeo	Manager, Secretarial Department	belinda@fimm.com.my
c.	Ms Vivian Bong	Senior Executive, Secretarial Department	vivian.bong@fimm.com.my



REPLY SLIP*

PLEASE REPLY BY MONDAY, 21 JUNE 2021

Secretarial Department
Federation of Investment Managers Malaysia
19-06-01, 6th Floor, Wisma Tune
No. 19, Lorong Dungun, Bukit Damansara
50490 Kuala Lumpur

[Attn: **Belinda Yeo** (belinda@fimm.com.my) / **Vivian Bong** (vivian.bong@fimm.com.my)]

Dear Chief Executive Officer,

TWENTY SEVENTH (27TH) ANNUAL GENERAL MEETING (AGM) OF THE FEDERATION OF INVESTMENT MANAGERS MALAYSIA (FIMM)

With regard to the above matter, I hereby confirm that:

☐

YES, I am attending the AGM.

☐

YES, my PROXY is attending the AGM (refer to the Proxy Form).

☐

NO, I am not attending the AGM.

*Please tick whichever is applicable

Signature : _____

Name of Authorised Representative : _____

NRIC No. : _____

Designation : _____

Name of company : _____

Phone No. : _____

Email Address
(For MS Teams Registration) : _____

Date : _____

**In light of the on-going Covid-19 pandemic, kindly submit your e-signed/scanned copy of reply slip via email no later than 21 June 2021; only original signed hard copies are subsequently to be delivered to our office for record purposes; submission of e-signed copies is not required.*



FEDERATION OF INVESTMENT MANAGERS MALAYSIA

(Incorporated in Malaysia)

(Registration No: 199301017839 (272577-P))

PROXY FORM

I/We, _____

(FULL NAME IN BLOCK LETTERS)

(NRIC NO./PASSPORT NO.)

of _____

(COMPANY NAME /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)	
CONTACT 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-Seventh (27th) 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, 23 June 2021 at 10.00 a.m. or 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
Ordinary Resolution 1 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 2 To re-appoint Dato' Mohd Sallehuddin bin Othman as a member of the Board of FIMM and to hold office until the conclusion of the next AGM of FIMM pursuant to <i>Article 29(c) of FIMM's Article of Association</i> (Constitution).		

Resolutions	For	Against
Ordinary Resolution 3 To approve the estimated amount of RM884,000.00 being allowances and meeting attendance fees to be paid to the Directors from 1 January 2021 until the conclusion of the next AGM in 2022.		
Ordinary Resolution 4 To re-elect Ms Yeoh Kim Hong who is retiring pursuant to <i>Article 48 of FIMM's Constitution</i> for Constituency A.		
Ordinary Resolution 5 To re-elect Ms Ong Yin Suen who is retiring pursuant to <i>Article 48 of FIMM's Constitution</i> for Constituency B.		
Ordinary Resolution 6 To re-elect Ms Lim Suet Ling who is retiring pursuant to <i>Article 48 of FIMM's Constitution</i> for Constituency D.		

Signed this _____ day of _____ 2021.

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/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 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, 21 June 2021 at 10:00 a.m.**

Attn : Ms. Tan Ley Theng/Ms. Jessica Tee
 Email : ley.theng.tan@sshsb.com.my / hui.tian.tee@sshsb.com.my)
 Tel No. : 03-2084 9000; Fax No.: 03-2094 9940

PROXY FORM

(Please fold here)

STAMP

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

(Please fold here)



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 Federation of Investment
Managers Malaysia (FIMM)