



CHARTING  
NEW HORIZONS  
FIMM ANNUAL REPORT 2021



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# Introduction

**Chairman's Statement**

**CEO's Message**

**2021 Industry Snapshot**

**About Us**

**Project Y3ARS**

**10th Anniversary as a  
Self-Regulatory Organisation**



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# Chairman's Statement

Mohd Ridzal Mohd Sheriff  
*Chairman*



Assalamualaikum, salam sejahtera.

Ladies and gentlemen, it gives me great pleasure to table FIMM's 2021 Annual Report. As we look back at the recent past, it was surprising at how 2021 was a year of striking contradictions.

We began the year with much hope that we had overcome the COVID-19 virus, restrictions were lifted, and society was looking forward to normalisation. Within a few months, it became apparent that the new COVID-19 Delta strain was upon us, more deadly than anything Malaysia had experienced in 2020. With rising infections and a frightening death toll, Malaysia was again in lockdown. There were many dark days in 2021 when we felt despair economically and for many, also a struggle with mental health issues.

Our government's vaccination programme went into full swing by mid-2021 and Malaysia became one of the highest, fastest and best organised vaccinated populations. As we ended 2020 believing that we were close to managing COVID-19, we again ended 2021 with the same optimism of less restrictions and eventually opening our borders to resume business activities. Thankfully, our optimism for 2022 seems realistic.

At a time when all this drama was unfolding, FIMM, like many in the investment management industry, strived to remain relevant in the new normal. The efforts by FIMM to continue in its business plans and objectives despite the challenge of ever-changing circumstances was remarkable in its efforts and success. The challenge of efficiency with work-from-home, the challenge of accessibility with the use of technology, and the challenge of constant disruptions due to infections or close contact.

As a Self-Regulatory Organisation (SRO) for the investment management industry, it is important for FIMM to show leadership in resilience and character as an organisation and to our industry. We can manage and adapt to overcome the most challenging of circumstances. We have learnt to operate internally and with external parties effectively in the virtual world. Our turnaround to embrace the use of technology for all activities within less than two (2) years is testament to how fast we can adapt, when required.

FIMM continued to enhance its regulatory and supervisory efforts by reviewing and enhancing the Consolidated Rules and Registration Manual. This is a continuing effort to ensure clarity and

consistency. For disciplinary case guidance, a clear and consistent Sanctions Matrix was created as a guide to make the Disciplinary Committee's decision-making process clear and predictable. Nonetheless, with prevention being better than cure, FIMM took great efforts in ensuring communications and outreach to Consultants to ensure better understanding of the applicable rules, such as conducting regulatory trainings on the Code of Ethics, posting educational materials on social media, and developing an e-Learning platform.

“As an SRO for the investment management industry, it is important for FIMM to show leadership in resilience and character as an organisation and to our industry.”

For the first time (due to COVID-19 Restrictions), FIMM organised its Annual Convention virtually. The FIMM Annual Convention (FIMMAC) 2021, together with the Industry Education Series, from 25 to 29 October, attracted 2,490 participants, discussing the viewpoints and opinions of 46 distinguished industry speakers over a 5-day period. The technical set-up of FIMMAC was managed by a virtual conference specialist company and thankfully, the event went on smoothly throughout. A 5-day conference was also new. It was done to segmentalise groups between practitioners and interested persons/students where certain topics on certain days catered to practitioners and other days catered to a more basic/educational take on the unit trust industry. It was also spread over five (5) days to avoid online conference fatigue. By way of attendance, pertinent industry issues and social media feedback, FIMMAC 2021 was a resounding success.

FIMM also embarked on commissioning two (2) industry surveys. The first was the Investors' Financial Literacy Survey to understand the public's investment behaviour and financial literacy level in relation to UTS, PRS and

Retirement Planning. Among others, this survey discovered that among investors, UTS and PRS are prominent parts of their portfolio. However, it was also discovered that the financial literacy level of non-investors is quite concerning and FIMM is dedicated to increase our investment education efforts.

There was also the 2021 Investment Management Survey, which was conducted to understand the industry's issues and challenges that impact future performance. Among others, this survey discovered that the industry has grown substantially over the last 10 years and that moving forward, there will be greater focus on shifts to digitalisation and greater adoption of ESG.

### Project Y3ARS

2021 was the first year of Project Y3ARS, which is the follow-up to the 2-Year Operationalisation Plan, both of which were designed to operationalise and execute the continuation of the business plan from FIMM's 5-Year Strategic Blueprint.

Some of the highlights of the projects concluded in 2021 include:

- **Research on Unit Trust Schemes' Fees and Charges (completed in December 2021);**

The research covers four (4) areas:

- Fees and charges of investing in UTS;
- Campaigns and waivers by Distributors;
- Level of Services provided by Consultants; and
- Investors' Stickiness

- **Launching of the FIMM e-Learning Portal on 28 September 2021;**

- This was a collaboration with the Islamic Banking Finance Institute Malaysia (IBFIM);
- As at 31 December 2021, a total of 170 people have enrolled (159 of them being Consultants); and



- Consultants who took the training via the e-Learning Portal were entitled to subsidised enrolment fees and awarded four (4) CPD points upon completion.
- **Media tie-up/collaboration with *theSun* newspaper to publish six (6) articles, which were seen over 600,000 times; and**
- **Enhancement of Social Media Surveillance activities, which saw 120 Consultants sample reviews in 2021 (complemented by five (5) mystery shopping exercises).**

While it cannot be denied that 2021 and the previous year were extremely challenging, our regulators and industry members have met these challenges head-on and, in my opinion, we have adapted where needed. I would like to record my deepest appreciation to the Securities Commission Malaysia (SC) for its leadership and guidance during this unprecedented pandemic crisis. Also, our industry membership, UTMCs and Consultants, have shown strong support for innovation and transformative change in order to remain competitive in this new normal. It bodes well for our industry when we meet difficult challenges as an industry with a common purpose.

In this regard, I must also voice the appreciation of the FIMM Board and myself to FIMM's management and staff for the many initiatives

and tireless efforts in championing industry issues. FIMM has continued to make strong progress as an SRO by adding value to industry, by giving voice to industry issues, and by its thought leadership. I believe the strong leadership of FIMM and its industry development programmes will continue to benefit the unit trust and private retirement scheme industry.

I must mention a special thanks to our past board member, Che Zakiah Che Din, who regrettably resigned from the Board on 26 November 2021. Che Zakiah was a strong voice of governance on the FIMM Board and chaired the Nomination & Remuneration Committee. We wish Che Zakiah the very best in her future endeavours.

Lastly, I would like to thank my fellow Directors and Subject Matter Experts on the FIMM Board or Board Committees for their professionalism and dedication in discharging their roles. On a personal note, I thank my fellow Board members for the invaluable support that they have shown me as Chairman of the Board.

Let's hope that 2022 will be a productive year that will normalise our daily lives and the investment management industry!

  
**Mohd Ridzal Mohd Sheriff**  
*Chairman*



# CEO's Message

Kaleon Leong Rahan  
*Chief Executive Officer*

Thank you for taking the time to read our 2021 Annual Report, a year which was extraordinarily eventful, not just on the domestic and global fronts, but also for FIMM. With the pandemic and vaccination dominating majority of the headlines, we instead chose to focus on factors within our control, i.e. ensuring FIMM continues to strive in its role as an SRO and Industry Representative for the UTS and PRS industry.

Having spent 2020 adjusting to the pandemic, accelerating automation and digital initiatives, and accepting the (then) new normal, we managed to embrace 2021 better prepared in servicing the industry and investors' needs.

Embedded within the contents of this Annual Report are the trials and tribulations in carrying out our roles. Accompanying these are positive results and deliverables that are targeted at elevating the stature of this industry and the related professions.

## Charting New Horizons

While consolidation would be an expected state for many in a pandemic/post-pandemic environment, we have decided to set the bar higher. The last two years' foundation rebuilding and future proofing efforts (including those in progress) have paid dividends in terms of a stronger industry-regulatory rapport and a high-performance organisation culture. Hence, this year's annual report theme "Charting New Horizons" fittingly reflects our statement of intent.

Reflecting on the progress made in terms of industry development, industry education and investor protection, there have been continuous improvements in our methods and deliverables. Consequently, this has resulted in an exponential growth in our industry reach, *vis-à-vis* higher interaction with Consultants, Distributors, Members and the general public.

Buoyed by this rich vein of form, we are confident of achieving more, reaching out to a larger audience, and sharing our views both domestically and on the global front. This is not

a pipe dream but very much built from the minor and major successes that we have garnered in the past few years. At the end, this is all done with the aspiration of ensuring that Unit Trust and Private Retirement Schemes are primary investment and retirement planning choices for the general public.

The "Charting New Horizons" theme also signifies a new journey for FIMM. The roadmap laid down by the 5-year Strategic Blueprint (2018-2022), 2-year Operationalisation Plan (2019-2020) and Project Y3ARS (2021-2023) has been helpful in helping us chart our future. In the process, we have witnessed a multiverse of possible positive outcomes, where we hope to capitalise on some, to provide a better tomorrow for our industry.

### Staying Positive

While this is not a term most people would wish for in 2020, ironically, it was the driving force in 2021. After all, despite the pandemic, the Unit Trust industry's resiliency was evident by the growth in the industry's Net Asset Value, number of unitholders' accounts and number of funds launched. Hence, determined to not let 2020's physical and social shackles derail our Blueprint and 3-Year Plan (Project Y3ARS), digitalisation and work-around solutions were (and remain) the order of the day, as we strive to ensure business-as-usual in our services and operations.

A major gamechanger for us was the introduction of the Interim FIMM Virtual Examination (iFVE), which ensured the continuous influx of new Consultants and, most importantly, provided employment opportunities. The flexibility of the iFVE enabled us to increase frequency of examinations and seating capacity.

The issue of retirement savings constantly dominated the headlines as many Malaysians resorted to withdrawing their long-term savings to meet present needs. To assist them in rebuilding their savings, we accelerated our education and awareness efforts on the importance and avenues of retirement planning via social media, media collaboration, presentations and events. This is a long-term initiative requiring constant enhancements to cater for different demographic segments.

"... we have witnessed a multiverse of possible positive outcomes, where we hope to capitalise on some, to provide a better tomorrow for our industry."

### Reflections

2021 was FIMM's 10th anniversary as an SRO – not the perfect timing to mark an auspicious moment but still a milestone. Substituting the usual hype and fanfare to celebrate this occasion, this Report chose to reflect and pay tribute to the evolution of certain milestones in FIMM's SRO journey.

Here is also where I take the opportunity to express our gratitude and appreciation to:

- The support given by the Securities Commission Malaysia, Ministry of Finance, Bank Negara Malaysia and the Employees Provident Fund;
- The stewardship and guidance provided by the Chairman, Board of Directors and Board Committees. A special mention to Che Zakiah Che Din for her contributions as Chairman of the Nomination & Remuneration Committee, which has been instrumental in driving many of FIMM's human capital initiatives; and
- The industry support provided by Members, Distributors, Consultants and other professional bodies/associations.

Lastly, a big thank you to my team (and former colleagues) for making 2021 a noteworthy year. FIMM's success is a testament of your abilities.

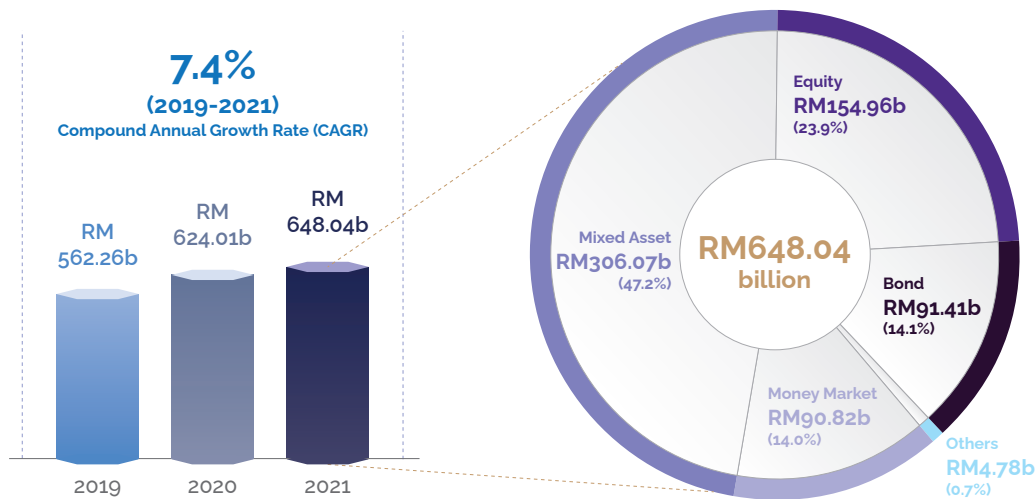
  
Kaleon Leong Rahan  
Chief Executive Officer

# 2021 Industry Snapshot

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

 **RM648.04 billion**  
Assets Under Management

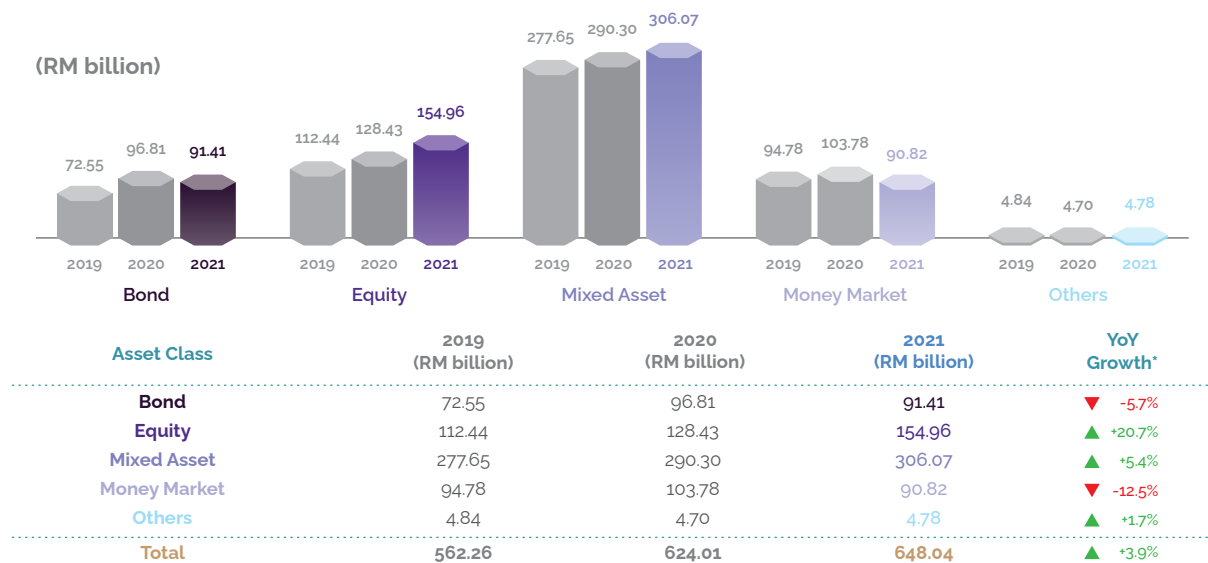
 **1,754**  
Total Number of Funds



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 SC's website.
- Due to rounding, numbers presented may not add up to the total indicated.

## AUM by Asset Class (2019-2021)



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 SC's website.
- Due to rounding, numbers presented may not add up to the total indicated.
- \* Year-Over-Year (YoY) growth of 2020 vs 2021.

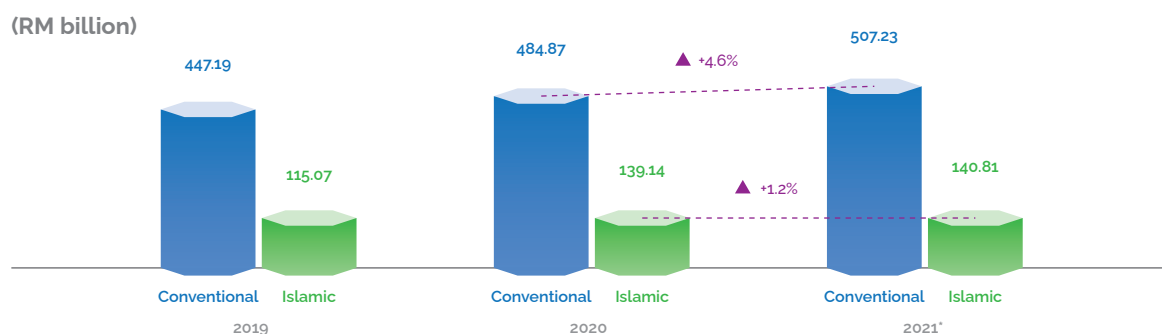
## AUM by Collective Investment Scheme (2019-2021)

Scheme	2019 (RM billion)	2020 (RM billion)	2021 (RM billion)	YoY Growth*
Unit Trust Scheme (UTS)	505.52	553.24	567.15	▲ +2.5%
Wholesale Funds (WSF)	51.66	64.27	73.48	▲ +14.3%
Private Retirement Scheme (PRS)	3.50	4.75	5.63	▲ +18.5%
Exchange Traded Funds (ETF)	1.58	1.76	1.78	▲ +1.1%
<b>Total</b>	<b>562.26</b>	<b>624.01</b>	<b>648.04</b>	<b>▲ +3.9%</b>

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 of 2020 vs 2021.

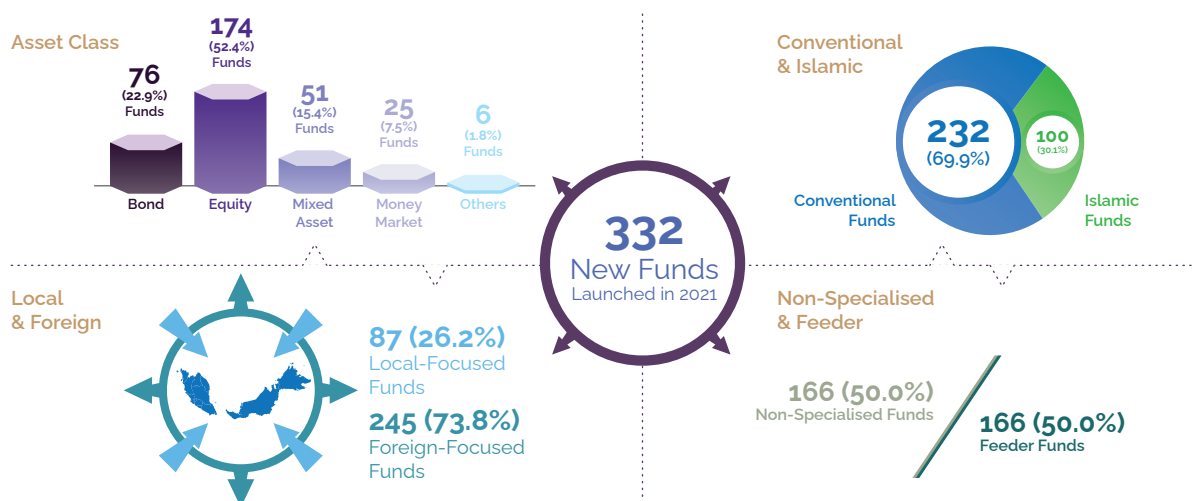
## AUM by Conventional & Islamic (2019-2021)



Notes:

- AUM includes funds managed by FIMM Members only (UTS, WSF, PRS and ETF).
- \* Percentage is Year-Over-Year (YoY) growth of 2020 vs 2021.

## New Funds Launched in 2021



Notes:

- Includes 179 wholesale funds launched by FIMM Members; and excludes Real Estate Investment Trust (REIT).
- Different fund classes within a 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 SC's website.



## Our Mission

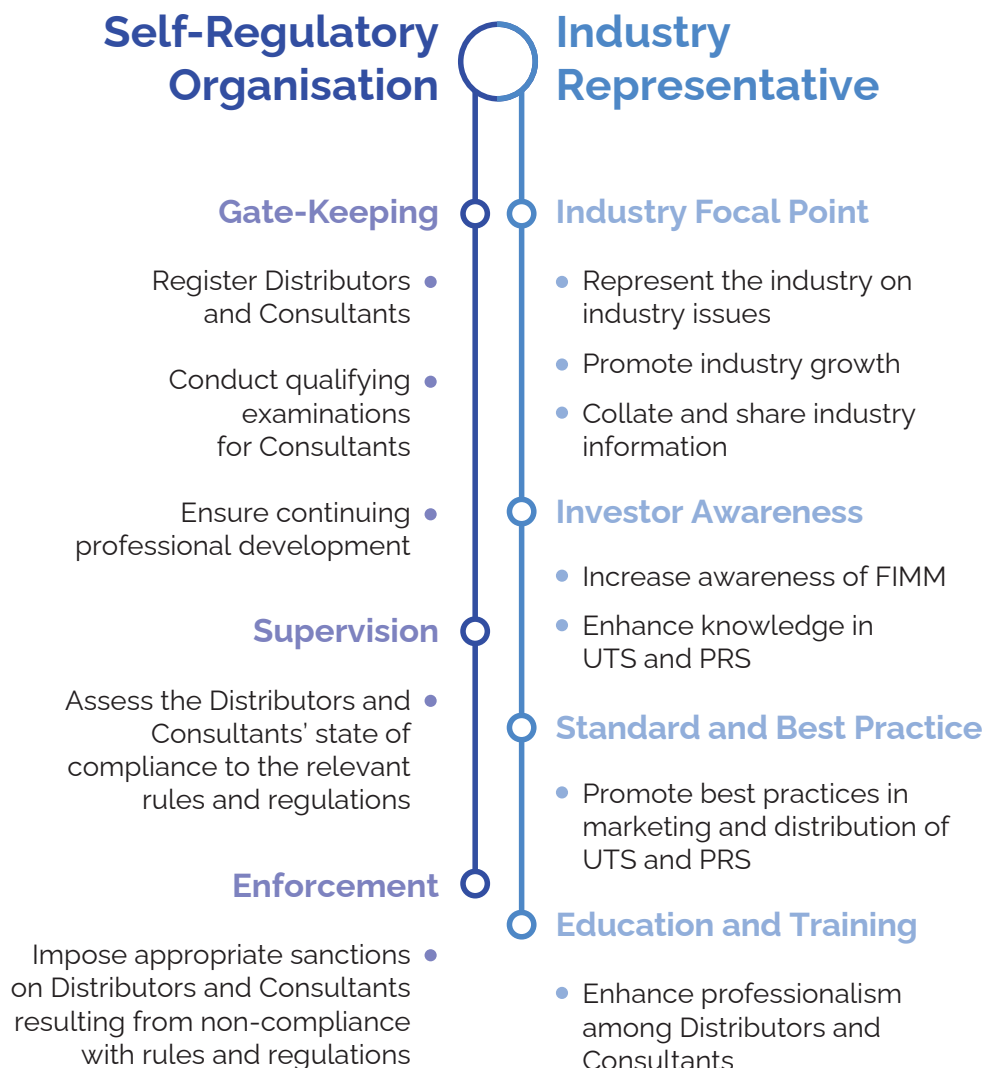
Building the highest level of **trust, integrity, standards** and **ethics** for **investor security, growth** and **knowledge** in the investment management industry.

# About Us

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:



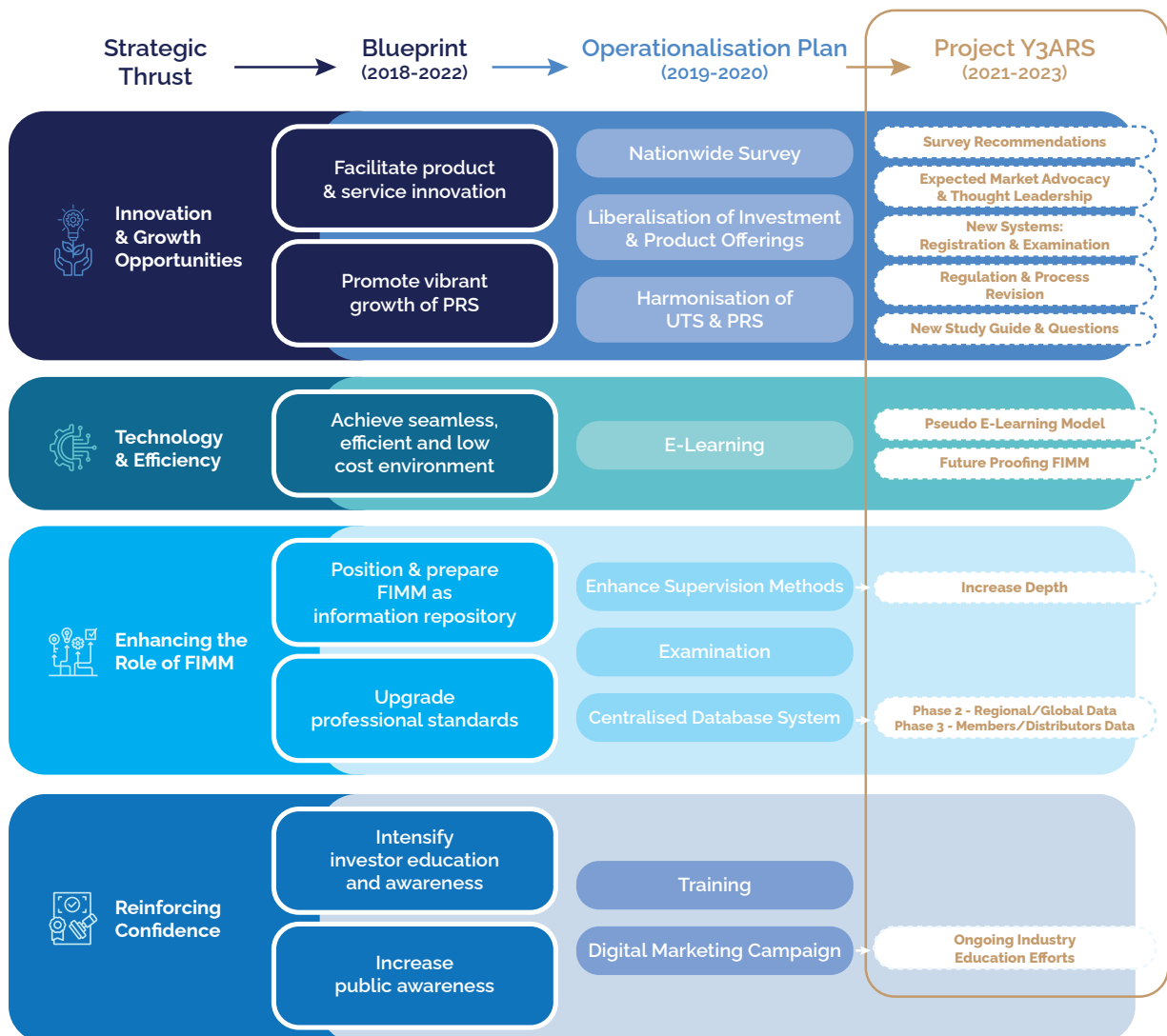
# Project Y3ARS

In 2018, FIMM announced the 5-Year Strategic Blueprint (Blueprint) to lay the foundation of its plans for the years 2018 to 2022. The Blueprint focused on the following strategic thrusts:



In 2019, FIMM introduced the Operationalisation Plan to add granularity to the execution, timing and resources available/needed to execute the Blueprint for 2019 and 2020. Subsequently, **Project Y3ARS**, encompassing initiatives for years 2021 to 2023, was implemented.

The relationship between the Blueprint, Operationalisation Plan and **Project Y3ARS** is set out below:





## Progress vis-à-vis the Key Initiatives

The initiatives laid out in Project Y3ARS are at the forefront of FIMM's developments for 2021. Our progress on Project Y3ARS and the remaining actions required for completion are set out below:


Project Y3ARS (2021-2023)		Status as of 31 December 2021
 <b>Innovation and Growth Opportunities</b>		
<b>Survey Recommendations</b>	Research on UTS Fees and Charges	<p>The analysis for this survey was presented to the Industry Development Committee (IDC) on 1 November 2021. The report was then published on 28 January 2022.</p> <p><b>Status: Completed</b></p>
<b>Expected Market Advocacy and Thought Leadership Role</b>	EPF-MIS: Revision of Lipper Malaysia Fund Classification Methodology	<p>FIMM received manual reports on Consistent Return generated under the revised Lipper Malaysia Fund Classification from Refinitiv in Q4 2021.</p> <p><b>Status: Ongoing</b></p>
	Ongoing Regulatory/ Policies Revision or Formulation	<p>The Guidance Notes on the SC's Guidelines on Advertising for Capital Market Products and Related Services (A&amp;P Guidance Notes) was approved by the Board of Directors (Board) on 19 November 2021. The Guidance Notes is expected to be published in February 2022.</p> <p><b>Status: Ongoing</b></p>
	FIMM Industry Dialogue/ Engagement	<p>a. FIMM's 2021 Investment Management Survey Report was completed, and a copy of the report was issued to the industry on 1 October 2021.</p> <p>b. FIMM's Regulatory Services Division conducted a virtual Regulatory Industry Briefing on 11 November 2021 to share updates and observations arising from regulatory activities and initiatives performed in 2021.</p> <p><b>Status: Completed</b></p>
<b>New Systems: Registration and Examination</b>	Single Registration Platform	<p>Currently, the information on registration of UTS and PRS Consultants are hosted on two (2) separate systems. In line with the harmonisation of UTS and PRS that was part of the Operationalisation Plan, one key strategy of Project Y3ARS is to integrate the two (2) UTS and PRS registration systems into a single registration system.</p> <p><b>Status: Ongoing</b></p>

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<p><b>Internal Regulation and Process Revision</b></p>	<p>Harmonisation of Rules, Examination and Processes</p>	<p>A total of 10 policies and procedures were introduced/ revised this year by various departments.</p> <p><b>Status: Completed</b></p>
<p><b>New Study Guide and Questions</b></p>		<p>FIMM has combined the CUTE and CPRE Study Guides into one comprehensive study guide for both UTS and PRS. Additionally, 400 new examination questions to be included into the Question Bank were prepared in 2021.</p> <p>The target implementation date of the combined study guide and examination is subject to the SC's approval on FIMM's proposal regarding single examination.</p> <p><b>Status: Ongoing</b></p>
<div style="background-color: #005580; color: white; padding: 10px;">  <span style="font-size: 1.2em; font-weight: bold; vertical-align: middle;">Technology &amp; Efficiency</span> </div>		
<p><b>Pseudo E-Learning</b></p>	<p>Partnership Hosting</p>	<p>FIMM's E-Learning Portal was launched on 28 September 2021.</p> <p><b>Status: Completed</b></p>
	<p>"Project E" also known as Contents Creation</p>	<p>A training module on FIMM's COE was successfully uploaded onto FIMM's E-Learning Portal on 28 September 2021.</p> <p><b>Status: Completed</b></p>
<p><b>Future Proofing FIMM</b></p>	<p>Enterprise Resource Planning (ERP) system</p>	<p>On 15 July 2021, the Board has approved the deferment of the ERP system to 2022 due to cost issues. In place of the ERP system, a new cloud-based financial system and human resource management system have been incorporated into Project Y3ARS.</p> <p><b>Status: Ongoing</b></p>
	<p>Chatbot &amp; AI</p>	<p>As of 31 December 2021, a preliminary knowledge library for the chatbot has been collated, and it will be updated periodically.</p> <p>FIMM will incorporate a chatbot as part of our website revamp project, which is still in progress.</p> <p><b>Status: Ongoing</b></p>
	<p>Consultants App</p>	<p>The Consultant App project has been deferred from Q4 2021 to Q4 2022, as approved at the Board Meeting held on 15 July 2021 due to the delay in the completion of the Single Registration platform.</p> <p><b>Status: Ongoing</b></p>

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	Complaints Management System	A vendor for the Complaints Management System has been identified and approved at the Board Meeting held on 19 November 2021. The new system is targeted to be implemented by 30 June 2022.  <b>Status: Ongoing</b>
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 **Enhancing the Role of FIMM**

<b>Increase Depth</b>	Focus Group Interview on Consultants	As of 31 December 2021, we have conducted Focus Group Interviews on 18 Consultants from seven (7) CUTA/CPRA and two (2) UTMC/PRSP.  <b>Status: Completed</b>
	Social Media Surveillance Tools	120 social media profiles were sampled and reviewed in 2021.  <b>Status: Completed</b>
	Enforcement Strategy	A Sanction Matrix was introduced to the Enforcement Handbook alongside several other changes to existing processes. The revisions were approved at the Board Meeting held on 22 September 2021. The Sanction Matrix was effectively used in arriving at decisions for enforcement cases starting October 2021.  <b>Status: Completed</b>
<b>Centralised Database System (CDS)</b>	Phase 2 (Regional/Global Data)	Phase 2 reports were completed in June 2021. A total of 15 datapoints were shared with the industry.  <b>Status: Completed</b>

 **Reinforcing Confidence**

<b>Ongoing Industry Education Efforts</b>	UTS & PRS 101	UTS & PRS 101 is an educational campaign to help investors understand the basic elements of UTS and PRS investing. This campaign was conducted through FIMM's various social media platforms. As of 31 December 2021, a total of 102 postings were made on FIMM's social media platforms.  <b>Status: Completed</b>
	Joint Digital Campaigns	<ol style="list-style-type: none"> <li>1. Collaborated with MFPC to conduct six (6) virtual financial planning workshop sessions under the Financial Literacy programme (My Money and Me: Invest2Progress). The sessions were attended by a total of 4,102 participants.</li> <li>2. Conducted six (6) virtual financial planning workshop</li> </ol>

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		<p>with local universities nationwide under the Malaysian Financial Literacy programme. The sessions were attended by a total of 875 participants.</p> <ol style="list-style-type: none"> <li>3. Released seven (7) videos themed "COVID-19 and the UTS &amp; PRS Industry" for FIMM TV on 29 January 2021. As at 31 December 2021, these videos have garnered a total of 2,251 views.</li> <li>4. Released 11 videos themed "Investments &amp; ESG Principles" for FIMM TV on 8 October 2021. As at 31 December 2021, the videos have garnered a total of 3,031 views.</li> </ol> <p><b>Status: Completed</b></p>
	<p><b>FIMM Annual Convention (FIMMAC)</b></p>	<p>FIMMAC 2021 was premised around the theme "The Next Normal". Due to the COVID-19 pandemic and series of movement restrictions, FIMMAC 2021 was hosted virtually and conducted over five (5) days. This year, there was a total of 2,490 registrants.</p> <p>Unlike previous years, FIMMAC 2021 also introduced a new Industry Education Series (IES) segment from Day 3 to Day 5. Details of the two (2) FIMMAC sessions are set out below:</p> <ol style="list-style-type: none"> <li>1. 25 and 26 October – FIMMAC, which garnered participation from Distributors and Consultants alike and covered more technical topics such as market outlook and risks and opportunities; and</li> <li>2. 27 to 29 October – the IES, which was public focused, and included broader topics such as investment scams and investor protection.</li> </ol> <p><b>Status: Completed</b></p>
	<p><b>Media Tie-Ups</b></p>	<p>The following six (6) articles were published in <i>theSun</i> between September to December 2021 where they garnered over 600,000 reads:</p> <ol style="list-style-type: none"> <li>1. "Ensuring your financial future" - published on 19 September 2021;</li> <li>2. "A helping hand" - published on 29 September 2021;</li> <li>3. "Building wealth and Private Retirement Schemes" - published on 15 October 2021;</li> <li>4. "Retirement is no joke!" - published on 26 October 2021;</li> <li>5. "Investment to build an emergency fund" - published on 10 November 2021; and</li> <li>6. "Investing responsibly for the future's sake" - published on 24 December 2021.</li> </ol> <p><b>Status: Completed</b></p>

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# 10<sup>TH</sup> ANNIVERSARY AS A SELF-REGULATORY ORGANISATION

## Moving Forward with the Times

### Supervision

<b>2018</b> 341 Mystery Shopping visits 6 post-registration assessments 77 annual compliance reviews	<b>2019</b> 6 post-registration assessments 79 annual compliance reviews On site-thematic examinations
<b>2020</b> 5 post-registration assessments 50 annual compliance reviews 5 thematic engagements with CUTA/CPMAs 5 thematic engagements with UTMCI/PRSPs Commencement of Social Media Surveillance with Mystery Shopping exercises Quarterly complaint and trend analysis Revised Annual Compliance Checklist	<b>2021</b> 3 post-registration assessments 93 annual compliance reviews 7 thematic engagements with CUTA/CPMAs 2 thematic engagements with UTMCI/PRSPs Enhancement of Social Media Surveillance with Mystery Shopping exercises Introduction of Focus Group Interviews with Consultants Quarterly complaint and trend analysis

### Promotional Activities

### FIMM e-Zine

2014 → 2017 → 2020

### Statistics

Phase 1: Developed reports leveraging on FIMM's internal data

Phase 2: Developed reports leveraging on regional/global quantitative data

Phase 3: Develop reports leveraging on industry data submitted by FIMM Members/Distributors to the SC (Work-in-Progress)

### Evolution of FIMM Examinations

From physical exams at examination centres to virtual exams

Review and update of the Study Guides

Question banks are continuously updated

### Reports

- 1990s: AOIFA Country Report
- 2012: IIFA Country Report
- 2012: IIFA Pension Report
- 2019: Nationwide Survey Report
- 2021: Research on UTS Fees and Charges
- 2021: Investors' Financial Literacy Survey on UTS, PRS and Retirement Planning
- 2021: Investment Management Survey 2021

### Regulation

- 2016: FIMM Consolidated Rules
- 2020: 3rd Edition FIMM COE
- 2021: Registration Manual (Work-in-Progress)

### Strategy

2018 → 2019 → 2021

- 5-Year Blueplan
- 2-Year Operationalisation Plan
- Project Y3ARS

### Harmonisation of UTS and PRS

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

### Private Retirement Scheme

- 2012: PRS Examination introduced
- 2012: PRS Familiarisation Programme introduced
- 2013: Code of Ethics (COE) & Standard of Professional Conduct expanded to include PRS matters

# Commemorating 10 Years as an SRO

FIMM was recognised by the SC as an SRO for the unit trust industry under section 323(1) of the Capital Markets and Services Act 2007 via a gazette order dated 20 January 2011.

This recognition is a significant milestone in FIMM's history as it carries out the dual role as an industry and public interest body, and advocates the growth of the UTS and PRS in Malaysia. Ten years later, the organisation continues to fulfill its role and responsibilities driven forward by the future for the industry.

## 10 Significant Milestones Over the Past 10 Years

### Private Retirement Scheme

Private Retirement Schemes (PRS) were introduced in 2012, with the aim of helping Malaysians save more for retirement. To ensure greater access to PRS products, we introduced the **PRS Examination** in 2012 and the **PRS Familiarisation Programme** to allow Consultants to market and distribute PRS products. In 2013, we expanded the scope of our **Code of Ethics** to include PRS matters.

### Strategy

In 2018, our **5-Year Blueprint (Blueprint)** commenced. In 2019, we started the **2-Year Operationalisation Plan (Ops Plan)**, which aimed to add granularity to the execution, timing, and resources to execute the Blueprint. In 2021, upon completion of the Ops Plan, **Project Y3ARS** kicked off to complete the Blueprint.

### Evolution of FIMM Examinations

Initially, FIMM examinations were conducted physically at examination centres. In our digitalisation efforts, FIMM has included online examinations. We also updated our Study Guides and exam questions in our question banks.

### Statistics

The **FIMM Centralised Database System (CDS)** was initiated in 2019 to elevate our role as an information repository and promote the sharing of industry information. Our CDS is a multi-year project done over three (3) phases.

#### Phase 1:

Developed reports leveraging on FIMM's internal data.

#### Phase 2:

Developed reports leveraging on regional/global quantitative data.

#### Phase 3:

Develop reports leveraging on industry data submitted by FIMM Members/Distributors to the SC.

### FIMM e-Zine

From 2014 to 2017, we published **FIMM Today**, a printed magazine that has approximately 200 reads per issue. Since 2020, we digitalised our magazine and rebranded it as FIMM e-Zine. In the new digital format, **FIMM e-Zine** garners an average of 6,500 reads per issue.

### Regulation

To strengthen our role as a Self-Regulatory Organisation, in 2016, we published the **FIMM's Consolidated Rules**. Additionally, we updated the **FIMM's Code of Ethics** in 2020 to ensure they remain current and relevant. The revision of Registration Manual is currently in progress.

### Reports

As part of our thought leadership efforts, we conducted multiple surveys and published many reports, including the **Nationwide Survey Report (2019)**, the **Research on Unit Trust Schemes' Fees and Charges (2021)**, **Investors' Financial Literacy Survey on UTS, PRS and Retirement Planning (2021)**, and the **Investment Management Survey (2021)**. We have also contributed to our partners' reports, such as the **IIFA Country Report**, **IIFA Pension Report** since 2012 to date and **Asia Oceania Investment Funds Association (AOIFA) Country Report** from the late 90s to 2020.

### Harmonisation of UTS and PRS

Initially, information on UTS and PRS Consultants registration are hosted on two (2) separate systems. To ensure greater operational efficiency, as part of the Ops Plan and Project Y3ARS, we are integrating the two (2) UTS and PRS registration systems into a single registration system.

### Supervision

Our supervisory activities have grown more robust over the years. Apart from conducting Mystery Shopping, Post-Registration Assessment, and Annual Compliance Reviews, our supervisory approach has been intensified to include risk profiling, thematic engagements with UTMCS/PRSPs, social media surveillance, quarterly complaints review and trend analysis.

### Promotional Activities

Our industry education efforts have seen their reach grow substantially. This can be attributed to the digitalisation of our activities, such as **FIMM e-Zine**, greater focus on our social media activities, and increased participation in virtual events which has a greater reach than physical events.







# Industry

## **2021 Distributors Snapshot**

### **Professional Development of Consultants**

- Regulatory Training on Code of Ethics ·
- PRS Familiarisation Programme ·
- FIMM CPD Tracker System ·
- FIMM Examination ·
- FIMM E-Learning Portal ·

### **Industry Development**

- FIMM Centralised Database System ·
- Industry Engagement: FIMM Industry Briefings ·
- Progress on the FIMM Study Guide ·
- Examination Question Enhancements ·
- Miscellaneous Projects and Activities ·

### **Positioning FIMM as a Thought Leader**

- Research on UTS Fees and Charges ·
- Investors' Financial Literacy Survey on UTS, PRS and Retirement Planning ·
- Investment Management Survey 2021 ·
- Other Surveys Conducted by FIMM in 2021 ·

## 2021 Distributors Snapshot

The registration statistics for the past three (3) years (2019–2021) are set out below:

Category of Registered Persons	2019	2020	2021
 <b>Members</b>	39	40	40
<b>Institutional Unit Trust Advisers (IUTAs)</b>	54	54	53
<b>Corporate Unit Trust Advisers (CUTAs)</b>	17	18	20
<b>PRS Providers (PRSPs)</b>	8	8	8
<b>Institutional PRS Advisers (IPRAs)</b>	12	13	12
<b>Corporate PRS Advisers (CPRAs)</b>	17	18	19
 <b>UTS Consultants</b>	58,068	55,179	60,138
<b>PRS Consultants</b>	24,728	24,916	27,436

Note:


- Consultants with dual registration will be reflected in both categories, i.e. UTS and PRS Consultants.

The number of UTS and PRS Consultants registered and terminated/resigned in 2021 are set out below:

	Registration	Termination / Resignation
 <b>UTS Consultants</b>	13,379	8,420
<b>PRS Consultants</b>	4,452	1,932

FIMM has further revoked registration of Consultants for not meeting the continuous fit and proper registration obligations.

As part of our fit and proper assessment, we have conducted bulk bankruptcy screenings on active Consultants prior to their renewal. Revocation of registration status was instituted on 25 UTS and nine (9) PRS Consultants who were identified as undischarged bankrupts, as set out below:

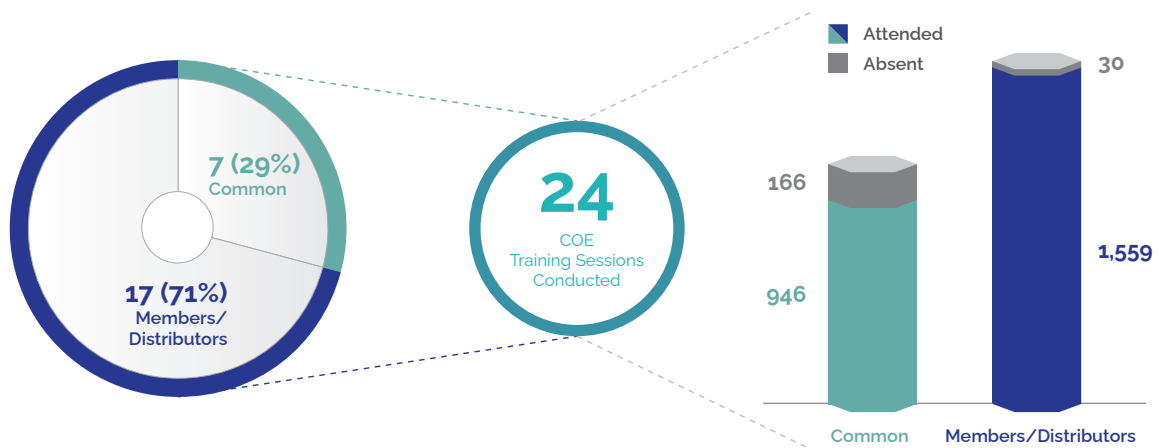
Consultants	Bankruptcy Screening Conducted	Bankruptcy Identified	Consultants Discharged from Bankruptcy Status
 <b>UTS</b>	63,200	25	0
<b>PRS</b>	26,269	9	0

# Professional Development of Consultants

## Regulatory Training on Code of Ethics

Despite the challenges posed by the COVID-19 pandemic in 2021, FIMM managed to conduct a total of 24 Code of Ethics (COE) training sessions. Out of these 24 sessions, 17 were conducted directly for specific Members and Distributors, and the remaining seven (7) were open to Consultants of all Distributors (Common Sessions).

The registration and attendance rate for both Members/Distributors' Sessions and Common Sessions are set out below:



Overall, Consultants commented that the sessions have improved their ethics awareness. Several Consultants have also commented on the usefulness of the case studies shared during the COE training sessions.

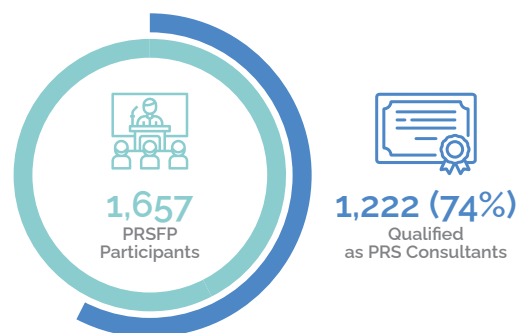
### Consultants' Ratings for COE Training Sessions



## PRS Familiarisation Programme

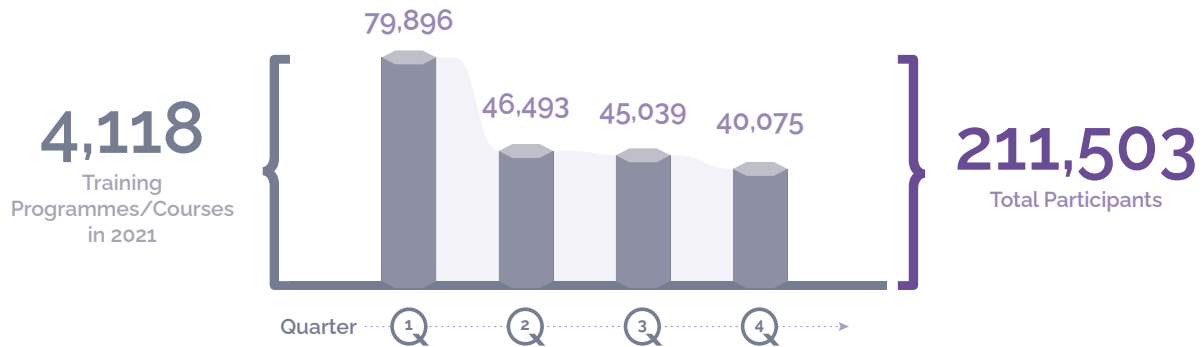
FIMM re-introduced the PRS Familiarisation Programme (PRSFP) on 31 May 2021 in response to the high demand for recruitment of new PRS Consultants by Distributors.

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 two (2)-day seminar conducted by trainers authorised by FIMM.



## FIMM CPD Tracker System

In 2021, a total of 4,118 training programmes/courses were reviewed and approved by FIMM, and attended by 211,503 participants. This is set out below:



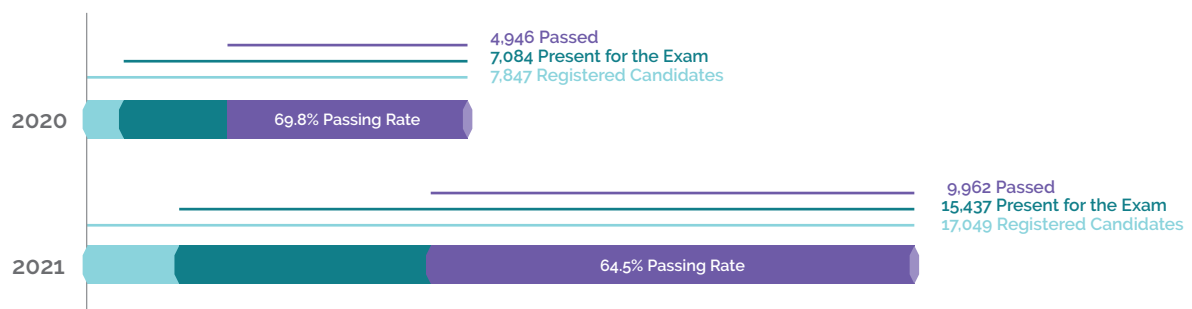
## FIMM Examinations

In 2021, a total of 18,058 candidates sat for FIMM examinations (CUTE: 15,437 candidates (85%), CPRE: 2,621 candidates (15%)) – a 123.6% increase from 8,075 candidates recorded in 2020. This is due to the introduction of the Interim FIMM Virtual Examination (iFVE).

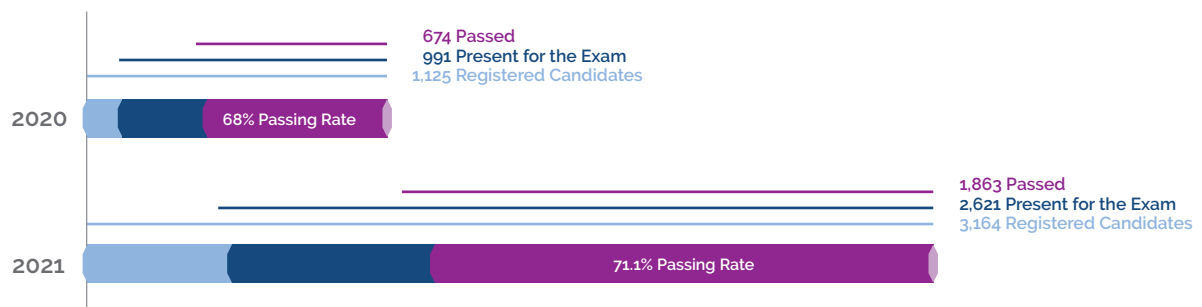
As of 31 December 2021, the passing rate for CUTE and CPRE stood at 65% and 71% respectively.

The number of examination candidates and the respective passing rates are set out below:

### Computerised Unit Trust Examination (CUTE)



### Computerised PRS Examination (CPRE)



## FIMM E-Learning Portal



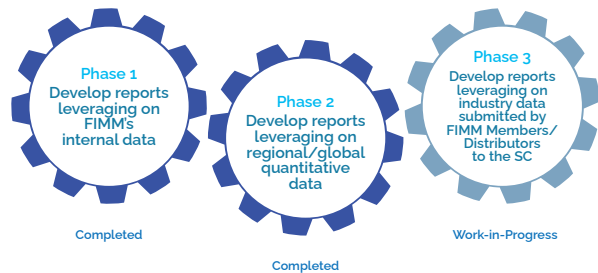
The e-Learning Portal was launched on 28 September 2021 as a collaboration between FIMM and the Islamic Banking and Finance Institute Malaysia (IBFIM), where it was hosted on IBFIM's Enterprise Learning Management System.

To kickstart the adoption of the Portal, FIMM uploaded contents on the COE training module onto the system. Consultants who took the training via the e-Learning Portal were entitled to subsidised enrolment fees and awarded four (4) CPD points upon completion.

## Industry Development

### FIMM Centralised Database System

The FIMM Centralised Database System (CDS) was initiated in 2019 to elevate FIMM's role as an information repository and promote the sharing of industry information. FIMM CDS is a multi-year project, and updates on the three (3) phases are as shown.



### Industry Engagement: FIMM Industry Briefings

FIMM conducted the following industry briefings aimed at updating and creating awareness among FIMM Members and Distributors on our initiatives as well as on issues or new developments in the investment management industry.



## Progress on the FIMM Study Guide

In November 2020, FIMM shared the revised Study Guide with industry Members and Distributors to facilitate their preparation for FIMM's examination. The effective date of this revised version is subject to the SC's approval of FIMM's single examination.

The Study Guide will be updated once FIMM receives the final approval from the SC on the revised FIMM's Consolidated Rules, Investment Management Standards and Registration Manual. Thereafter, the new Study Guide will not only incorporate these revisions into FIMM's rules, but also the revisions made to the SC's Guidelines on Unit Trust Funds and Prospectus Guidelines for Collective Investment Schemes, where relevant.

## Examination Question Enhancements

In line with the revised CUTE and CPRE Study Guides which are expected to be launched within two (2) months after the new system goes live, FIMM has reviewed the question bank to ensure that they are consistent with the contents of the revised version. In 2021, FIMM has developed 400 new questions. These additional questions will facilitate better randomisation of FIMM examination questions from the question bank.

## Miscellaneous Projects and Activities

### International Investment Funds Association (IIFA) Country Report

As a member of IIFA, we continue to provide annual country report on the following areas:

 Economic and Financial Background	 Data on Funds Under Management and Portfolios
 Key Trends in Flows and Assets Under Management	 Product Development
 Regulatory and Self-Regulatory Developments	 Corporate Governance
 Fund Governance	 Other Major Issues and Developments

### IIFA Pension Report



Given our submission to IIFA survey on "Role and Advantages of Investment Funds in Retirement Savings" in June 2021, they invited FIMM to review a draft version of a report entitled "Better Pension, Better Lives: how investment funds can help individuals saving for retirement and reduce the fiscal pressures on governments" prior to its issuance.

Subsequently, a final version of this report was issued by IIFA to its members in December 2021. FIMM shared it with all Distributors on 22 December 2021.

### Fund Malaysia System Maintenance

As the owner of the Fund Malaysia System and supervisor of the requirements imposed on Distributors, FIMM processes information relating to funds for distribution including registering new fund launches.

In 2021, a total of 332 new fund launches were approved. In October 2021, we requested the industry to update their fund information in preparation for the Annual Membership Subscription Fee exercise. We reviewed and approved the updates made to about 400 funds during this update exercise.

### Issuance of Monthly Fund Volatility Report

FIMM issued monthly Fund Volatility Reports to the Authorised Representatives of our Members and Distributors before the 15th of every month.

Generally, this report is to facilitate Members and Distributors who utilise volatility ratings when preparing their fund factsheet and marketing/promotional materials which are consistent with the requirement sets out in FIMM's Investment Management Standards (IMS) 9 – Measuring and Disclosure of Volatility for Unit Trust Schemes and Recognised Funds.

Additionally, this report was prepared for the Employees Provident Fund (EPF), as it is used, amongst others, to monitor the performance of funds managed under the EPF-MIS.

### Annual Review of FIMM's IMS and FIMM's Prospectus Guidance on Simple Language and Effective Drafting Practices for Prospectus (Prospectus Guidance)

FIMM conducted a review of both documents to ensure that the definitions/terminologies used were in line with the global changes made to the SC's Prospectus Guidelines on Collective Investment Schemes on 21 December 2021.

# Positioning FIMM as a Thought Leader

## Research on UTS Fees and Charges

The FIMM 2021 Research on Unit Trust Schemes' Fees and Charges report was completed in December 2021 and released on 28 January 2022.



Objectives of the research were to:

- Educate investors on UTS fees and charges;
- Utilise research findings for investor education and awareness activities; and
- Provide recommendations on good practices for fees and charges.



Scan to read

## Investors' Financial Literacy Survey on UTS, PRS and Retirement Planning

The report for the FIMM 2021 Investors' Financial Literacy Survey on UTS, PRS and Retirement Planning was released on 29 December 2021.



Objectives of the survey were to understand the public's:

- Investment behaviour on UTS and PRS;
- Level of literacy on UTS and PRS; and
- Level of literacy on retirement planning.



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## Investment Management Survey 2021

The report for the FIMM 2021 Investment Management Survey was shared with the industry on 1 October 2021 and with the public on 25 October 2021. This survey was also the basis for the topics covered in FIMMAC and IES 2021.



Objectives of the survey were to:

- Understand industry's Insights on issues and challenges impacting the investment management sector as well as their outlook on the market's future performance;
- Gather industry's strategies to address market uncertainty and changes brought by the COVID-19 pandemic; and
- Identify and recommend industry initiatives to facilitate the growth and development of the UTS and PRS industry.



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## Other Surveys Conducted by FIMM in 2021

### Industry feedback on FIMM's A&P Guidance Notes for the SC's Guidelines on Advertising for Capital Market Products and Related Services

Based on the industry feedback received in 2020, FIMM Members have identified the key areas in the SC's Guidelines on Advertising for Capital Market Products and Related Services that require further guidance in the form of industry best practices.

Subsequently, FIMM issued a consultation paper in July 2021 to obtain the industry's feedback on FIMM's proposals for industry best practices to be incorporated in the A&P Guidance Notes. The feedback on the consultation paper will assist in preparing the A&P Guidance Notes for industry best practices on specific matters relating to advertisements. The A&P Guidance Notes was subsequently issued on 7 February 2022.

### Industry feedback on matters pertaining to unit holders meeting under nominee system

The objective of this survey was to obtain industry feedback on:

- a. Enhancing the disclosures of the Ultimate Beneficial Owner's (UBO) limited rights compared to registered unit holders;
- b. Timely distribution of unit holders meeting notice to UBO; and
- c. Voting rights exercised by the IUTAs.

### Industry consultation on Paynet's Revised Operating Procedures

FIMM issued a circular dated 23 April 2021 to the industry pursuant to the SC's request for feedback on the draft Practice Notes (PN) on the controls required for higher online settlement limit. Summarily, industry members were asked to give their feedback on the effectiveness of the controls for higher online settlement limit to mitigate the risk of frauds associated with higher limits.

### Industry issues on the proposed changes to be made to Income Tax Act 1967 pertaining to matters relating to Retail Money Market Funds, Foreign Sourced Income (FSI) and Withholding Tax on Agents as outlined in Finance Bill 2021

FIMM sought industry feedback on the issuance of the Finance Bill in November 2021.

### Industry survey on the proposal to allow IUTA/IPRA who are CMSL holders to adopt multi-tier agency structure

The objective of this survey was to obtain the industry's views on the subject matter and to address any concerns that they may have on the control measures proposed to be put in place.

### Industry proposals for 2022 Federal Budget

The objective of this survey was to obtain the industry's suggestions for proposals to be submitted to the SC. For the 2022, Federal Budget, we have proposed the following:

- a. Incentive for the Self-Employed; and
- b. To allow additional RM3,000 tax relief for working spouse who contributed voluntarily in PRS for non-working spouse/homemaker.

### Industry feedback on compliance with FIMM's Investment Management Standards (IMS) 1 4:00 PM dealing cut-off time (DCT)

This survey was conducted arising from UTMCS/IPDs' concern in meeting the 4:00 PM DCT as prescribed by FIMM's IMS 1 in cases where an EPF member executes his transactions under the EPF e-MIS via an IUTA platform.

### Industry survey on developing SRI/ESG funds

This survey was conducted arising from the meeting that FIMM had with the SC and MAAM in July 2021, where the SC requested for information on the estimated number of SRI/ESG funds that UTMCS/PRSPs plan to issue based on the following time periods:

- a. From year 2021 to 2022 - 28 funds
- b. From year 2021 to 2024 - 54 funds
- c. From year 2021 to 2030 - 107 funds

Following this, FIMM approached 21 UTMCS/PRSPs who had indicated interest to issue SRI/ESG funds in the future in FIMM's Investment Management Survey 2021.





# Reinforcing Confidence

## **Ensuring Compliance**

- Post-Registration Assessment (PRA)
- Annual Compliance Review (ACR)
- Supervisory Engagement with CUTAs/CPRAs
- Thematic Examination with UTMCS/PRSPs
- Social Media Surveillance with Mystery Shopping Exercise
- Quarterly Complaint and Trend Analysis
- Supervisory Engagement
- “Dear CEO” Letter
- Focus Group Interview with Consultants

## **Enforcement**

- Number of Complaints Received
- Nature of Complaints Received
- Number of Consultants Sanctioned by the Disciplinary Committee

# Ensuring Compliance

In 2021, FIMM continued to strengthen its supervisory efforts to ensure investors' confidence and market integrity are maintained. This was accomplished by us conducting various supervisory and surveillance activities to ensure that marketing of UTS and PRS are conducted in an orderly manner. Despite the challenges faced during the COVID-19 pandemic, FIMM managed to complete the planned supervisory and surveillance activities for 2021.

## Off-Site Reviews

### Post-Registration Assessment (PRA)



All newly registered Distributors (except UTMCs and PRSPs) are required to undertake a one-off PRA.

Based on the submitted PRA, FIMM was able to evaluate the state of readiness as well as risk management and control functions of the newly registered Distributors in marketing and distribution the UTS and PRS. In 2021, all three (3) PRAs submitted to FIMM were in full compliance.

### 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 observed the recurrence of the following five (5) common compliance issues amongst Distributors arising from our assessment on ACR for the years 2019 to 2021:

Common Observations of ACR submitted for the year		2019	2020	2021
	Absence of periodic review of existing manuals, policies and procedures on marketing and distribution of UTS and PRS.	8	17	37
	Delay in dissemination of interim and annual financial report to investors.	7	10	19
	Anti-Money Laundering and Anti-Terrorism Financing training were not completed by Consultants.	10	15	17
	Delay in notifying FIMM on resignation and/or termination of Consultants.	0	2	8
	Gaps noted in Know-Your-Customer and AML Name Screening carried out during the onboarding process.	2	1	7

The higher number of observations reported in ACR from 2019 to 2021 signifies greater awareness by the Distributors on the importance of self-reporting on any non-compliances identified in their ACR submission to FIMM. Nevertheless, FIMM is closely monitoring Distributors' efforts taken in addressing the root cause of the recurring compliance issues and ensuring timely closure of the gaps identified. The affected Distributors were further reminded through issuance of follow up letters to revisit their existing policies and procedures in incorporating relevant action plans and ensuring continuous compliance with FIMM's Rules and SC Guidelines in relation to the marketing and distribution of UTS and PRS.

## On-Site Reviews

### Thematic Engagement with CUTAs/CPRAs

FIMM completed virtual thematic supervisory engagements on seven (7) CUTAs and CPRAs. Consequently, we have issued Supervisory Letters to relevant CUTAs and CPRAs on significant non-compliance issues identified.

The following common observations were made during the supervisory engagements:

Findings for CUTAs/CPRAs	Areas for Improvement for CUTAs/CPRAs
<ol style="list-style-type: none"> <li>1. Marketing and distribution of UTS and PRS by persons not registered with FIMM.</li> <li>2. Non-compliance with notification and submission requirements to FIMM.</li> <li>3. Failure to comply with FIMM's requirements in implementing multiple-tiered agency structure.</li> <li>4. Weaknesses in complaints' management in record keeping and monitoring mechanism.</li> <li>5. Inaccuracies observed from the information submitted in ACR checklist.</li> </ol>	<ol style="list-style-type: none"> <li>1. Gaps observed relating to updating policies and procedures and internal documents with the latest regulatory requirement.</li> <li>2. Strengthening the compliance functions particularly in maintaining independence and managing conflict of interest.</li> </ol>

### Thematic Examination with UTMCS/PRSPs

FIMM carried out thematic examinations on two (2) UTMCS/PRSPs virtually. The following common observations were made during the thematic examinations:

Findings for UTMCS/PRSPs	Areas for improvement for UTMCS/PRSPs
<ol style="list-style-type: none"> <li>1. Gaps in implementation of suitability assessment on investors such as:               <ol style="list-style-type: none"> <li>a. Absence of the requirement to update risk profile for existing investors;</li> <li>b. Mismatched type of fund invested with investor's risk profile; and</li> <li>c. Absence of conclusion and rationale in determining investor's risk rating/profile.</li> </ol> </li> <li>2. Failure to notify FIMM on Consultants' resignation and termination of Consultants who are no longer fit and proper.</li> <li>3. Weaknesses in the review of initial subscription process on investors.</li> </ol>	<ol style="list-style-type: none"> <li>1. Enhancement required on the existing policies and procedures on marketing and distribution of UTS and PRS.</li> <li>2. Improvement required on the following monitoring measures:               <ol style="list-style-type: none"> <li>a. Compliance review on sales practices of UTS and PRS as well as on agency matters; and</li> <li>b. Completeness of recordkeeping and reporting of clients' call-back exercise.</li> </ol> </li> <li>3. Issues relating to the timeliness in executing the investment subscriptions.</li> <li>4. Gaps in the contents and completeness of suitability assessment form.</li> <li>5. Gaps in the contents of training materials for Consultants.</li> </ol>

The affected Distributors were required to provide remedial measures with the agreed timeline following the issues detected from the thematic engagements and thematic examinations. Thereafter, as part of our ongoing supervisory efforts, we would monitor the status of their implementation of the approved remedial actions and assess its effectiveness.

## Social Media Surveillance with Mystery Shopping Exercise

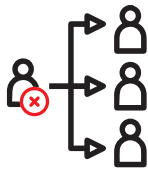
In 2021, we continued to monitor Consultants' activities in marketing of UTS/PRS on their social media platforms. Our observations are as follows:



Unauthorised use, or by inference adopt or display, the designation, title or qualification meant for licensed person.



Make false statement or disseminate false information concerning the Schemes, SC, FIMM the Industry, other Distributor/Consultant.



Unregistered person markets or distributes a UTS/PRS.



Misrepresent or make false or exaggerated statements concerning the Schemes.



Use FIMM's logo without FIMM's prior written consent.



Provide forecast of future performance of any Scheme.



Disclose an investor's personal and financial information to a third party.



Facilitate pre-signed or pre-thumbprint forms from an investor.

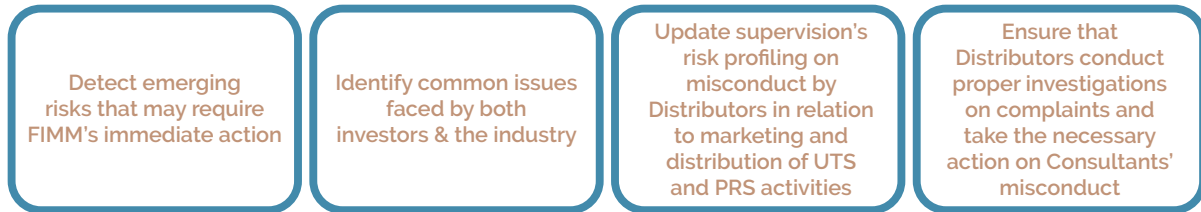
Notification letters were sent to the affected Distributors to share the observations detected from FIMM's social media surveillance reviews. The affected Distributors were reminded to ensure that actions taken on Consultants are effective to minimise or eliminate misconducts in the future.

FIMM will continue this effort to detect misconducts by Consultants or any persons in marketing and distribution of UTS and PRS on social media platforms. This is seen as an effort to elevate professional behavior among registered Consultants as well as to maintain healthy competition and communication between Consultants and potential investors through online platforms.

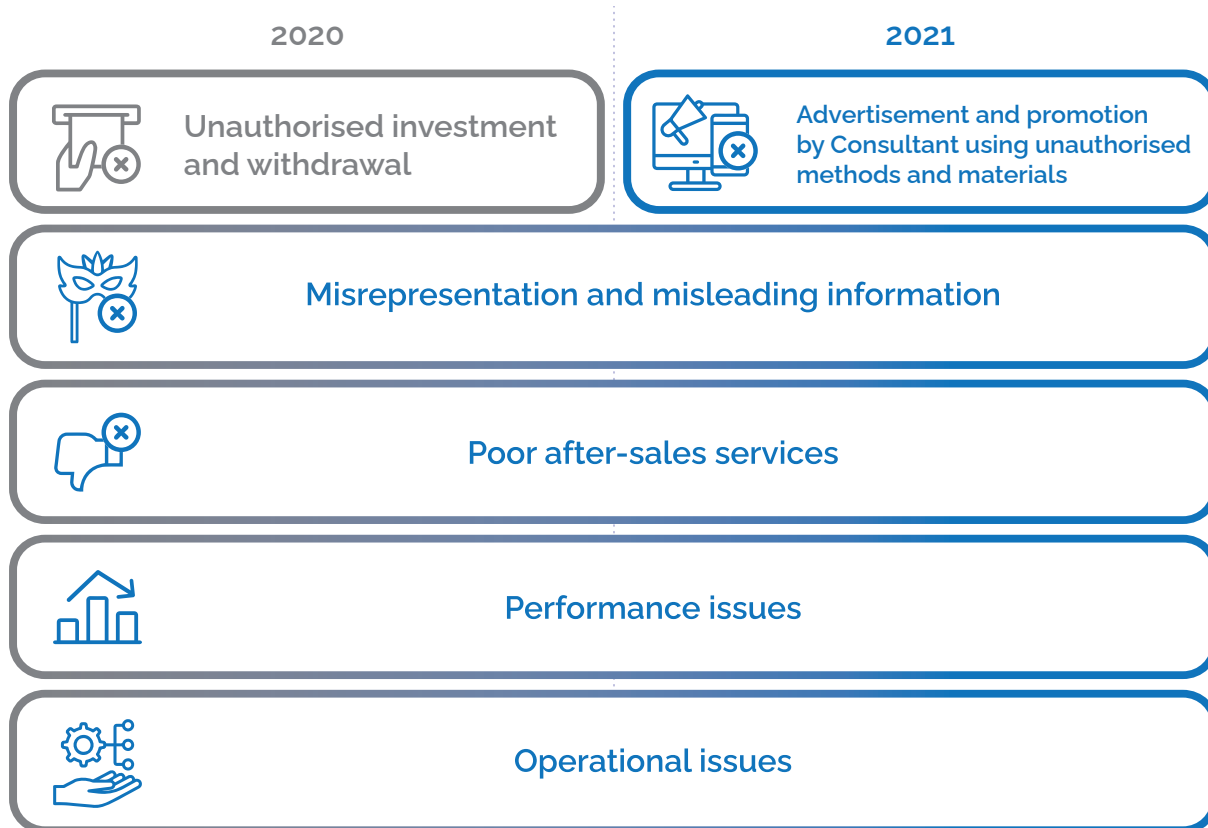
## Quarterly Complaint and Trend Analysis

All Distributors are required to submit a list of complaints received from investors and general public related to UTS and PRS, on a quarterly basis to FIMM.

The objective of the review on complaint submissions are as follows:



Our observation on the five (5) common areas of complaints recorded in 2020 and 2021 are as follows:



This year, FIMM identified an increasing trend of complaints arising from Consultants' misconduct in advertisement and promotion activities using unauthorised methods and materials.

In response to this observation, Distributors have intensified their monitoring activities to detect such misconduct committed by Consultants including commencing surveillance on Consultants' marketing activities on social media platforms.

FIMM will continue to assess the effectiveness of the remedial actions taken by the Distributors against Consultants who committed such misconduct as well as ensuring all complaints received by Distributors on matters related to UTS and PRS are resolved appropriately.

## Supervisory Engagement

FIMM held an Industry Briefing on regulatory activities and initiatives on 11 November 2021 to share the following:



The event was conducted virtually and attended by 301 industry participants who were mainly from the Distributors' compliance department.

### "Dear CEO" Letter

A "Dear CEO" letter was issued to the Distributors by way of a circular dated 4 March 2021. The contents of the letter reiterated supervisory observations highlighted during the industry briefing held in 2020 and required Distributors to assess and take relative corrective actions based on the shared key points.

In addition, Distributors were reminded to uphold high standards of professional conduct as a Distributor and among its Consultants as well as continue to maintain good reputation of the UTS and PRS industry. FIMM continued to emphasise to all Distributors of the importance to perform a regular review on the adequacy and effectiveness of their system and processes in monitoring marketing and distribution activities of their respective Consultants, particularly on how the marketing and distribution activities have evolved in current times.

### Focus Group Interview with Consultants

Focus Group Interview with Consultants was introduced in 2021 to elicit views and feedback from Consultants on the industry, as well as to better understand their marketing and distribution activities during the COVID-19 pandemic.

Apart from that, the interview would include understanding challenges faced by Consultants and obtaining their feedback on regulatory matters. Among the information shared are as follows:

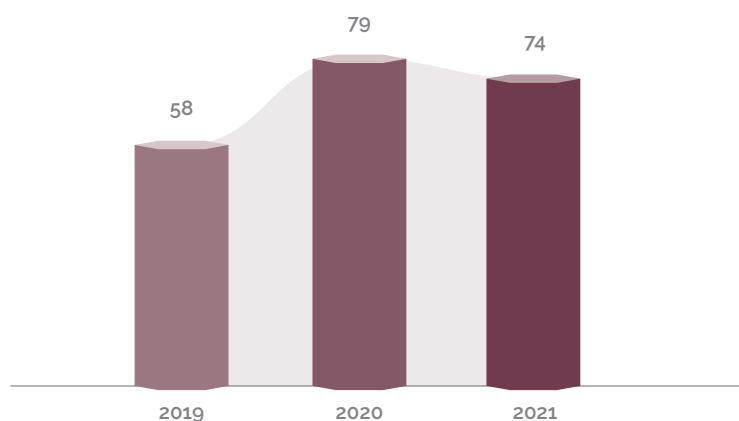
- Lack of clarity between the role of Consultants and Financial Planners among the investors and the general public.
- Feedback on how Consultants embraced new systems and technology during the COVID-19 pandemic to ensure business continuity. Generally, younger Consultants adapted better to technology as a medium to interface with existing and potential investors. Most of the senior Consultants however, preferred physical meetings with new customers.
- Satisfactory feedback obtained on sufficiency of support received, such as training, from their respective Distributors.



# Enforcement

## Number of Complaints Received

FIMM received a total of 74 complaints in 2021. A breakdown in the number of complaints received over the last three (3) years is reflected below:



## Nature of Complaints Received

### Ten (10) Most Common Nature of Complaints

	No. of Cases
 Unsatisfactory services	15
 Unauthorised transaction (investment/redemption/switching)	12
 Accepting cash/credit funds into Consultants' personal account	10
 Misrepresentation by Consultant	7
 Misappropriation of money	7
 Fit and Proper	6
 Dealing with unapproved/unauthorised funds	6
 Unauthorised use, adoption or display of the designation, title or qualification meant for licensed person	4
 Pre-sign/Pre-thumbprint investment form	4
 Non-registered person dealing with UTS and/or PRS	4

## Number of Consultants Sanctioned by the Disciplinary Committee

In total, 10 Consultants/former Consultants were sanctioned by the DC in 2021 and the details are shown below:

Nature of Misconduct	Consultants Sanctioned	Type of Sanctions
<ul style="list-style-type: none"> <li>• Unauthorised transaction</li> <li>• Allowed pre-sign/Pre-thumbprint of forms</li> </ul>	1	<ul style="list-style-type: none"> <li>• Barred from registration for three (3) months</li> <li>• Public reprimand</li> <li>• Attend training</li> </ul>
<ul style="list-style-type: none"> <li>• Misrepresentation</li> <li>• Unsatisfactory services</li> </ul>	1	<ul style="list-style-type: none"> <li>• Barred from registration for three (3) months</li> <li>• Public reprimand</li> <li>• Attend training</li> </ul>
<ul style="list-style-type: none"> <li>• Accepted cash</li> <li>• Misappropriated money</li> </ul>	1	<ul style="list-style-type: none"> <li>• Barred from future registration</li> <li>• Public reprimand</li> </ul>
<ul style="list-style-type: none"> <li>• Performed unauthorised transaction</li> </ul>	1	<ul style="list-style-type: none"> <li>• Private reprimand</li> </ul>
<ul style="list-style-type: none"> <li>• Provided false declaration/information to FIMM during registration:                             <ul style="list-style-type: none"> <li>• Statutory Declaration</li> <li>• Academic qualification</li> </ul> </li> </ul>	2	<ul style="list-style-type: none"> <li>• Barring</li> <li>• Public reprimand</li> </ul>
	2	<ul style="list-style-type: none"> <li>• Barred from registration for one (1) year</li> <li>• Public reprimand</li> </ul>
<ul style="list-style-type: none"> <li>• Making proxy arrangement/Parking of sales</li> <li>• Unsatisfactory services</li> </ul>	1	<ul style="list-style-type: none"> <li>• Public reprimand</li> <li>• Attend training</li> </ul>
<ul style="list-style-type: none"> <li>• Dealing with unapproved/unauthorised funds</li> </ul>	1	<ul style="list-style-type: none"> <li>• Suspension from registration for three (3) months</li> <li>• Public reprimand</li> <li>• Attend training</li> </ul>

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# Investor Education

## **Public Engagement**

- FIMM Annual Convention & Industry Education Series 2021
  - FIMM e-Zine
  - FIMM TV
  - Social Media Engagement
  - Media Tie-up Campaign
  - Virtual InvestSmart Fest 2021
  - Virtual Roadshows & Events
  - Financial Literacy Month Finale 2021
- 

# Public Engagement

As the global pandemic continued in 2021, all corporate communication initiatives were conducted virtually to educate investors and promote public awareness of UTS and PRS in line with Financial Education Network's (FEN) Five (5) Strategic Priorities under the National Strategy for Financial Literacy. Operating under the 'new normal', we continued to engage with members of the public via outreach programmes, and participated in a number of third-party events and virtual roadshows.

## FIMM Annual Convention & Industry Education Series 2021

FIMMAC 2021 was premised on key findings identified by the FIMM 2021 Investment Management Survey Report, which highlights the industry's experience and expectations. Due to the COVID-19 pandemic and movement limitations, FIMM hosted FIMMAC virtually.

**VIRTUAL • FIMMAC 2021**

**The next Normal**  
25-29 OCT

**2,490**  
Participants

**46**  
Speakers  
Local & International

**601**  
Consultants  
Awarded CPD Points

**Mohd Ridzal Mohd Sheriff**  
Chairman  
FIMM

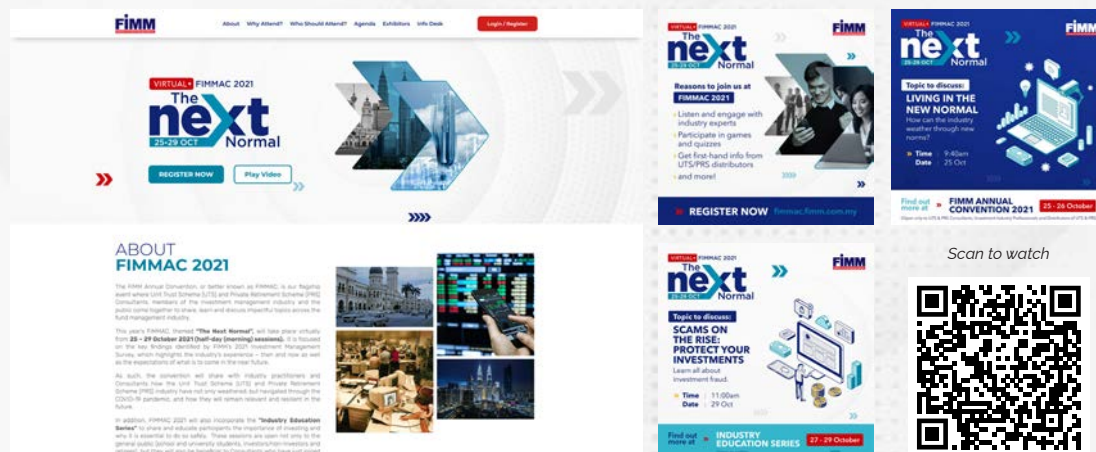
**Datuk Syed Zaid Albar**  
Executive Chairman  
Securities Commission Malaysia

*Welcome remarks by the FIMM Chairman.*

*Keynote address by the SC Chairman.*

*FIMMAC virtual exhibition hall.*

*Day 1 FIMMAC panel session.*



The FIMMAC 2021 microsite.

Social media updates on the FIMMAC programme.

Compared to previous years, FIMMAC 2021 was divided into two (2) segments:

### FIMMAC (Day 1 & Day 2)

The target audience for these two (2) days were Consultants and industry participants, and the topics covered during these sessions were more industry-centred, specifically on:

- i. Living in the new normal;
- ii. Every Crisis Breeds Opportunity;
- iii. What the Future Holds;
- iv. Managing Risks in the New Frontier;
- v. Future Proofing the Industry; and
- vi. Market/Industry Outlook.

### IES (Day 3 - Day 5)

The target audience for the remaining three (3) days of the event were members of the general public, including retirees and school students. IES covered broader topics more suited to the typical investor, such as investment scams and investor protection.

In order to encourage more active engagement and participation from audience members, FIMMAC 2021 also introduced more gamification activities. The following three (3) games were conducted during the event itself, whilst daily winners were posted on our social media platform to garner more traffic:

- i. Lucky Draw Quiz;
- ii. Pop Quiz; and
- iii. UTS/PRS Champions League Quiz.

## FIMM e-Zine

**15,452** e-Zine Series  
reads  
by end 2021



\* Readership in 2021

In embracing digitalisation, FIMM published another two (2) issues of its *e-Zine* in 2021, which garnered 11,918 reads. Collectively, the *e-Zine* series has collectively garnered a total readership of 15,452 by year end.

Published on FIMM's website as well as our social media platforms, the *e-Zine* enables FIMM to promote the investment management industry, share trending topics and recent developments and events, as well as educate not only Consultants, but investors and the general public alike on matters relating to UTS and PRS.

A total of 4,612 Consultants also claimed their CPD points through *FIMM e-Zine* in 2021.

## FIMM TV

FIMM engaged with Consultants, investors, as well as the general public through its educational videos aired via FIMM TV.

Two (2) series of FIMM TV were produced and shared on YouTube, Facebook, and our FIMM website. These series covered the following topics/themes:

### COVID-19 and the UTS and PRS Industry

Released on 29 January 2021

7-Video Series



2,251 views



Scan to watch

### Investment & ESG Principles

Released on 8 October 2021

11-Video Series

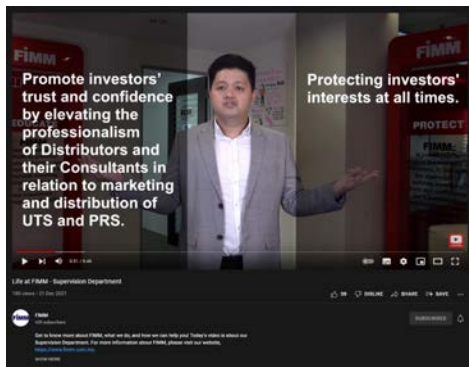


3,031 views

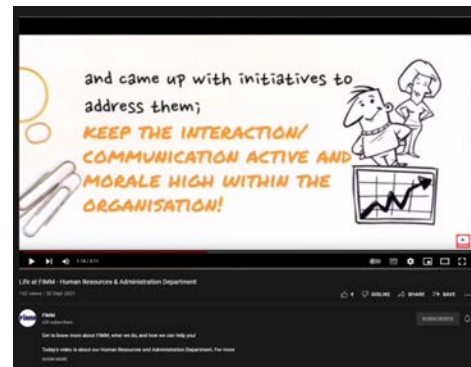


Scan to watch





Life@FIMM - Supervision.



Life@FIMM - Human Resource & Administration.

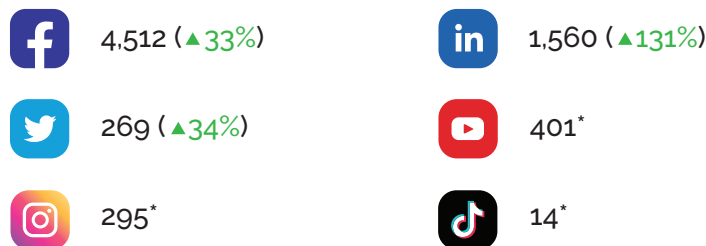
FIMM TV also produced Life@FIMM videos to showcase the various functions and responsibilities of the departments within the organisation. In 2021, two (2) Life@FIMM videos were produced featuring the Supervision team under the Regulatory Services Division and Human Resource & Administration team under the Corporate Services Division. These videos are made available on FIMM's website.



Scan to watch

## Social Media Engagement

FIMM's social media activities and followers have increased tremendously since year 2020. By the end of 2021, FIMM became more visible on multiple social media platforms compared to just two (2) channels (Facebook and Twitter) in 2020.



\* Tracking unavailable for newly managed accounts.

In 2021, FIMM published a series of social media posts titled, "UTS & PRS 101" to educate investors and Consultants on the basic elements of UTS and PRS investing as well as COE for Consultants. A total of 102 "UTS & PRS 101" postings were uploaded across Facebook, Twitter and Instagram.

FIMM also produced a series of 11 inspirational quotes/posts under a "Wisdom Wednesday" banner on its Facebook, Twitter and Instagram accounts.

The remaining posts on our social media platforms comprised other materials and relevant postings from other sources for knowledge sharing purposes.

Follow FIMM on:



Facebook



LinkedIn



Twitter



YouTube



Instagram



TikTok

# Off the Social Media Wall 2021



Federation of Investment Man...

Contact Us

Liked

Message



## Media Tie-up Campaign

FIMM has collaborated with *theSun* to run an educational campaign on UTS and PRS. This campaign was targeted at *theSun*'s white collar and urban youth readers in support of the "Reinforcing Confidence" angle of FIMM's Blueprint and Project Y3ARS.

FIMM's media tie-up campaign with *theSun* took place between September to December 2021, where a total of six (6) articles were published across its e-paper, website and social media pages, i.e. Facebook/YouTube.

To date, these articles have garnered total viewership of 673,439.



Campaign across e-paper, website and social media.

## Virtual InvestSmart Fest 2021

FIMM operated a booth at the Virtual InvestSmart Fest 2021 which took place from 8 to 10 October 2021. Having a booth at this event enabled FIMM to promote the organisation and raise awareness about the industry to virtual visitors. The event attracted a total of 4,625 attendees throughout its three (3) day duration.

In addition, FIMM was also invited by InvestSmart to anchor a panel discussion on a session themed "UTS/PRS Consultants: The value in providing quality advice" held on 10 October 2021.



The panel speakers during this session included industry experts and practitioners as listed below:

**Moderator**

Mohd Ridzal Mohd Sheriff  
Chairman  
FIMM

**Panellist**

Dato' Teng Chee Wai  
Managing Director  
Affin Hwang Asset  
Management Berhad

**Panellist**

Chiang Kang Pey  
Head of Equity  
Public Mutual Berhad

**Panellist**

Ang Beng Kuan  
Head of Fund Management  
Hong Leong Asset  
Management Berhad



## Financial Literacy Month Finale 2021



FIMM participated in the Virtual Financial Literacy Month Finale 2021, themed "Navigate Your Finances: Stay Safe, Act Wisely". It was organised by the FEN, which took place from 29 to 31 October 2021.

FIMM participated with a virtual booth. A total of 857 people visited our virtual booth throughout the three (3)-day event.

## Virtual Roadshows & Events

Continuing the investor education efforts from year 2020 to further promote and educate the public on the benefits of investing in UTS and PRS, FIMM participated in 12 virtual events/roadshows in 2021 and engaged with a total of 4,977 participants.



Screenshots of the virtual events.

	Date	Type	University	No. of Students
1	8 June	Collaboration with MFPC	Management and Science University	64
2	21 October		Aspiration Day - Several Universities	250
3	22 October		Swinburne University	30
4	20 November		Universiti Utara Malaysia	200
5	26 November		UITM Puncak Alam	183
6	9 December		Management and Science University	148
<b>Total</b>				<b>875</b>



Virtual Financial Planning Workshops 2021 (My Money & Me: Invest2Progress) in collaboration with MFPC:

	Date	Venue	No. of Students
1	27 March	Middle Zone	948
2	22 May	North Zone	844
3	26 June	East Coast	588
4	31 July	Southern Zone	522
5	21 August	Sabah & Sarawak	315
6	13 November	Kuala Lumpur	885
		<b>Total</b>	<b>4,102</b>





# Leadership

**Board of Directors & Committees**

**Management**

**Our People**

**IT Infrastructure & Systems**





# Board of Directors & Committees

## Public Interest Directors



Jas Bir Kaur

Che Zakiah  
Che Din

*(Retired w.e.f.  
26 November 2021)*

Dato' Mohd  
Sallehuddin  
Othman

Mohd Ridzal  
Mohd Sheriff  
*(Chairman)*

Koid  
Swee Lian

Steven Choy  
Khai Choon

Yon See Ting

## Elected Directors



Dato' Teng  
Chee Wai

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

Danny Wong  
Teck Meng

Eliza Ong  
Yin Suen

Mohammad  
Hussin

Yeoh  
Kim Hong

Ismitz Matthew  
De Alwis

Lim  
Suet Ling



## Roles & Responsibilities



## 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 of 31 December 2021, the Board is made up of six (6) Public Interest Directors (PID) appointed by the SC and seven (7) Elected Directors (ED) appointed in accordance with FIMM's Articles of Association (FIMM's Constitution). There was one (1) cessation of a PID's term in 2021.

Che Zakiah Che Din's term as PID ended on 26 November 2021. She has served on FIMM's Board for four (4) years.

Koid Swee Lian was re-appointed as PID for a period of two (2) years effective 5 August 2021.

Re-appointment/re-election of Directors at FIMM's 27th Annual General Meeting (AGM) held on 23 June 2021 are shown below:

<b>Elected Director</b>	<b>Effective Date</b>
Yeoh Kim Hong	23 June 2021
Eliza Ong Yin Suen	23 June 2021
Lim Suet Ling	23 June 2021
<b>Public Interest Director</b>	
Dato' Mohd Sallehuddin Othman	23 June 2021

*Pursuant to Article 29 (c) of FIMM's Constitution, the re-appointment of PID Dato' Sallehuddin Othman, who would have attained the age of 70 years on 8 July 2021, was approved by the Members at the 27th AGM held on 23 June 2021.*

## 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.

Each Board member sits on various Board Committees. Within FIMM, there are a total of six (6) Board Committees and one (1) Sub-Committee.



Details of the Board members and their relevant Board Committees and Chairmanships are set out below:

Public Interest Directors	No. of Committees	Committee/Sub-Committee					
		IDC	AC	RC	NRC	ARC	
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	-
Steven Choy Khai Choon	5	IDC	PRSSC	RC		DC	NRC <small>(appointed w.e.f. 27.11.21)</small>
Yon See Ting	4	IDC	RC		DC	PRSSC	-
Jas Bir Kaur	4	IDC	RC	PRSSC		DC	-
Che Zakiah Che Din (tenure ended 26 November 2021)	4	IDC	AC		ARC	-	NRC <small>(tenure ended 26.11.21)</small>
<b>Elected Directors</b>							
Mohammad Hussin	4	IDC	ARC	AC		NRC	-
Yeoh Kim Hong	4	IDC	PRSSC	RC		DC	-
Dato' Teng Chee Wai	3	IDC	PRSSC	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

*In line with the Malaysian Code on Corporate Governance (as at 28 April 2021) – Board Composition: Guidance Note G5.9, which states that "all boards should comprise at least 30% women directors", FIMM's Board comprises a total of 46% women directors. In addition, three (3) out of the seven (7) Board Committees are chaired by women directors.*

## Appointments to Board Committees

- a. At the 2/2021 Board Meeting held on 17 March 2021, the Board approved the appointment of Dato' Teng Chee Wai (Dato' Teng) to the DC and IDC. Dato' Teng remains a member of the PRSSC as he is the Authorised Representative of Affin Hwang Asset Management Sdn Bhd prior to his appointment to the Board of FIMM.
- b. At the 4/2021 Board Meeting held on 15 July 2021, the Board approved the appointment of PID Jas Bir Kaur as Chairman of the IDC with immediate effect. She took over the position held by Mohd Ridzal Mohd Sheriff, who remains a member of the IDC, pursuant to Clause 1(a)(i) of its Terms of Reference (TOR), which states that IDC members shall comprise all Board members.
- c. At the 6/2021 Board Meeting held on 19 November 2021, the Board unanimously approved the appointment of Steven Choy Khai Choon as the Chairman of the NRC, effective 27 November 2021, to take over the chairmanship from Che Zakiah Che Din.

## Board Meetings

The Board held a total of seven (7) meetings (including a Special Meeting) in 2021, 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 presented to the Board for discussion, 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 a clearly defined area of FIMM's operations, where their respective functions and duties are set out in their respective TORs.

## Board & Committee Meeting Attendance

Board of Directors		Attendance	
PID	Mohd Ridzal Mohd Sheriff (Chairman)	● ● ● ● ● ● ●	7/7
	Dato' Mohd Sallehuddin Othman	● ● ● ● ● ● ●	7/7
	Koid Swee Lian	● ● ● ● ● ● ●	7/7
	Che Zakiah Che Din (tenure ended 26 November 2021)	● ● ● ● ● ● ●	5/7
	Steven Choy Khai Choon	● ● ● ● ● ● ●	6/7
	Yon See Ting	● ● ● ● ● ● ●	6/7
	Jas Bir Kaur	● ● ● ● ● ● ●	6/7
ED	Mohammad Hussin	● ● ● ● ● ● ●	6/7
	Yeoh Kim Hong	● ● ● ● ● ● ●	7/7
	Dato' Teng Chee Wai (appointed w.e.f. 10 March 2021)	● ● ● ● ● ● ●	4/5
	Eliza Ong Yin Suen	● ● ● ● ● ● ●	4/5
	Ismitz Matthew De Alwis	● ● ● ● ● ● ●	7/7
	Danny Wong Teck Meng	● ● ● ● ● ● ●	6/7
	Lim Suet Ling	● ● ● ● ● ● ●	6/7
RHB	Mohd Farid Kamarudin (representing industry views from RHB Asset Management Sdn Bhd from 1 October 2020 to 31 March 2021)	● ●	2/2

Appeal Committee		Attendance
PID	Mohd Ridzal Mohd Sheriff (Chairman)	● 1/1
	Dato' Mohd Sallehuddin Othman	● 1/1
	Che Zakiah Che Din (tenure ended 26 November 2021)	● 1/1
ED	Mohammad Hussin	● 0/1
	Lim Suet Ling	● 1/1
Audit & Risk Committee		Attendance
PID	Dato' Mohd Sallehuddin Othman (Chairman)	● ● ● ● 4/4
	Koid Swee Lian	● ● ● ● 3/4
	Che Zakiah Che Din (tenure ended 26 November 2021)	● ● ● ● 4/4
ED	Mohammad Hussin	● ● ● ● 3/4
	Ismitz Matthew De Alwis	● ● ● ● 4/4
	Lim Suet Ling	● ● ● ● 2/4
Disciplinary Committee		Attendance
PID	Koid Swee Lian (Chairman)	● ● ● ● ● ● ● ● 8/8
	Steven Choy Khai Choon	● ● ● ● ● ● ● ● 8/8
	Yon See Ting	● ● ● ● ● ● ● ● 5/8
	Jas Bir Kaur	● ● ● ● ● ● ● ● 7/8
ED	Yeoh Kim Hong	* ● * ● ● ● ● ● 5/6
	Dato' Teng Chee Wai (appointed w.e.f. 17 March 2021)	● ● ● ● ● * 2/5
	Eliza Ong Yin Suen	● ● ● ● ● 2/5
	Danny Wong Teck Meng	● ● ● ● ● ● ● ● 7/8
RHB	Mohd Farid Kamarudin (representing industry views from RHB Asset Management Sdn Bhd from 1 October 2020 to 31 March 21)	● ● ● 2/3

\* Directors abstained from attendance of meeting(s) due to Conflict of Interest (COI) in relation to the cases presented.

Industry Development Committee		Attendance	
PID	Mohd Ridzal Mohd Sheriff (Chairman until 15 July 2021)	● ● ● ● ● ●	6/6
	Jas Bir Kaur (Chairman w.e.f. 15 July 2021)	● ● ● ● ● ●	5/6
	Dato' Mohd Sallehuddin Othman	● ● ● ● ● ●	6/6
	Koid Swee Lian	● ● ● ● ● ●	6/6
	Steven Choy Khai Choon	● ● ● ● ● ●	6/6
	Yon See Ting	● ● ● ● ● ●	5/6
	Che Zakiah Che Din (tenure ended 26 November 2021)	● ● ● ● ● ●	4/6
ED	Mohammad Hussin	● ● ● ● ● ●	5/6
	Yeoh Kim Hong	● ● ● ● ● ●	6/6
	Dato' Teng Chee Wai (appointed w.e.f. 17 March 2021)	● ● ● ● ● ●	3/5
	Eliza Ong Yin Suen	● ● ● ● ● ●	3/4
	Ismitz Matthew De Alwis	● ● ● ● ● ●	5/6
	Danny Wong Teck Meng	● ● ● ● ● ●	6/6
	Lim Suet Ling	● ● ● ● ● ●	5/6
SME	Munirah Khairuddin	● ● ● ● ● ●	5/6
RHB	Mohd Farid Kamarudin (representing industry views from RHB Asset Management Sdn Bhd from 1 October 2020 to 31 March 2021)	● ●	1/2

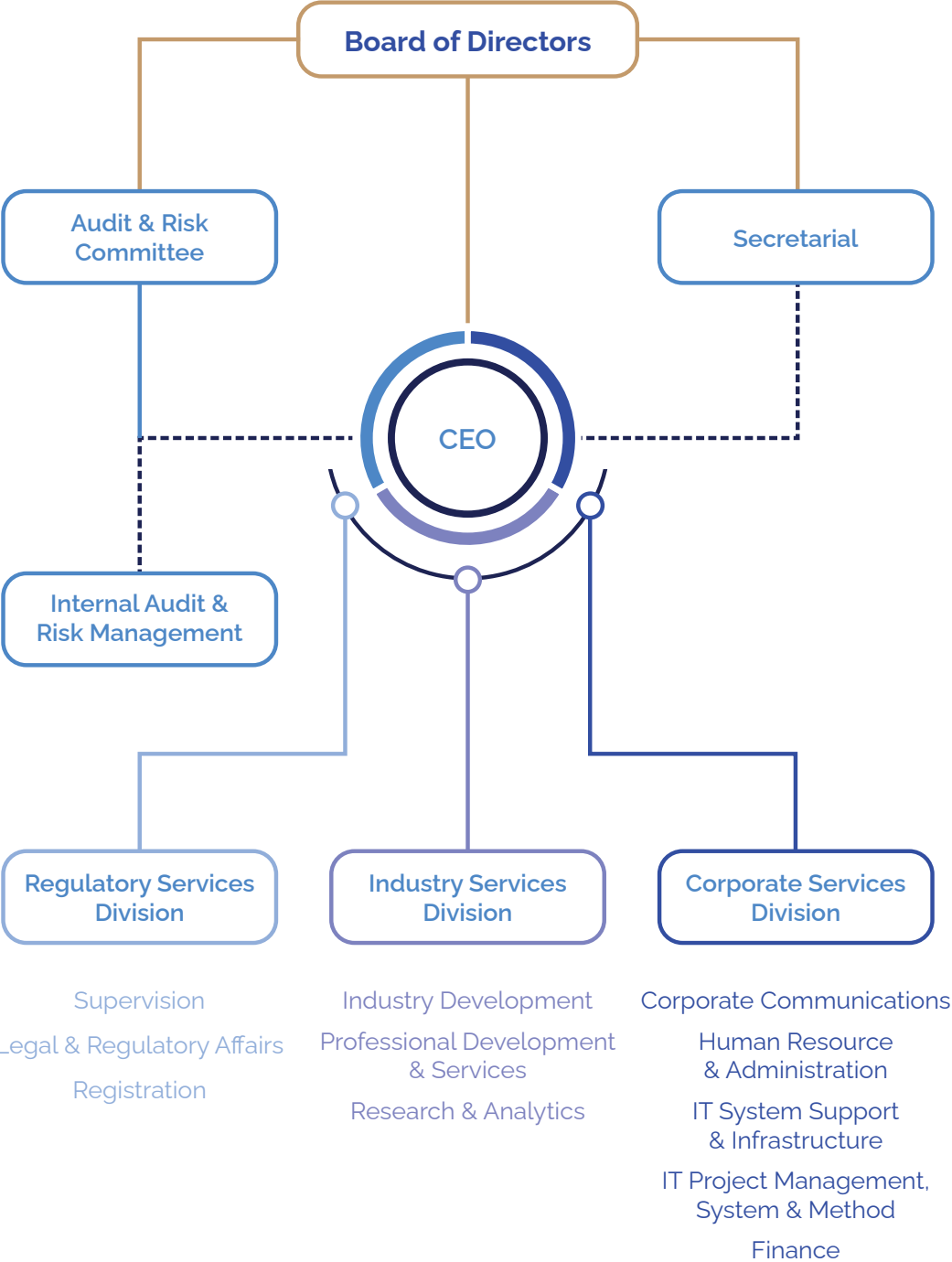
Nomination & Remuneration Committee		Attendance	
PID	Che Zakiah Che Din (Chairman) (tenure ended 26 November 2021)**	● ● ● ● ● ●	5/5
	Mohd Ridzal Mohd Sheriff	● ● ● ● ● ●	5/5
	Dato' Mohd Sallehuddin Othman	● ● ● ● ● ●	5/5
ED	Mohammad Hussin	● ● ● ● ● ●	5/5
	Lim Suet Ling	● ● ● ● ● ●	3/5

\*\* Steven Choy Khai Choon's appointment as Chairman of NRC - effective 27 November 2021 - was approved at the 6/2021 Board meeting held on 19 November 2021.

Regulatory Committee		Attendance
PID	Yon See Ting (Chairman)	● ● 2/2
	Mohd Ridzal Mohd Sheriff	● ● 2/2
	Koid Swee Lian	● ● 2/2
	Steven Choy Khai Choon	● ● 2/2
	Jas Bir Kaur	● ● 2/2
ED	Yeoh Kim Hong	● ● 2/2
	Eliza Ong Yin Suen	● 1/1
	Ismitz Matthew De Alwis	● ● 2/2
	Danny Wong Teck Meng	● ● 2/2
RHB	Mohd Farid Kamarudin <small>(representing industry views from RHB Asset Management Sdn Bhd from 1 October 2020 to 31 March 2021)</small>	● 1/1
Private Retirement Scheme Sub-Committee		Attendance
PID	Steven Choy Khai Choon (Chairman)	● 1/1
	Yon See Ting	● 1/1
	Jas Bir Kaur	● 1/1
AR/AAR	Yeoh Kim Hong	● 1/1
	Eliza Ong Yin Suen	● 1/1
	Dato' Teng Chee Wai	● 0/1
	Ismitz Matthew De Alwis	● 1/1
	Munirah Khairuddin	● 1/1
	Valerie Low Lai Kin	● 1/1
	Wan Shuhaida Wan Zainal Shukri	● 1/1
	Nor Daliya Mohd Daud	● 1/1
SME	Husaini Hussin	● 1/1

AR: Appointed Representative  
AAR: Alternate Appointed Representative

### Organisation Structure





# Management

## CEO's Office



**Kaleon Leong Rahan**  
Chief Executive Officer

## Internal Audit & Risk Management



**Norlaily Jazam**  
Senior Manager  
(Resigned w.e.f. 21 December 2021)

## Secretarial



**Belinda Yeo**  
Manager

## Regulatory Services Division



**Sahlawati Mustafa**  
General Manager



**Jegatheesan Govintharaj**  
Senior Manager  
Legal & Regulatory Affairs



**Ava Saffnaz Che Ani**  
Senior Manager  
Supervision



**Sylvia Ooi**  
Manager  
Registration

## Industry Services Division



**Koh Hwee Ngim**  
General Manager  
(Resigned w.e.f. 8 October 2021)



**Aishara Abdul Rahim**  
Senior Manager  
Industry Development



**Lim Foong Ying**  
Senior Manager  
Research & Analytics



**Shahrul Nizam Zainol**  
Senior Manager  
Professional Development & Services

## Corporate Services Division



**Dr Rosliza Mat Yatim**  
General Manager



**Lazman Halim Lajman**  
Senior Manager  
IT Project Management, System & Method



**Mariesa Mohamed Ross**  
Senior Manager  
Corporate Communications  
(Resigned w.e.f. 30 November 2021)



**Aida Norzeti Ab Talib**  
Senior Manager  
Corporate Communications  
(Appointed w.e.f. 25 November 2021)



**Nazrul Izham Abdul Ghaffar**  
Senior Manager  
IT System Support & Infrastructure



**Normala Mohamed**  
Senior Manager  
Finance



**Shantini Ramachandran**  
Senior Manager  
Human Resource & Administration  
(Resigned w.e.f. 31 October 2021)

## Our People

Due to the ongoing risks related to COVID-19 and physical distancing requirements, majority of FIMM's staff continued to Work from Home (WFH) this year as a preventive measure.

Despite the WFH arrangement, FIMM maintained connectivity with its employees through various interactive and engaging online activities such as townhalls, festive celebrations and other virtual events to maintain positive staff morale and team spirit. Similarly, the Human Resource and Administration department continued to provide employees with the support they needed by conducting activities such as training and internal/external sharing sessions remotely via Microsoft Teams Virtual Conferencing or webinars.

### Employee Demographic

As of 31 December 2021, FIMM's headcount comprised 57 employees (2020: 59 employees). There were five (5) new recruits and seven (7) resignations throughout the year.



### Employees Training

While operating under the "new normal", we continued to develop and upskill our employees via online training programmes provided by various parties. A total of 138 online training programmes were attended in 2021. These programmes translated to an average of 6.6 man-days of training.

Covering numerous topics varying from soft skills to more technical and IT-related skills and English training, the training modules were obtained through in-house programmes as well as sourced externally.

Additionally, our employees played a role in conducting internal knowledge sharing sessions. These sessions gave the "trainer" employees a chance to showcase their subject matter knowledge while "trainee" employees had the opportunity to learn from their peers.

In order to create continuous awareness of FIMM's internal governance, the Human Resource (HR) team also conducted an HR Educational-IT Series on the appropriate usage of Information

Communication Technology (ICT), covering the following topics:

- Code of Ethics;
- Computer Use Policy;
- Guidelines when accessing electronic media and services – on personal use, security and appropriate usage;
- Access to Employee Communication; and
- Prohibited Communication.

Training on Information Security Awareness was made mandatory for all employees to ensure they are kept abreast on cyber security threats.

Similarly, employees were also informed on any material changes made to the SC's Guidelines/ Rules through our internal communication.

At corporate level, two (2) Senior Management employees were enrolled into the Certified Integrity Officer (CeIO) Programme organised by Akademi Pencegahan Rasuah Malaysia. These individuals are expected to play an integral role in inculcating integrity and ethical values within the organisation.

In support of employees' wellness from the health and financial aspects, FIMM also organised virtual talks on "Healthy Eating and Managing Burnout due to pandemic" by medical professionals from Sunway Medical Centre and Wills & Wasiat talks by financial professionals.

A representative from the Department of Occupational Safety and Health (DOSH) was also invited for a virtual session to share on safety and health matters within the organisation.

## Cyber Security Awareness Training

Continuing from 2020 Cyber Security Awareness programmes, our IT department organised a series of training to increase employees' knowledge and awareness on the various types of security threats. Apart from attending online cyber training, phishing exercises/simulations were conducted on employees to assess their awareness on the current phishing threats.

All employees sat for the re-assessment test in June 2021 to gauge on their overall comprehension of the subject.

# IT Infrastructure & Systems

## Digital Transformation Initiative

Following the Board's approval of the System Revamp project for Registration and Examination Systems on 28 July 2020, we initiated the project kick-off meetings with appointed vendors in Q4 2020 for the project activation.

Working under the COVID-19 pandemic and series of movement restrictions, this posed several challenges to FIMM's project team and the appointed vendors. As the vendor's project team had also encountered resource constraints issues, the original deployment date was postponed from 31 May 2021 to 30 April 2022, following the Board's approval of the deferment on 21 September 2021.

As of 31 December 2021, the progress of the Registration System stood at 75%. Subsequently, further changes were also made to the new examination booking module to enable system integration with the iFVE system (a virtual examination solution, known as ClassMarker) that we have deployed since February 2021. The iFVE system is an interim solution that was introduced as part of FIMM's initiative to address new Consultants' registration during the pandemic period, pending the go-live of the new Registration System.

## Industry Briefing to Stakeholders

In managing industry stakeholder expectations throughout FIMM's digital transformation journey, all FIMM Members and Distributors were kept abreast on the development of FIMM's IT activities through two (2) industry briefing sessions. FIMM has identified key contact personnel from each company, known as Distributor Administrators (DA), who are the official representatives of their respective companies for this Registration System project.

The two (2) industry briefing sessions conducted in 2021 allowed FIMM to update all DAs on the progress of this project and address any concerns and queries raised.

## Capital Market Cyber Simulation 2021

FIMM participated in the SC's Capital Market Cyber Simulation (CMCS) 2021 for the third consecutive year. The CMCS was held virtually on 16 November 2021 using the SC's simulation platform.

In preparing for CMCS, two (2) of FIMM's IT employees registered for the training conducted by Cybersecurity Malaysia. Due to the movement restriction at that time, only one (1) IT personnel managed to join the Incident Handling and Network Security (IHNS) training. The other Advance IHNS training was cancelled as it required hands-on training and could not be conducted online.

Despite the challenges faced, the team managed to complete the tasks by the end of the simulation. The result of CMCS 2021 has yet to be published by the SC as of 31 December 2021.

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# Financial Report

**Directors' Report**

**Statement by Directors**

**Statutory Declaration**

**Independent Auditor's Report to the Members of FIMM**

**Statement of Financial Position**

**Statement of Comprehensive Income**

**Statement of Changes in Accumulated Fund**

**Statement of Cash Flows**

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# Directors' Report

The Directors hereby present their report together with the audited financial statements of the Federation of Investment Managers Malaysia (the Federation) for the financial year ended 31 December 2021.

## 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 SC. As an SRO, the Federation's principal activity is to act as a public interest body in preserving market integrity while striving to protect the interests and rights of the investors and promoting the growth of unit trust and private retirement schemes industry in Malaysia.

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

## Financial Results

Operating surplus for the financial year

**RM**  
2,556,245

## 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 Bin Mohd Sheriff  
Che Zakiah Binti Che Din (Resigned w.e.f. 26 November 2021)  
Koid Swee Lian  
Dato' Mohd Sallehuddin Bin Othman  
Choy Khai Choon  
Yon See Ting  
Jas Bir Kaur A/P Lol Singh

### Elected Directors:

Mohammad Bin Hussin  
Yeoh Kim Hong  
Ong Yin Suen  
Ismitz Matthew De Alwis  
Wong Teck Meng  
Lim Suet Ling  
Dato' Teng Chee Wai (Appointed w.e.f. 10 March 2021)



## 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' Interests

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

## Directors' Remuneration

Details of Directors' remuneration are disclosed in Note 17 to the financial statements.

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

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

## Indemnifying Directors or Officers

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

## Other Statutory Information

- (a) Before the financial statements of the Federation were prepared, the Directors took reasonable steps:
- (i) to ascertain that action had been taken in relation to the writing off of bad debts and the making of provision for doubtful debts and satisfied themselves that there is no known bad debts and no provision for doubtful debts is required; and
  - (ii) to ensure that any current assets which were unlikely to be realised in the ordinary course of business including the value of current assets as shown in the accounting records of Federation have been written down to an amount which the current assets might be expected so to realise.
- (b) At the date of this report, the Directors are not aware of any circumstances which would render:
- (i) 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.

## 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 2022

# 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 80 to 102 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 2021 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 2022.



Mohd Ridzal Bin Mohd Sheriff



Dato' Mohd Sallehuddin Bin Othman

Kuala Lumpur

# 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 80 to 102 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 2022.



Kaleon Leong Bin Rahan Leong

Before me,

Commissioner for Oaths



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

# Independent Auditor's 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 2021, 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 80 to 102.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Federation as at 31 December 2021, 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 materially inconsistent with the financial statements of the Federation or our knowledge obtained in the audit or otherwise appears to be materially misstated.

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

## Responsibilities of the directors for the financial statements

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

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

## 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.

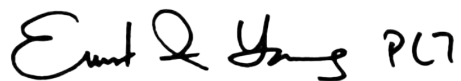
As part of an audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- 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.
- 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 2022



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

# Statement of Financial Position

As at 31 December 2021

	Note	2021 RM	2020 RM
<b>Non-Current Assets</b>			
Property, plant and equipments	5	436,707	587,331
Intangible asset	6	256,287	347,947
Rights-of-use assets	7	1,595,697	483,194
Deferred tax asset	8	210,677	227,295
		<u>2,499,368</u>	<u>1,645,767</u>
<b>Current Assets</b>			
Other receivables	9	930,081	787,398
Tax recoverable		323,473	215,363
Fixed deposits with financial institutions	10	47,883,411	44,243,502
Cash and bank balances		378,989	1,305,663
		<u>49,515,954</u>	<u>46,551,926</u>
<b>Current Liabilities</b>			
Other payables	11	2,552,655	2,383,947
Lease liabilities	14	632,928	502,822
Net Current Asset		<u>46,330,371</u>	<u>43,665,157</u>
		<u>48,829,739</u>	<u>45,310,924</u>
<b>Non-Current Liabilities</b>			
Lease liabilities	14	967,274	4,704
		<u>47,862,465</u>	<u>45,306,220</u>
<b>Equity Attributable to Owners of the Parent</b>			
Accumulated fund	12	29,508,081	27,825,854
SRO requirement reserve	13	18,354,384	17,480,366
		<u>47,862,465</u>	<u>45,306,220</u>

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



# Statement of Comprehensive Income

For the Financial Year Ended 31 December 2021

	Note	2021 RM	2020 RM
Revenue	15	14,866,777	12,554,033
Other income	16	907,101	1,212,116
Administrative expenses	17	(3,955,008)	(3,261,993)
Staff cost	18	(8,990,319)	(8,416,495)
<b>Excess of revenue over expenditure</b>		<u>2,828,551</u>	<u>2,087,660</u>
Tax (expense)/income	19	(272,306)	34,776
<b>Operating surplus and total comprehensive income for the financial year</b>		<u><b>2,556,245</b></u>	<u><b>2,122,436</b></u>

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

# Statement of Changes in Accumulated Fund

For the Financial Year Ended 31 December 2021

		← Non Distributable →		
	Note	Accumulated Fund RM	SRO Requirement Reserve RM	
			Total RM	
Balance as at 1 January 2021		27,825,854	17,480,366	45,306,220
Transfer to SRO Fund requirement reserve	13	(874,018)	874,018	-
Total comprehensive income for the financial year		2,556,245	-	2,556,245
Balance as at 31 December 2021		<u>29,508,081</u>	<u>18,354,384</u>	<u>47,862,465</u>
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		<u>27,825,854</u>	<u>17,480,366</u>	<u>45,306,220</u>

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

# Statement of Cash Flows

## For the Financial Year Ended 31 December 2021

	2021 RM	2020 RM
<b>Cash Flows from Operating Activities</b>		
Excess of revenue over expenditure	2,828,551	2,087,660
Adjustments for:		
Depreciation of property, plant and equipment and leased asset	858,876	855,421
Amortisation of intangible assets	116,780	129,502
Loss on disposal of property, plant and equipment	58	-
Interest expense on lease liabilities	17,618	38,516
Interest income	(895,532)	(1,201,134)
Excess of operating revenue over expenditure before working capital changes	<u>2,926,351</u>	<u>1,909,965</u>
Changes in working capital:		
(Increase) in other receivables	(239,110)	(200,628)
(Decrease)/Increase in other payables	168,708	265,328
	<u>(70,402)</u>	<u>64,700</u>
Cash generated from operations	2,855,949	1,974,664
Tax paid	(363,797)	(440,442)
Tax refund	-	398,276
Net cash generated from operating activities	<u>2,492,152</u>	<u>1,932,499</u>
<b>Cash Flows from Investing Activities</b>		
Purchase of property, plant and equipment	(135,806)	(162,173)
Purchase of intangible assets	(25,120)	(23,687)
Interest received	991,959	1,303,043
Deposits and placement with licensed banks with original maturity of more than 3 months	3,851,437	1,122,243
Net cash generated from investing activities	<u>4,682,470</u>	<u>2,239,426</u>
<b>Cash Flows from Financing Activity</b>		
Repayment of leases, representing net cash used in financing activity	<u>(609,950)</u>	<u>(613,704)</u>
<b>Net increase in cash and cash equivalents</b>	6,564,672	3,558,221
<b>Cash and cash equivalents at the beginning of the financial year</b>	30,498,946	26,940,725
<b>Cash and cash equivalents at the end of the financial year</b>	<u>37,063,618</u>	<u>30,498,946</u>
<b>Cash and cash equivalents at the end of the financial year comprises:</b>		
Fixed deposits with financial institutions	47,883,411	44,243,502
Cash and bank balances	378,989	1,305,663
	<u>48,262,400</u>	<u>45,549,165</u>
Less: Deposits with original maturity of more than 3 months	(11,198,782)	(15,050,219)
	<u>37,063,618</u>	<u>30,498,946</u>

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

# Notes to the Financial Statements

## 1. Corporate Information

The Federation of Investment Managers Malaysia (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.

On 1 January 2021, the Company adopted new and amended MFRSs which are mandatory for annual financial periods beginning on or after 1 January 2021.

**Effective for financial periods beginning on or after 1 January 2021**

Amendments to MFRS 4	Insurance Contracts (on Interest Rate Benchmark Reform)
Amendments to MFRS 7	Financial Instruments: Disclosures (on Interest Rate Benchmark Reform)
Amendments to MFRS 9 and MFRS 139	Financial Instruments (on Interest Rate Benchmark Reform)
Amendments to MFRS 16	Leases (on Interest Rate Benchmark Reform)
Amendments to MFRS 16	Leases (COVID-19 related rent concessions beyond 30 June 2021)

The adoption of the above amendments did not have any material impact on the financial performance or position of the Company.

**Effective for financial periods beginning on or after 1 January 2021**

Amendments to MFRS 3	Business Combinations (Reference to Conceptual Framework)
Amendments to MFRS 116	Property, Plant and Equipment (Proceeds before intended use)
Amendments to MFRS 137	Provision, Contingent Liabilities, and Contingent Assets (Onerous Contracts-Cost of Fulfilling a Contract)

Annual Improvements to MFRS Standards 2018-2020:

(i) MFRS 1	First-Time Adoption of Malaysian Financial Reporting Standards
(ii) MFRS 9	Financial Instruments
(iii) MFRS 16	Lease
(iv) MFRS 141	Agriculture

**Effective for financial periods beginning on or after 1 January 2023**

Amendments to MFRS 17	Insurance Contracts
Amendments to MFRS 101	Presentation of Financial Statements (Classification of Liabilities as Current or Non-Current)
Amendments to MFRS 108	Accounting Policies, Changes in Accounting Estimates and Errors (Definition of Accounting Estimates)

Amendments to MFRS 17	Insurance Contracts (Initial Application of MFRS 17 and MFRS 9 - Comparative Information)
Amendments to MFRS 101	Presentation of Financial Statements (Disclosure of Accounting Policy)
Amendments to MFRS 112	Income Taxes (Deferred Tax related to Assets and Liabilities arising from a Single Transaction)

**Effective date yet to be determined**

Amendments to MFRS 10	Consolidated Financial Statements (On Sale or Contribution of Assets between an Investor and its Associate or Joint Venture)
Amendments to MFRS 128	Investments in Associates and Joint Ventures (On Sale or Contribution of Assets between an Investor and its Associate or Joint Venture)

The directors expect that the adoption of the above standards will have no material impact on the financial statements of the Federation in the period of initial application.

### 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.

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 straightline basis over the shorter of the lease term and the estimated useful lives of the assets, as follows:

Office premise	3 years
Photocopier machine	3-4 years

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

(ii) *Lease liabilities*

At the commencement date of the lease, the Federation recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including insubstance 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.



### Subsequent measurement

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

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

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

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

#### **(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.

#### **(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.

#### **(h) Financial liabilities**

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

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

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

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

A financial liability is derecognised when the obligation under the liability is extinguished. When an existing financial liability is replaced by another from the same lender or on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of new liability, and the difference in the respective carrying amounts is recognised in profit or loss.

#### **(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.

**(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.

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 Judgments

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 nonfinancial 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.

### (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.

## 5. Property, plant and equipments

	Office Equipment RM	Furniture and Fittings RM	Office Renovations RM	Total RM
<b>Cost</b>				
At 1 January 2021	1,749,991	324,182	574,030	2,648,203
Additions	122,062	7,424	6,320	135,806
Disposal/Write-off	(42,700)	(2,132)	-	(44,832)
At 31 December 2021	<u>1,829,353</u>	<u>329,474</u>	<u>580,350</u>	<u>2,739,177</u>

### Accumulated depreciation

At 1 January 2021	1,208,465	282,125	570,282	2,060,872
Charge for the financial year	270,294	13,256	2,822	286,372
Disposal/Write-off	(42,689)	(2,085)	-	(44,774)
At 31 December 2021	<u>1,436,070</u>	<u>293,296</u>	<u>573,104</u>	<u>2,302,470</u>

### Carrying amount

At 31 December 2021	<u>393,283</u>	<u>36,178</u>	<u>7,246</u>	<u>436,707</u>
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### 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	<u>1,749,991</u>	<u>324,182</u>	<u>574,030</u>	<u>2,648,203</u>

### 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	<u>1,208,465</u>	<u>282,125</u>	<u>570,282</u>	<u>2,060,872</u>

### Carrying amount

At 31 December 2020	<u>541,526</u>	<u>42,057</u>	<u>3,748</u>	<u>587,331</u>
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## 6. Intangible asset

	2021	2020
	RM	RM
<b>Cost</b>		
At 1 January	1,646,983	1,623,296
Additions	25,120	23,687
At 31 December	<u>1,672,103</u>	<u>1,646,983</u>
<b>Accumulated amortisation</b>		
At 1 January		
Charge for the financial year	1,299,036	1,169,534
At 31 December	<u>116,780</u>	<u>129,502</u>
	<u>1,415,816</u>	<u>1,299,036</u>
<b>Carrying amount</b>		
At 31 December	<u>256,287</u>	<u>347,947</u>

## 7. Rights-of-use assets

	Office Premise	Photocopier Machine	Total
	RM	RM	RM
<b>Cost</b>			
At 1 January 2021	1,598,449	31,457	1,629,906
Addition (Note a)	1,685,008	-	1,685,008
Completed lease term relating to a previous contract	<u>(1,598,449)</u>	<u>(15,243)</u>	<u>(1,613,692)</u>
At 31 December 2021	<u>1,685,008</u>	<u>16,214</u>	<u>1,701,222</u>
<b>Accumulated amortisation</b>			
At 1 January 2021	1,128,318	18,394	1,146,712
Charge for the financial year	563,743	8,762	572,505
Completed lease term relating to a previous contract	<u>(1,598,449)</u>	<u>(15,243)</u>	<u>(1,613,692)</u>
At 31 December 2021	<u>93,612</u>	<u>11,913</u>	<u>105,525</u>
<b>Carrying amount</b>			
At 31 December 2021	<u>1,591,396</u>	<u>4,301</u>	<u>1,595,697</u>
<b>Cost</b>			
At 1 January / 31 December 2020	<u>1,598,449</u>	<u>31,457</u>	<u>1,629,906</u>
<b>Accumulated amortisation</b>			
At 1 January 2020	564,159	9,197	573,356
Charge for the financial year	<u>564,159</u>	<u>9,197</u>	<u>573,356</u>
At 31 December 2020	<u>1,128,318</u>	<u>18,394</u>	<u>1,146,712</u>
<b>Carrying amount</b>			
At 31 December 2020	<u>470,131</u>	<u>13,063</u>	<u>483,194</u>

**Note (a)**

As the previous lease agreement had lapsed, the Company has entered into a new Lease agreement with Permodalan Nasional Berhad on 15 October 2021 with a lease term of 36 months.

## 8. Deferred tax asset

	2021	2020
	RM	RM
At 1 January	227,295	179,965
Recognised in profit or loss (Note 19)	<u>(16,618)</u>	<u>47,330</u>
At 31 December	<u>210,677</u>	<u>227,295</u>

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

	Lease Liabilities RM	Provisions RM	Property, Plant and Equipment RM	Total RM
<b>2021</b>				
At 1 January 2021	6,327	357,554	(136,586)	227,295
Recognised in profit or loss	<u>(5,065)</u>	<u>(15,092)</u>	3,539	<u>(16,618)</u>
At 31 December 2021	<u>1,262</u>	<u>342,462</u>	<u>(133,047)</u>	<u>210,677</u>
<b>2020</b>				
At 1 January 2020	1,756	428,437	(250,228)	179,965
Recognised in profit or loss	<u>4,571</u>	<u>(70,883)</u>	113,642	<u>47,330</u>
At 31 December 2020	<u>6,327</u>	<u>357,554</u>	<u>(136,586)</u>	<u>227,295</u>

## 9. Other receivables

	2021	2020
	RM	RM
Other receivables	234,792	330,236
Deposits	498,058	181,237
Prepayments	<u>197,231</u>	<u>275,925</u>
	<u>930,081</u>	<u>787,398</u>

Other receivables mainly consist of accruals of fixed deposits income amounting to RM230,302 (2020: RM326,729) and other debtors amounting to RM4,490 (2020: RM3,507).



## 10. Fixed deposits with financial institutions

The fixed deposits' interest rates range from 1.5% to 2% (2020: 1.5% to 3.19%) per annum and the tenure ranges from 2 to 365 days (2020: 2 to 365 days) respectively.

## 11. Other payables

	2021	2020
	RM	RM
Other payables	150,511	136,472
Accruals		
- Staff bonus and benefit	1,092,122	1,131,837
- Others	219,835	202,570
Advance billings	1,039,632	707,677
Deferred revenue	50,555	205,391
	<u>2,552,655</u>	<u>2,383,947</u>

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

	2021	2020
	RM	RM
At 1 January	17,480,366	16,647,967
Transfer from accumulated fund	874,018	832,399
At 31 December	<u>18,354,384</u>	<u>17,480,366</u>

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 SC 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 SC.

### 14. Lease liabilities

	2021	2020
	RM	RM
At 1 January	507,526	1,082,714
Addition	1,685,008	-
Accretion of interest	17,618	38,516
Payments	(609,950)	(613,704)
At 31 December	<u>1,600,202</u>	<u>507,526</u>
Analysed as:		
Non-current	967,274	4,704
Current	632,928	502,822
	<u>1,600,202</u>	<u>507,526</u>

### 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

	2021	2020
	RM	RM
Interest income	895,532	1,201,134
Sundry income	11,569	10,982
	<u>907,101</u>	<u>1,212,116</u>

## 17. Administration expenses

	2021	2020
	RM	RM
Auditors' remuneration	44,000	40,500
Depreciation of property, plant, equipment and leased assets	858,876	855,421
Amortisation of intangible assets	116,780	129,502
Lease interest expense	17,618	38,516
Key management personnel compensation (Note 20)	1,918,673	1,892,513
Other project expenses	33,964	34,586
Conference expenses	301,496	-
Examination expenses	799,233	739,188
Loss on disposal of property, plant and equipment	58	-
Attendance fees		
- Directors	395,500	370,500
- Subject Matter Experts	10,000	9,000
Annual allowance of Public Interest Directors and Chairman	<u>107,000</u>	<u>103,000</u>

## 18. Staff Costs

	2021	2020
	RM	RM
Staff costs (excluding Directors)	<u>8,990,319</u>	<u>8,416,495</u>

Included in staff costs (excluding Directors) are:

- (i) contributions made to the Employees Provident Fund under a statutory contribution plan for the Federation amounting to RM903,140 (2020: RM864,679).
- (ii) contributions made to registered Private Retirement Scheme for eligible employees of the Federation amounting to RM81,033 (2020: RM66,230).

## 19. Taxation

	2021	2020
	RM	RM
<b>Current tax:</b>		
- Current year	238,300	243,645
- Under/(Over) provision in prior years	17,388	(231,091)
	<u>255,688</u>	<u>12,554</u>
<b>Deferred tax (Note 8):</b>		
- Relating to origination & reversal of temporary differences	17,260	(61,580)
- Relating to increase in Malaysian income tax rate	(16,282)	-
- Under provision in prior years	15,640	14,250
	<u>16,618</u>	<u>(47,330)</u>
<b>Tax expense/(income) for the financial year</b>	<u>272,306</u>	<u>(34,776)</u>

Income tax is calculated at the statutory tax rate of 28% (2020: 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:

	2021	2020
	RM	RM
Excess of revenue over expenditure	2,828,551	2,087,660
On the first RM1.0mil / RM600,000 of chargeable income	237,450	134,650
28% (2020: 26%) on the balance of chargeable income	511,994	386,792
Effect on opening deferred tax of increase income tax rate	(16,282)	-
Expenses not deductible for tax purposes	171,629	119,705
Tax exempt income	(665,513)	(459,082)
Under/(Over) provision of current taxation in prior years	17,388	(231,091)
Under provision of deferred taxation in prior years	15,640	14,250
<b>Tax expense/(income) for the financial year</b>	<u>272,306</u>	<u>(34,776)</u>

\* 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 28% (2020: 26%) and the scale rates applicable to the Federation.

## 20. Key management personnel compensation

	2021	2020
	RM	RM
Other key management personnel		
- Short term employee benefit	<u>1,918,673</u>	<u>1,892,513</u>

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

	2021		2020	
	Amortised cost/other financial liabilities	Total	Amortised cost/other financial liabilities	Total
	RM	RM	RM	RM
<b>Financial assets</b>				
Other receivables	930,081	<u>930,081</u>	787,398	787,398
Fixed deposits with financial institution	47,883,411	<u>47,883,411</u>	44,243,502	44,243,502
Cash and bank balances	378,989	<u>378,989</u>	1,305,663	1,305,663
	<u>49,192,481</u>	<u>49,192,481</u>	<u>46,336,563</u>	<u>46,336,563</u>
<b>Financial liabilities</b>				
Other payables	2,552,655	<u>2,552,655</u>	2,383,947	2,383,947
Lease liabilities	1,600,202	<u>1,600,202</u>	507,526	507,526
	<u>4,152,857</u>	<u>4,152,857</u>	<u>2,891,473</u>	<u>2,891,473</u>

### Financial risk management objectives and policies

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

#### (a) Credit risk

The Federation's exposure to credit risk arises mainly from receivables. Receivables are monitored on an on-going basis via management reporting procedure and action is taken to recover debts when due. At reporting date, there was no significant concentration of credit risk. The maximum exposure to credit risk for the Federation is the carrying amount of the financial assets shown in the statement of financial position.

#### (b) Liquidity and cash flow risk

The Federation's exposure to liquidity risk arises from its other payables and lease liabilities.

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.

	On demand or within 1 year RM	More than 1 year RM	Total RM
<b>2021</b>			
Other payables	2,552,655	-	2,552,655
Lease liabilities	632,928	967,274	1,600,202
	<u>3,185,583</u>	<u>967,274</u>	<u>4,152,857</u>
<b>2020</b>			
Other payables	2,383,947	-	2,383,947
Lease liabilities	4,704	502,822	507,526
	<u>2,388,651</u>	<u>502,822</u>	<u>2,891,473</u>

## 22. Capital management

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

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 2021 were authorised for issue in accordance with a resolution of the Board of Directors on 17 March 2022.

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# Miscellaneous

**Abbreviations and Acronyms**

**Notice of AGM**

**Reply Slip**

**Proxy Form**



# Abbreviations & Acronyms

AAR	Alternative Appointed Representative
AC	Appeal Committee
ACR	Annual Compliance Review
AGM	Annual General Meeting
AOIFA	Asia Oceania Investment Funds Association
AR	Appointed Representative
ARC	Audit and Risk Committee
AUM	Asset Under Management
BNM	Bank Negara Malaysia
CDS	Centralised Database System
CEO	Chief Executive Officer
CeIO	Certified Integrity Officer
CIS	Collective Investment Scheme
CMCS	Capital Market Cyber Simulation
CMSA	Capital Markets and Services Act 2007
COE	Code of Ethics
COI	Conflict of Interest
CPD	Continuing Professional Development
CPRA	Corporate PRS Adviser
CPRE	Computerised PRS Examination
CUTA	Corporate Unit Trust Adviser
CUTE	Computerised Unit Trust Examination
DA	Distributor Administrator
DC	Disciplinary Committee
DCT	Dealing Cut-Off Time
DOSH	Department of Occupational Safety and Health
ECL	Expected Credit Losses
EIR	Effective Interest Rate
EPF	Employees Provident Fund
EPF-MIS	Employees Provident Fund - Members Investment Scheme
EPF e-MIS	EPF e-Members Investment Scheme
ERP	Enterprise Resource Planning
ESG	Environmental, Social and Corporate Governance
ETF	Exchange Traded Fund
FEN	Financial Education Network
FIMM	Federation of Investment Managers Malaysia
FIMMAC	FIMM Annual Convention
FMUTM	Federation of Malaysian Unit Trust Managers
FPAM	Financial Planning Association of Malaysia
FSI	Foreign Sourced Income
FVOCI	Fair Value through Other Comprehensive Income
FVTPL	Fair Value through Profit or Loss
HR	Human Resource
IBFIM	Islamic Banking Finance Institute Malaysia
IDC	Industry Development Committee

IES	Investment Education Series
IESBA	International Ethics Standards Board for Accountants
iFVE	Interim FIMM Virtual Examination
IHNS	Incident Handling and Network Security
IIFA	International Investment Funds Association
IMS	Investment Management Standards
ICT	Information Communication Technology
IPD	Institusi Pengurusan Dana
IPRA	Institutional PRS Advisers
IT	Information Technology
IUTA	Institutional Unit Trust Adviser
MAAM	Malaysian Association of Asset Managers
MACA	Akademi Pencegahan Rasuah Malaysia
MACC	Malaysian Anti-Corruption Commission
MFPC	Malaysian Financial Planning Council
MFRS	Malaysian Financial Reporting Standards
NRC	Nomination and Remuneration Committee
PID	Public Interest Directors
PN	Practice Notes
PRA	Post-Registration Assessment
PRS	Private Retirement Scheme
PRSF	PRS Familiarisation Programme
PRSCC	Private Retirement Scheme Sub-Committee
PRSP	PRS Provider
RC	Regulatory Committee
REIT	Real Estate Investment Trust
RM	Ringgit Malaysia
RMMF	Retail Money Market Fund
SC	Securities Commission Malaysia
SDG	Sustainable Development Goals
SOP	Standard Operating Procedure
SRO	Self-Regulatory Organisation
SSHSB	Securities Services Holding Sdn Bhd
TOR	Terms of Reference
UBO	Ultimate Beneficial Owner
UTMC	Unit Trust Management Company
UTS	Unit Trust Scheme
WFH	Work from Home
WSF	Wholesale Fund
YoY	Year-Over-Year



## NOTICE OF ANNUAL GENERAL MEETING

**NOTICE IS HEREBY GIVEN THAT** the Twenty-Eighth Annual General Meeting (28<sup>th</sup> AGM) of the Federation of Investment Managers Malaysia (FIMM) will be held **on a virtual** basis on the date, time and venue as set out below:

**Date** : Thursday, 23 June 2022  
**Time** : 10:00 A.M.  
**Venue (for Members)** : MICROSOFT TEAMS Virtual Conferencing  
**Broadcast Venue** : Boardroom of FIMM  
Unit No. 19-06-01, 6th Floor, Wisma Tune  
No. 19, Lorong Dungun, Damansara Heights  
50490 Kuala Lumpur

Members will be able to attend the said 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 as **Appendix A** of this Notice).

The 28<sup>th</sup> AGM will be held for the following purposes:

### AGENDA

1. To receive the Audited Financial Statements for the financial year ended 31 December 2021 and the reports of the Directors and Auditors thereon. **Notification**  
  
**Refer to Explanatory Note 1**
2. To re-appoint Ernst & Young PLT as Auditors of FIMM to hold office until the conclusion of the next Annual General Meeting (AGM) of FIMM and 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 *Article 29(c) of FIMM's Article of Association (Constitution)*. **Ordinary Resolution 2**  
  
**Refer to Explanatory Note 2**
4. (a) To note the total attendance fee of RM395,500.00 paid to members of the Board of Directors (Board) and Committees for meeting attendance and the total attendance fee of RM10,000.00 paid to non-members of the Board for Committee meeting attendance in the year 2021. **Notification**  
  
(b) To note the total annual allowance of RM36,000.00 and RM71,000.00 paid to the Chairman and Public Interest Directors, respectively, for the year 2021. **Notification**

**Refer to Explanatory Note 3**

5. To approve the estimated payment of RM606,000.00 for allowances and meeting attendance fees to be paid to the Directors from 24 June 2022 until the conclusion of the next AGM in 2023. **Ordinary Resolution 3**

***Refer to Explanatory Note 4***

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

By Order of the Board,

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

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

Company Secretaries

Dated: 1 June 2022

**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 2021**

This Agenda item is meant for discussion only, as the provision of *Section 340(1)(a) of the Companies Act, 2016* does not require 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**

Pursuant to *Article 29(c) of FIMM's Constitution*, Members' approval is required for Dato' Mohd Sallehuddin bin Othman who has attained the age of 70 years to hold office until the conclusion of the next AGM in 2023.

**3. Directors' fees and allowances**

- (a) Attendance fee paid to the members of the Board for attending Board and Board Committee meetings in 2021 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 Director in the year 2021 are as follows:

- Monthly allowance of RM3,000.00 for Chairman.
- Monthly allowance of RM1,000.00 for each Public Interest Director.
- Fee of RM500.00 for each Public Interest Director's attendance at any official meeting/dialogue.

4. **Ordinary Resolution 3 – Estimated Payment to the Directors from 24 June 2022 until the conclusion of the next AGM in 2023**

(a) Attendance fees to be paid to the members of the Board for attending Board and Board Committee meetings from 24 June 2022 until the conclusion of the next AGM in 2023 are as follows:

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

(b) Allowance and fee to be paid to the Chairman and each Public Interest Director from 24 June 2022 until the conclusion of the next AGM in 2023 are as follows:

- Monthly allowance of RM3,000.00 for the Chairman.
- Monthly allowance of RM1,000.00 for each Public Interest Director.
- Fee of RM500.00 for each Public Interest Director's attendance at any official meetings/dialogues

Last date and time for lodging the instrument appointing a proxy : Tuesday, 21 June 2022 at 10.00 a.m.

## **APPENDIX A**

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

1. In view of the on-going Covid-19 health concerns and subsequent measures being taken, Members are invited to participate at the FIMM's 28th 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 28th 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 2022, 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 email your Proxy Form to [ley.theng.tan@sshbs.com.my](mailto:ley.theng.tan@sshbs.com.my) / [hui.tian.tee@sshbs.com.my](mailto:hui.tian.tee@sshbs.com.my) by 10:00 a.m. on 21 June 2022.
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 28<sup>th</sup> AGM remotely.

### **Participation and Voting**

6. As notified earlier, Members who wish to participate and vote at the 28th AGM must revert with your reply slip (inclusive of your email address and mobile number) to FIMM via email ([belinda@fimm.com.my](mailto:belinda@fimm.com.my) or [vivian.bong@fimm.com.my](mailto:vivian.bong@fimm.com.my) ) by 10:00 a.m. on 21 June 2022.
7. Upon receipt and verification of said 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 28th AGM.

### **Enquiry**

8. For any further enquiries prior to the general meeting, kindly contact the following officers via email:

	<b>Name</b>	<b>Designation/Department</b>	<b>Contact Email</b>
a)	Mr. Jegatheesan Govintharaj	Senior Manager, Legal & Regulatory Affairs	<a href="mailto:jegatheesan@fimm.com.my">jegatheesan@fimm.com.my</a>
b)	Ms. Belinda Yeo	Manager, Secretarial	<a href="mailto:belinda@fimm.com.my">belinda@fimm.com.my</a>
c)	Ms. Vivian Bong	Senior Executive, Secretarial	<a href="mailto:vivian.bong@fimm.com.my">vivian.bong@fimm.com.my</a>





**REPLY SLIP\***

**PLEASE REPLY BY TUESDAY, 21 JUNE 2022**

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](mailto:belinda@fimm.com.my) / Vivian Bong [vivian.bong@fimm.com.my](mailto:vivian.bong@fimm.com.my)]

Dear Chief Executive Officer,

**TWENTY-EIGHTH (28TH) 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. / Passport No. : \_\_\_\_\_

Designation : \_\_\_\_\_

Name of Company : \_\_\_\_\_

Contact No. : \_\_\_\_\_

Email Address : \_\_\_\_\_  
(For MS Teams Registration)

Date : \_\_\_\_\_

*\*In view of the on-going Covid-19 health concerns and subsequent measures being taken, kindly submit your **e-signed/scanned copy of the reply slip via email**; scanned physical copies may subsequently be delivered to our office for record purposes.*



**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./REGISTRATION NO.)

Of \_\_\_\_\_

(COMPANY NAME IN BLOCK LETTERS)

being the Authorised Representative of the Member [being a Member of Federation of Investment Managers Malaysia (FIMM)] HEREBY APPOINT the **\*Chairman of the Meeting or**

FULL NAME (IN BLOCK LETTERS)	
NRIC/PASSPORT NO. (IN BLOCK LETTERS)	
CONTACT NO.	
EMAIL ADDRESS (FOR MS TEAMS EMAIL INVITATION)	
COMPANY NAME & ADDRESS (IN BLOCK LETTERS)	

(being a person entitled to vote at a general meeting of FIMM in accordance with and subject to *FIMM's Articles of Association*) as my proxy to vote for me on my behalf at the Twenty-Eighth (28th) 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 Thursday, 23 June 2022 at 10.00 a.m.** or any adjournment thereof \*for/against of that meeting.

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

Resolutions	For	Against
<b>Ordinary Resolution 1</b> To re-appoint Ernst & Young PLT as Auditors of FIMM to hold office until the conclusion of the next Annual General Meeting (AGM) of FIMM and authorise the Directors to fix their remuneration.		

<p><b>Ordinary Resolution 2</b> 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 (Constitution)</i>.</p>		
<p><b>Ordinary Resolution 3</b> To approve the estimated payment of RM606,000.00 for allowances and meeting attendance fees to be paid to the Directors from 24 June 2022 until the conclusion of the next AGM in 2023.</p>		

*\*strike out whichever is not applicable*

Signed this \_\_\_\_ day of \_\_\_\_\_ 2022.

\_\_\_\_\_  
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.
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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) or email your Proxy Form to [ley.theng.tan@sshbsb.com.my](mailto:ley.theng.tan@sshbsb.com.my) / [hui.tian.tee@sshbsb.com.my](mailto:hui.tian.tee@sshbsb.com.my) not less than forty-eight (48) hours before the time appointed for holding the meeting or at any adjournment thereof.

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Last date and time for lodging the instrument appointing a proxy: Tuesday, 21 June 2022 at 10:00 a.m.

(Attn: Ms. Tan Ley Theng/Ms. Jessica Tee)  
(email: [ley.theng.tan@sshbsb.com.my](mailto:ley.theng.tan@sshbsb.com.my) / [hui.tian.tee@sshbsb.com.my](mailto:hui.tian.tee@sshbsb.com.my))  
(Tel No.: 03-2084 9000; Fax No.: 03-2094 9940)

**PROXY FORM**

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STAMP

The Company Secretaries

**FEDERATION OF INVESTMENT MANAGERS MALAYSIA**

Registration No. 199301017839 (272577-P)

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

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**Federation of Investment Managers Malaysia**  
(Company No. 199301017839 (272577-P))

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



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FIMMOfficial



Federation of Investment Managers  
Malaysia (FIMM)