

(Company No. 272577 - P)

INVESTMENT MANAGEMENT STANDARDS

LIST OF ISSUANCES

IMS No		Issuance date	Effective date	Remarks
1	Dealing Cut-Off Time for Unit Purchases and Redemptions	8 September 2005	1 October 2005	Remain as IMS 1
2	Forward Pricing to Be Adopted by New Unit Trust Schemes	Repealed on 1 March 2022		Subsumed under the SC's *Guidelines on Unit Trust Funds* (GUTF)
3	Valuation For Unit Trust Schemes / Private Retirement Schemes with Foreign Portfolio	Repealed on 1 March 2022		Subsumed under the SC's GUTF
4	Exchange Rate to Be Adopted for Unit Trust Schemes / Private Retirement Schemes with Foreign Portfolio	Repealed on 1 March 2022		Subsumed under the SC's GUTF
5	Publication of Funds' Net Asset Value Per Unit	Issued as Circular on 19 November 2026 *Ref No. ID/ALL/CML-JW-AK/049-26*		Converted from IMS 5 to best practices
6	Single Pricing Regime - Minimum Disclosure Standard in the Unit Purchase and Redemption Confirmation Statements	17 May 2007	1 July 2007	Renumbered from IMS 6 to IMS 2
7	Incorrect Pricing of Unit Trust Schemes / Private Retirement Schemes Units: Correction and Reimbursement	Repealed on 1 March 2022		Subsumed under the SC's GUTF
8	Creation of Units Purchased under the Employees Provident Fund Members' Investment Scheme	Not introduced		-
9	Measurement and Disclosure of Return Volatility for Funds	27 February 2009	1 May 2009	Renumbered from IMS 9 to IMS 3
10	Controls and Governance for Investor Protection	19 November 2026	1 July 2027	New IMS 4

LIST OF REVISION

Revision Series	Revision date	Effective date of revision
1st Revision	19 November 2026	1 July 2027

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INTRODUCTION

The IMS are issued by FIMM to advance and advocate the interests of investors and the industry. The IMS aim to facilitate operational efficiency and provide clarity on the applicable requirements by prescribing the standards for Members and Distributors to comply with.

1.0 DEFINITIONS

1.1 Unless the context otherwise requires or the contrary intention appears, all words used in the IMS shall have the following meaning:

confirmation statement	refers to unit purchase and redemption confirmation statement;
COE	means Code of Ethics issued by FIMM;
CMSA	means *Capital Markets and Services Act 2007;*
CPRA	means Corporate PRS Adviser, a licensed financial planner, insurance and Takaful broker registered with FIMM and authorised to market and distribute private retirement schemes of another party;
CUTA	means Corporate UTF Adviser, a licensed financial planner registered with FIMM and authorised to market and distribute unit trust schemes of another party;
DCT	means dealing cut-off time;

Disclosure Notice	means any document containing information of a Fund, made available to facilitate the informed decision-making of an investor, and include the following: (a) Fund fact sheet; and (b) Any other advertising and promotional materials, including a Fund's performance figures. This is to be read together with the requirements as set out in *Schedule A* of the *GUTF* and the *Guidelines on Advertising for Capital Market Products and Related Services* issued by the SC*;*
Distributors	means a collective group comprising of IUTA, IPRA, CUTA and CPRA;
EPF	means Employees Provident Fund established under the *Employees Provident Fund Act 1991*;
FIMM	means Federation of Investment Managers Malaysia, a self-regulatory organisation recognised by the SC under section 323(1) of the CMSA;
FPRO	refers to a Fund Performance Rating Organisation appointed by FIMM;
Fund	means a unit trust fund or a fund in a private retirement scheme that is primarily regulated in Malaysia and "Funds" refer to a unit trust fund and a fund in a private retirement scheme collectively;
GUTF	means the *Guidelines on Unit Trust Funds* issued by the SC;
IMS	means the Investment Management Standards issued by FIMM;
IPRA	means Institutional PRS Adviser, a corporation registered with FIMM and authorised to market and distribute private retirement schemes of another party;
IUTA	means Institutional UTF Adviser, a corporation registered with FIMM and

	authorised to market and distribute unit trust schemes of another party;
Member	means a corporation or an organisation registered as a member in the Register of Members of FIMM. In this regard, unit trust management companies (UTMC) and private retirement scheme providers (PRSP) are collectively referred to as "Members";
NAV	means net asset value;
PRS	means private retirement scheme. In this regard, "private retirement scheme" has the same meaning assigned to it in the CMSA;
SC	means the Securities Commission Malaysia established under the *Securities Commission Malaysia Act 1993;*
SOP	means standard operating procedures;
UTF	means unit trust fund;
VP	means valuation point;
Volatility Class	means the ranking of qualified Funds by their Volatility Factor into 5 classes as follows: (a) Very Low (b) Low (c) Moderate (d) High (e) Very High
Volatility Factor	means a number calculated based on a methodology prescribed by FIMM in relation to the sensitivity of the portfolio returns of a Fund to changes in market conditions and the general economy.

2.0 APPLICABILITY

2.1 The IMS are issued pursuant to Rule 2.2.2 (a) of the FIMM's Consolidated Rules.

2.2 Unless exemption or variation has been given by FIMM, the IMS are applicable to, and must be complied with by Members, where specified, and to Distributors in relation to the distribution of Funds, where applicable.

2.3 The revised IMS will supersede all IMS previously issued by FIMM and all amendments, variations and substitutions made thereto.

3.0 CONTROLS AND RECORD KEEPING

3.1 The person to whom the IMS are applicable to must have well-defined policies and procedures, controls and proper records in place to ensure that the requirements of the IMS are met, regardless of whether some or all of the functions have been outsourced to another party.

3.2 All pertinent records must be maintained and made available for a period of 7 years from the date of the respective transaction. These records must be maintained in such manner that allows for convenient and proper review.

4.0 EXEMPTION OR VARIATION

4.1 Members and Distributors seeking an exemption or variation from complying with any or all parts of these IMS are required to provide relevant information, including reasons for such exemption or variation and procedures or controls that are in place that can effectively prevent possible arbitraging activities. FIMM may require Members and Distributors to submit or make available other information to support the exemption or variation application.

4.2 All application for exemption or variation must be in writing and submitted by hand, registered post, courier or electronic mode. Such submission must be accompanied by a cover letter and addressed to:

Chief Executive Officer
Federation of Investment Managers Malaysia
19-06-1, 6th Floor, Wisma Capital A
No. 19, Lorong Dungun
Damansara Heights
50490 Kuala Lumpur

5.0 FEES

5.1 An application for exemption or variation from any of the requirements in the IMS must be submitted with non-refundable processing fee as may be determined from time to time by FIMM.

6.0 RELATED PROVISIONS

6.1 For avoidance of doubt, the stipulated requirements in the IMS are in addition to any requirement imposed on Members and Distributors under the applicable law. The contents of the IMS do not intend to derogate from any such legal provisions. Compliance with the IMS do not relieve Members and Distributors from other obligations which may be imposed on them under any other written law or by any other relevant regulator or agency.

6.2 Where the submission of any report, document or notification is made electronically to FIMM, such submission can be made via email or other electronic mode as may be specified by FIMM.

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IMS 1: DEALING CUT-OFF TIME FOR UNIT PURCHASES AND REDEMPTIONS

1.0 BACKGROUND

1.1 Under the forward pricing regime, requests for unit purchases and redemptions by investors are accepted each day up to the Fund's DCT and are processed using the same day-end's NAV prices. Buy and sell orders received after the DCT will be processed based on the next day-end's NAV.

1.2 The DCT is determined by the Members at either the same time as the VP or earlier than the VP.

1.3 In cases where Members set the DCT at the same time as the VP, it results in the trustee receiving the instruction for creation and cancellation of units after the VP. Instructions to the trustee after the VP for creation and cancellation of units using the price of the same day-end's NAV do not comply with guidelines issued by the SC[1].

2.0 OBJECTIVE

2.1 This IMS standardises the DCT for the receipt of applications for purchases and redemptions of units of Funds.

3.0 REQUIREMENTS ON STANDARDISED DCT

3.1 Members must set the DCT to receive applications for purchases and redemptions, including for units under the EPF Members Investment Scheme, using the same day-end's pricing to be no later than 4.00 p.m. on each business day.

3.2 Applications received after the DCT will be processed based on the next day-end's NAV.

3.3 These requirements are also applicable to fund switching and unit transfers.

4.0 RECORDS AND CONTROLS

4.1 Members must establish and maintain well-defined internal policies and procedures, controls and proper records for clear segregation of application for unit purchases or redemptions received before and after DCT via any mode, including electronic means.

[1] Guidelines issued by SC provides that the creation and cancellation of units must be at NAV per unit of the fund as at the next VP after an instruction is received by the trustee.

5.0 DISCLOSURE

5.1 Information on DCT for purchases and redemptions of Funds, including the EPF Members Investment Scheme must be disclosed in the UTF's prospectus and PRS' disclosure document as well as other Disclosure Notice.

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IMS 2: SINGLE PRICING REGIME - MINIMUM DISCLOSURE STANDARD IN THE UNIT PURCHASE AND REDEMPTION CONFIRMATION STATEMENTS

1.0 BACKGROUND

1.1 The adoption of a single pricing regime provides greater clarity on the cost incurred by investors for investing in Funds. In addition, the requirement to disclose the maximum sales charge for each distribution channel in the UTF's prospectus and PRS' disclosure document offers greater transparency to investors.

2.0 OBJECTIVE

2.1 In line with the purpose of increasing transparency on the sales or redemption charges paid by investors, this IMS specifies the minimum contents to be disclosed in the confirmation statements issued by Members, IUTA and IPRA to investors for confirmation of transaction of unit purchased or redeemed.

3.0 GENERAL DISCLOSURE REQUIREMENTS IN CONFIRMATION STATEMENTS

3.1 The disclosure obligation in this IMS must be regarded as a minimum requirement. Members, IUTA and IPRA are required to disclose any other information that is important and relevant where investors would reasonably require and expect to find in the confirmation statement for the purpose of understanding the charges paid for their investment.

3.2 Members, IUTA and IPRA must ensure the following in the preparation of the confirmation statement:

(a) Use common and consistent terminology. Members, IUTA and IPRA must, where possible, label the charges that are consistent with those disclosed in the UTF's prospectus and PRS' disclosure document; and

(b) The information must be presented in a simple format. The required disclosure items as specified in paragraph 4.1 must be accurate and consistent with other related items disclosed in the confirmation statement, where applicable, and easily reconciled by investors with minimum explanation.

3.3 Members, IUTA and IPRA may decide the best layout and presentation for the confirmation statement in line with the service levels provided to investors while ensuring easy reference and understanding of the charges paid by investors for their investment.

3.4 These requirements are also applicable to fund switching and unit transfers.

4.0 SPECIFIC DISCLOSURE REQUIREMENTS IN CONFIRMATION STATEMENTS

4.1 Members, IUTA and IPRA must include the following:

(a) Selling price or redemption price of a unit (i.e. the NAV per unit);
(b) Sales or redemption charge in percentage terms (%);
(c) Total amount invested in or redeemed from the Funds;
(d) Total number of units purchased or redeemed;
(e) Amount paid as sales or redemption charge (in Ringgit or other currency denomination, where applicable);
(f) Total amount paid by or to investor.

For illustration, please refer to Example 1 and Example 2 below.

4.2 Where there are no values to be disclosed for any of the above information, the word “nil” or any other word or figure to the same effect must be inserted.

Example 1:

(i) Amount invested by investor: RM10,000.00
(ii) Unit NAV: RM1.0000
(iii) Sales charge: 5%

Amount invested by investor	= RM10,000.00
Less: Sales charge paid @ 5% of unit NAV	= RM 476.19
Total number of units purchased by investor	**= 9,523.81 units**

Example 2:

(i) Number of units redeemed by investor: 5,000 units
(ii) Unit NAV: RM1.0000
(iii) Redemption charge: 1.5%.

Amount redeemed by investor	= RM5,000.00
Less: Redemption charge paid @ 1.5% of unit NAV	= RM 75.00
Total amount paid to investor	**= RM4,925.00**

5.0 RECORDS AND CONTROLS

5.1 Members, IUTA and IPRA must ensure that confirmation statements are made available to investors no later than the tenth (10th) business day following the transaction date.

5.2 Members, IUTA and IPRA must establish and maintain well-defined policies and procedures, controls and proper records to ensure that the minimum disclosure requirements of this IMS are complied with.

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IMS 3: MEASUREMENT AND DISCLOSURE OF RETURN VOLATILITY FOR FUNDS

1.0 BACKGROUND

1.1 As part of the efforts in educating investors, Members, IUTA and IPRA are required to disclose the Volatility Factor and the relevant Volatility Class of a Fund that provide an indication to investors on how volatile the returns of the Fund had fluctuated in the past.

1.2 Currently, the Volatility Class together with the Volatility Factor for a Fund are reported by the FPRO on bi-annual basis.

1.3 IMS 3 has been updated to incorporate 2 key changes:

(a) Revision of the reporting frequency for the Volatility Class of a Fund from bi-annual to monthly (please refer to paragraph 6.4); and

(b) Introduction of a new requirement to include a disclaimer in all Disclosure Notice, informing investors where to obtain the latest Volatility Factor and Volatility Class of a Fund (please refer to paragraph 7.1(b)).

2.0 OBJECTIVE

2.1 This IMS aims to prescribe a standard format for measuring and disclosing the return volatility to provide investors with information regarding the volatility characteristics of a Fund.

3.0 APPLICABILITY

3.1 IMS 3 is applicable to Members, IUTA and IPRA which are required to disclose the Volatility Factor and its relevant Volatility Class in the Disclosure Notice.

3.2 Notwithstanding paragraph 3.1, the disclosure of Volatility Factor and its relevant Volatility Class is not required in:

(a) notices published through sound broadcasting, film or television; or

(b) notices that do not include investment performance figures for Funds.

3.3 These requirements apply to Funds that have been launched for at least 36 months.

3.4 Notwithstanding paragraph 3.3, IMS 3 does not apply to the following:

(a) Wholesale funds; and

(b) Funds that have obtained specific written exemption from FIMM.

3.5 However, where the funds in paragraph 3.4 that have been launched for at least 36 months opt to disclose the Volatility Factor and Volatility Class, these funds are required to comply with these requirements.

4.0 FUND RETURN VOLATILITY AND LIMITATION

4.1 The Volatility Factor is computed by the FPRO according to the following requirements prescribed by FIMM:

(a) The methodology relies solely on quantitative measurement on return volatility. It excludes qualitative factors such as portfolio concentration, investment style, peer group comparison based on sector or asset classes and skills of fund managers; and

(b) The Volatility Factor and relevant Volatility Class for respective Funds will be assigned by the FPRO.

4.2 Notwithstanding paragraph 4.1, this IMS is NOT intended to:

(a) Replace the due diligence and know-your-client procedures already put in place by Members, IUTA and IPRA. Those procedures must continue to be applied in order to understand, among others, the investors' financial needs and risk profile and assess the suitability of each investment before making any recommendation to investors; and

(b) Serve as a comprehensive measure in determining the consistency in return performance of Funds.

5.0 MEASURING FUND VOLATILITY FACTOR

5.1 Volatility Factor is the annualised standard deviation on Funds' month-end returns for the past 36 months, whereas standard deviation is a measure of the dispersion of a set of data from its mean. While it is recognised that any single measure has limitation, standard deviation is used as the measurement for Funds' volatility as it is a widely recognised method for assessing risk, capturing both upside and downside volatility.

5.2 Formula:
Standard deviation = $\sqrt{A}$

where:

$$A = \frac{\sum_{i=1}^{N} (Xi - \mu)^2}{N-1}$$

Xi = month-end total return for the *ith* month
N = number of month-end total returns in the period
μ = the mean of the month-end total returns for the period

Annualised standard deviation = $\sqrt{\text{number of months per year}}$ x standard deviation.

5.3 Total returns after adjustment for income distributions and unit-splits are used for the formula in paragraph 5.2.

6.0 DETERMINATION OF VOLATILITY CLASSES

6.1 The Volatility Classes are established by ranking all qualified Funds by their Volatility Factor in ascending order. These are then divided into 5 Volatility Classes.

6.2 Specifically,

(i) The lowest 20% of all qualified Funds are categorised as “Very Low”;
(ii) The next 20% are classified as “Low”;
(iii) The middle 20% fall into “Moderate”;
(iv) The following 20% are assigned as “High”; and
(v) The highest 20% is classified as “Very High”.

6.3 The bandings that separate each Volatility Class (i.e. volatility bandings) are dynamic and are based on the middle value of the adjacent Volatility Factors. For example, as of 31 December 20XX, the volatility bandings for the respective Volatility Classes are as follows:

Volatility Class	**Volatility Banding**
Very Low	0.000 ≤ Volatility Factor ≤3.939
Low	3.939< Volatility Factor ≤9.869
Moderate	9.869 < Volatility Factor ≤12.678
High	12.678 < Volatility Factor ≤14.638
Very High	Volatility Factor more than 14.638

6.4 The FPRO will update the Volatility Classes for respective Funds on a **monthly** basis, which will be made available to FIMM in the Malaysian Fund Volatility Report for dissemination to Members, IUTA and IPRA.

6.5 Members, IUTA and IPRA must disclose the appropriate Fund Volatility Factor and Volatility Class in the manner prescribed in paragraphs 7.0 and 8.0.

7.0 SPECIFIC DISCLOSURES OF FUND VOLATILITY FACTOR AND ITS RELEVANT VOLATILITY CLASS IN DISCLOSURE NOTICE

7.1 The Disclosure Notice must incorporate the following:

a) The most recent Volatility Factor and relevant Volatility Class, which must be not more than 6 months old. For example, a Disclosure Notice dated 31 January 2024 must not contain Volatility Factor and Volatility Class for periods ending **before** 31 July 2023;

b) A disclaimer, which must be prominently placed, to inform investors that the latest Volatility Factor and relevant Volatility Class can be obtained from Members, IUTA and IPRA's official websites or other means of communication; and

c) A description of the Volatility Factor and its relevant Volatility Class in narrative form including:

(i) A statement that the Volatility Factor and Volatility Class serves as a guide; and

(ii) A statement that Funds that have been launched in the market for at least 36 months will have the Volatility Factor and its relevant Volatility Class.

Please refer to paragraph 7.4 for sample disclosure statement.

7.2 The Volatility Factor and its relevant Volatility Class must include cross-referencing to the specific section of the Disclosure Notice.

7.3 If the Disclosure Notice makes reference to FIMM and the FPRO, the following information must be included:

(a) Describe the level or nature of involvement of FIMM and the FPRO;

(b) Clarify that the involvement of FIMM and the FPRO should not be construed as an endorsement or recommendation of the Fund; and

(c) State that FIMM and the FPRO do not guarantee the financial soundness of the Fund or the Member, IUTA and IPRA, nor do they verify the accuracy of any statements or opinions expressed in the Disclosure Notice.

7.4 The following disclosure statement must be included in the Disclosure Notice:

"[Name of Fund] has a Volatility Factor (VF) of [VF] as of [date] which reflects the sensitivity of its returns to changes in market conditions and the economy. It serves as a guide and indicates the potential for both positive and negative returns around this VF. [Name of FPRO] uses the VF to assess the [name of Fund]'s risk level, which is then categorised into a specific Volatility Class (VC). The VF and its VC are only displayed for Funds that have been in the market for at least 36 months."

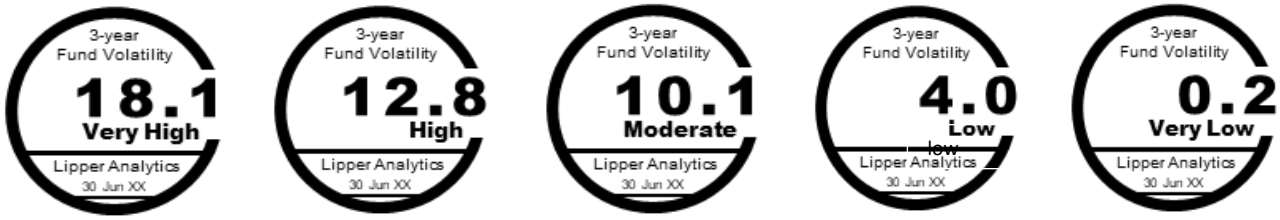
8.0 FORMAT AND USAGE FOR VOLATILITY ICON

8.1 The Volatility Factor and its relevant Volatility Class icon must be used correctly to ensure the uniformity, readability and usability across the Disclosure Notice.

8.2 Information on the icon and format must appear as follows:

(a) The icon consists of a fixed symbol featuring a variable value, volatility class banding and period of the rating of the Fund Volatility Factor and Fund Volatility Class as depicted in Figure 1 below:

Figure 1: Volatility Factor and Volatility Class Icon



(b) Colour of the icon
All black on a medium to light background or all white on a dark background.

(c) Font and value format for Volatility Factor and Volatility Class
(i) Font type: Arial black
(ii) Font size: The Volatility Factor and its relevant Volatility Class must be legible and is designed to be in proportion to the type sizes as illustrated in paragraph 8.2(a).
(iii) Number of decimal places: 1

8.3 The size of the icon is standardised to 1.5 cm in diameter.

8.4 Location

a) The icon is to be disclosed at the top right-hand corner of the cover, first page or first section of the Disclosure Notice;

b) Should the Disclosure Notice consist of returns of more than 1 Fund, the icon of the Volatility Factor and Volatility Class for the respective Funds can be placed in or next to the table of returns.

8.5 There must be reasonable amount of space provided around the icon. This area, referred to as the area of isolation, must remain clear of other graphic imagery, edges, folds and other visual elements.

8.6 A sample copy of the mock-up fund fact sheet is enclosed as **Appendix 1** for reference purposes.

8.7 Members, IUTA and IPRA are strictly prohibited from using the Fund Volatility icon or citing the FPRO as a source for Volatility Factor and its relevant Volatility Class for Funds that have not obtained:

a) the Volatility Factor as prescribed under the Definitions section; or

b) the Volatility Class as prescribed under the Definitions section.

9.0 RECORDS AND CONTROLS

9.1 Members, IUTA and IPRA are responsible for the preparation of the materials or any relevant portion of the materials and must be fully accountable for the accuracy, reliability and completeness of the Volatility Factor and its relevant Volatility Class as well as the disclosures in Disclosure Notice.

9.2 An original copy of the relevant Disclosure Notice with relevant disclosures may be requested by FIMM during annual compliance assessments.

10.0 TRAINING REQUIREMENTS

10.1 Members, IUTA and IPRA must provide training to its consultants to ensure their understanding and are able to explain the key concepts for Volatility Factor and its relevant Volatility Class to their investors.

10.2 Members must also ensure that both the Distributors and their consultants attend the trainings as specified in paragraph 10.1.

DEF FUND MANAGEMENT

Appendix 1
(Mock-Up for Fund Fact Sheet)

Fund Fact Sheet | 30 June 2008

GHI GROWTH FUND

3 year Fund Volatility **18.1** very high (1)

The investment objective is to seek capital growth by investing primarily in equities and equity related instruments in the Asian Region (excluding Malaysia).

Manager's Comments

The Fund depreciated by 8.2%, underperforming its index by 11bp. Contribution to underperformance came from Financials while overweight in Information Technology compensated partially for the underperformance.

YTD the Fund is down 19.5% with underperformance of 5.2%. Although, the worst effects of the credit crunch are behind us, the continued re-capitalizations of the US financial institutions from sub-prime provisions, may lead to earnings dilution and poor market performance. In Asia, growth is slowing even as exports to the US slow down. But growth should remain positive. Regional valuations have fallen below 5-year averages in many countries. Still, markets will only recover when the US market stabilizes.

The Fund remains underweight Japan (22.0%), and overweight S Korea (17.5%) and Philippines (9.0%). Financials (35.0%) and Information Technology (14.6%) are the largest weighted sectors.

The Fund decreased by 8.16% in June 2008 and the benchmark index decreased by 8.05% over the month.

Fund is Suitable for Investors Who

- have a long term investment horizon;
- want a well diversified portfolio of Asian region equities;
- can accept that investment returns may fluctuate significantly over the short term and may even be negative; and/or
- are willing to take higher risks in anticipation for potentially higher capital appreciation over the long term.

Asset Allocation



Sector

Construction	4.65%
Consumer Products	5.10%
Finance	27.10%
Industrial Products	27.91%
Plantations	0.33%
Properties	9.78%
TradingServices	19.64%
Cash	5.45%
Total	100.00%

Fund Details

Fund size (30 June 2008)	RM399.8 **million**
Unit NAV (30 June 2008)	RM1.0383
Fund Currency	Ringgit Malaysia
Fund Launch	1 March 2004
Fund Inception	1 March 2004
Domicile	Malaysia
Application Fee	Up to 6.50% of NAV per unit
Management Fee	1.85 % per annum
Trustee Fee	0.035% per annum (excluding foreign custodian fee) (min RM18,000 per annum)
Dealing	Daily (as per Bursa Malaysia trading day)
Investment Manager	DEF Fund Management Berhad
ISIN Code	MYU200Z009
Bloomberg Code	DEFGF MK

Yearly Returns (%)

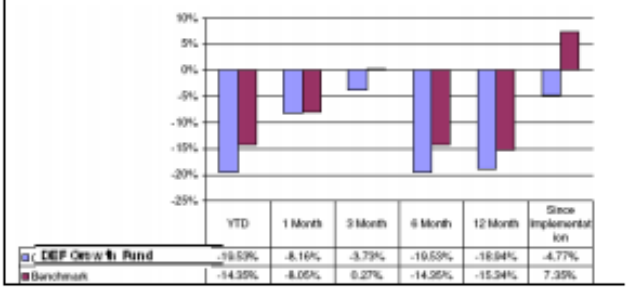
Year	Fund	Benchmark
2007	11.36	5.25

Risk Statistics

Beta	N/A
Standard Deviation	N/A
Information Ratio	N/A
Sharpe Ratio	N/A

3 year monthly data

Performance Record



Country Allocation and Investment Holdings

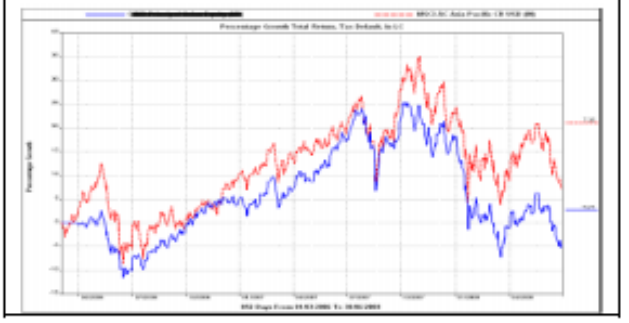
Country Allocation

Japan	21.87%
Korea	16.53%
Thailand	8.87%
Taiwan	8.77%
Philipines	7.99%
Singapore	7.81%
China	4.48%
Australia	4.12%
Bermuda	4.03%
Hong Kong	3.95%

10 Largest Holdings

Singapore Telecom Ltd Ord	Singapore	2.10%
Macquarie Korea Infra Fund Krw0	South Korea	2.03%
Samsung Electronics	South Korea	1.99%
Konica Minolta Holdings Inc	Japan	1.98%
Glow Energy Pcl-Foreign	Thailand	1.82%
Fujifilm Holdings Corp	Japan	1.72%
Capitacommercial Trust	Singapore	1.70%
Sompo Japan Insurance Inc	Japan	1.69%
Taiwan Semiconductor M Ord	Taiwan	1.67%
Mitsubishi Ufj Financial Gro Nov	Japan	1.67%

NAV to NAV (2)



(1) Based on the Fund's portfolio returns as at 30 June 2008, the Volatility Factor (VF) for this Fund is 18.1 and is classified as "very High" (source: Lipper). The VF means there is a possibility for the Fund in generating an upside return or downside return around this VF. The Volatility Class (VC) is assigned by Lipper based on quintile ranks of VF for qualified Funds with 20% of all qualified Funds with the lowest VF will be assigned "Very Low", the next 20% received a score of "Low", the middle 20% are classified as "Moderate", the next 20% are assigned "High" and the highest are classified as "Very High". VF is subject to monthly revision and VC will be revised every six months. The Fund's portfolio may have changed since this date and there is no guarantee that the Fund will continue to have the same VF or VC in the future. Presently, only Funds launched in the market for at least thirty-six (36) months will display the VF and its VC.

(2) March 2006 to June 2008. Performance data represents the combined income & capital return as a result of holding units in the Fund for the specific length of time, based on bid to bid prices. Earnings are assumed to be reinvested. Source: Lipper

We recommend that you read and understand the contents of DEF Fund Management Berhad's Master Prospectus Issue No. 12 dated 30 June 2008 which has been duly registered with the Securities Commission Malaysia before investing and that you keep the said Prospectus for your records. Any issue of units to which the Prospectus relates will only be made upon receipt of the completed application form accompanying the Prospectus, subject to the terms and conditions therein. Investments in the Fund are exposed to stock specific risk, company specific risk, country risk, currency risk, risk of assets in emerging markets and liquidity risk. You can obtain copies of the Prospectus from any of our offices. There are fees and charges involved in investing in the Fund. We suggest that you consider these charges carefully prior to making an investment. Unit prices and income distributions, if any, may fall or rise. Past performance is not reflective of future performance and income distributions are not guaranteed. You are also advised to read and understand the contents of the Unit Trust Loan Financing Risk Disclosure Statement before deciding to borrow to purchase units.

IMS 4: CONTROLS AND GOVERNANCE FOR INVESTOR PROTECTION (CGIP)

1.0 BACKGROUND

1.1 The requirement for standardised CGIP provides a structure to assist the industry in fostering good practices within their sales and operational functions by outlining the controls and governance aimed at safeguarding investors' interest. Members and Distributors have the flexibility to tailor their approaches to the controls and governance stipulated in this IMS to their risk appetites and tolerance levels.

2.0 OBJECTIVE

2.1 This IMS sets out a standardised CGIP to provide industry benchmark for Members and Distributors to adopt the following 5 requirements into their current operations:

(i) Implementation of control measures to address pre-signed and pre-thumb printed forms, and unauthorised transactions;

(ii) Inclusion of an additional field for investor's contact number in the EPF Form 9N (excluding PRSP, IPRA and CPRA);

(iii) Trainings and reminders to consultants;

(iv) Establishment of internal controls and disciplinary policies; and

(v) Fostering of investor education.

2.2 IMS 4 requires Members and Distributors to establish controls and monitoring systems efficiently to deter and mitigate potential misconduct or fraud that could occur during the pre-sales, during sales and post-sales phases.

2.3 Members and Distributors are given 6 months from the effective date of this IMS for the implementation of IMS 4.

3.0 REQUIREMENTS FOR CGIP

Implementation of control measures to address pre-signed and pre-thumb printed forms, and unauthorised transactions

3.1 Members and Distributors must implement the following control measures to address pre-signed and pre-thumb printed forms, and unauthorised transactions:

(a) Investor onboarding and post investor onboarding conduct

Members and Distributors must incorporate control measures in their SOP to curb the submission of pre-signed and pre-thumb printed forms that may occur at the pre-sales, during sales and after-sales stages.

Members and Distributors must ensure that signed or thumb printed forms intended for any investment, redemption, transfer and switching of UTF or PRS (i.e. transaction forms) that are dated must be submitted for processing at the distribution points of the respective Members and Distributors within 3 business days.

*(*b) Call-back procedures for cash transactions[2]

For avoidance of doubt, cash transactions refer to:

(i) Non-EPF-Members Investment Scheme transactions; and

(ii) New investments, redemptions, transfers and switching transactions.

Members and Distributors must implement effective call-back procedures to authenticate cash transactions from investor. The SOP must, at minimum, include the following controls:

i. Pre-determined internal threshold – Clearly determine the internal threshold based on Members and Distributors' risk tolerance for conducting call-backs on cash transactions.

   However, Members and Distributors can further segregate the pre-determined internal threshold to cater to other applicable areas, including but not limited to different:

   (a) Client segments (i.e. retail, high net worth, sophisticated, vulnerable, corporate or institutional investors);
   (b) Products (e.g. bond, equity and money market funds); and
   (c) Modes of payment (e.g. banker's acceptance, cheques, etc).

ii. Operational procedures – Clearly state the number of call-back attempts and provide guidance on how to document this exercise before a cash transaction is executed.

[2] For the purpose of this IMS, "cash transaction" includes settlement effected through bank transfer, banker's acceptance, cheque or transfer of units. The term does not denote or imply settlement by way of physical cash.

iii. Identification of responsible parties - Identify and specify the responsible parties such as the senior management, compliance officer or risk officer who determines the pre-determined threshold.

iv. Application – Clearly state whether call-backs will be universally performed across all transactions that meets the pre-determined internal threshold or selectively through sampling.

v. Regular review – Specify the frequency for reviewing and assessing the effectiveness of the call-back procedures in the SOP and make necessary changes where applicable.

Inclusion of additional field for investor's contact number in the EPF Form 9N

3.2 Members and Distributors must ensure that its consultants include an additional field for investor's contact number in EPF Form 9N *(excluding PRSP, IPRA and CPRA)* to facilitate any selective call-back exercise.

Trainings and reminders to consultants

3.3 Members and Distributors must ensure that their consultants attend training sessions that focuses on regulatory requirements, rules and internal policies of the Members and Distributors to ensure or enhance their awareness in these areas:

i. All consultants must attend training sessions <u>focusing</u> on regulatory requirements including the COE, rules and internal policies of Members and Distributors, at least once a year.

ii. Members and Distributors must include in their SOP to require <u>new</u> consultants to participate in an induction program that include topics on regulatory requirements, rules, and internal policies of Members and Distributors as soon as practicable.

iii. Members and Distributors must regularly remind consultants to uphold ethical standards and professional conduct in their marketing and distribution activities.

During training sessions, consultants must be reminded of the disciplinary actions that FIMM and the respective Member or Distributor will take as a consequence of breach to any regulatory requirements and rules.

Establishment of internal controls and disciplinary policies

3.4 Members and Distributors must establish internal controls and disciplinary measures to deter recurring misconduct by consultants.

i. Members and Distributors must develop clear disciplinary policies and outline the steps to be taken in the case of recurring misconduct of a consultant. The policies must specify the range of disciplinary actions, such as warnings, suspension or termination depending on the severity of the offense.

ii. Operationalising internal controls and disciplinary policies to prevent breaches on regulatory requirements, rules and internal policies of Members and Distributors. For example, unauthorised transactions arising from pre-signed and pre-thumb printed forms.

Fostering of Investor Education

3.5 Members and Distributors must foster investor education by regularly educating investors through various platforms such as but not limited to social media, short messaging service blasts and e-mail notifications. This educational effort must highlight information about the various types of prohibited conducts by consultants.

3.6 Members and Distributors must publish reminders on their corporate websites regarding investor protection. These reminders must include advising against cash payments or issuing cheques in the name of their consultants and emphasising the prohibition of pre-signing or pre-thumb printing any transactions forms.

4.0 RECORDS AND CONTROLS

4.1 Members and Distributors must establish well-defined internal policies and procedures, controls and proper records, including regularly reviewing and enhancing their manuals, SOP and any other documentation to ensure compliance with these requirements.