



**FEDERATION OF MALAYSIAN UNIT TRUST MANAGERS**  
( Company No. 272577 - P )

**INVESTMENT MANAGEMENT STANDARD**

<b>REFERENCE NO</b>	<b>: FMUTM/IMS(R&amp;D)-006</b>
<b>DATE ISSUED</b>	<b>: 17 MAY 2007</b>
<b>EFFECTIVE DATE</b>	<b>: 1 JULY 2007</b>

**SINGLE PRICING REGIME:  
MINIMUM DISCLOSURE STANDARD IN THE UNIT PURCHASE AND REDEMPTION  
CONFIRMATION STATEMENTS**

**1.0 APPLICATION AND EFFECTIVE DATE**

- 1.1 This Investment Management Standard for Single Pricing Regime: Minimum Disclosure Standard in the Unit Purchase and Redemption Confirmation Statements is made pursuant to Article 63 of the Memorandum of Association and shall come into force on 1 July 2007.

**2.0 BACKGROUND**

- 2.1 The Securities Commission (SC) announcement to replace the current dual pricing with Single Pricing Regime (SPR) provides greater clarity on the cost incurred by investors for their investments made in Unit Trust Schemes (Schemes). In addition, the requirement to disclose in the prospectus the maximum sales charge for each distribution channel offers greater transparency to the investors. Accordingly, the FMUTM is required to issue a minimum disclosure standard in the Unit Purchase and Redemption Confirmation Statements (Statements).
- 2.2 It is also expected by the SC that such minimum disclosures standard be adopted by all FMUTM members. Information need to be disclosed include the Net Asset Value (NAV) per unit of the Scheme, the charges imposed (in percentage form and actual value), the amount payable and the amount invested/ redeemed in the Statements.

### **3.0 OBJECTIVES AND SCOPE**

- 3.1 In line with the purpose of raising the transparency with respect of the sales/redemption charges paid by investors, this Investment Management Standard specifies the minimum contents in the Statements issued by FMUTM members to unit holders or former unit holders of a Scheme confirming transactions of unit purchase and/ or redemption.
- 3.2 This Investment Management Standard also applies to switching of Schemes where the switch is effected by redeeming units from the Scheme in which the units are held and investing the net proceeds in another Scheme.

### **4.0 GENERAL REQUIREMENTS**

- 4.1 The disclosure obligation in this Investment Management Standard must be regarded as a minimum requirement. FMUTM members are encouraged to disclose any other information that is relevant and important that investors would reasonably require and expect to find in the Statements for the purpose of understanding the charges paid for their investments.
- 4.2 The requirements as stipulated are in addition to all requirements imposed on FMUTM members under the law. The contents of this Investment Management Standard do not intend to derogate from any such legal provisions.
- 4.3 FMUTM members should also endeavor to perform the following:
  - a) Use common and consistent terminology in the Statements. Members should, where possible, label the charges that are consistent with that as disclosed in the Scheme prospectuses; and
  - b) Disclose the information in a simple format. The required disclosure items should tallied with other related items disclosed in the Statements, where applicable, and easily reconciled by investors with minimum explanation.
- 4.4 FMUTM members may decide the best layout and presentation for the statements in line with the service levels provided to investors as well as ease of understanding of the charges paid by investors for their investments.

### **5.0 SPECIFIC DISCLOSURE REQUIREMENTS**

- 5.1 Members should include the following, as minimum, in the Statements.
  - a) Selling price/ redemption price of a unit (i.e. the unit NAV)
  - b) Sales/ Redemption charge in percentage (%)
  - c) Total amount invested in/ redeemed from the Scheme
  - d) Amount paid as sales/ redemption charge (in Ringgit or other currency denomination where applicable).
  - e) Total amount paid by/ to investor.
- 5.2 Where there are no values to be disclosed for any of the above information, the word "nil" or any other word/ figure to the same effect should be inserted.

## MINIMUM DISCLOSURE STANDARD IN THE UNIT PURCHASE AND REDEMPTION CONFIRMATION STATEMENTS

Example 1:

Assuming:

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

Total amount invested	=	RM10,000.00
Add: Sales charge paid @ 5% of unit NAV	=	RM 500.00
-----		
<b>Total amount paid by investor</b>	<b>=</b>	<b>RM10,500.00</b>
=====		

Example 2:

Assuming:

- (i) Total no. of units redeemed by investor: 5,000 units.
- (ii) Unit NAV: RM1.0000.
- (iii) Redemption Charge: 1.5%.

Total amount redeemed	=	RM5,000.00
Less: Redemption charge paid @ 1.5% of unit NAV	=	RM 75.00
-----		
<b>Total amount paid to investor</b>	<b>=</b>	<b>RM4,925.00</b>
=====		

**6.0 EFFECTIVE DATE**

- 6.1 This Investment Management Standard shall come into force on the date as specified in Clause 1.0 of this Investment Management Standard.

**7.0 APPLICABILITY**

- 7.1 This Investment Management Standard shall be applicable to all UTMCs and Institutional Unit Trust Agents who are under the nominee system.

**8.0 SYSTEMS AND CONTROLS**

- 8.1 There shall be well defined policies and procedures, controls as well as proper records in place to ensure that the minimum disclosure requirements of this Investment Management Standard are met.
- 8.2 All pertinent records should be maintained and made available for checking and audit verification purposes.