

## **GUIDANCE NOTE 21**

Date issued: 15 May 2007

### **Issued Pursuant to the Guidelines on Unit Trust Funds Prospectus - Information Required in a Prospectus**

#### **Introduction**

1. This Guidance Note is published pursuant to Section 158 of the Securities Commission Act 1993 to notify amendments in relation to the prospectus disclosure requirements currently stipulated under Chapter 3 of the Guidelines on Unit Trust Funds Prospectus (Guidelines).
2. The amended provisions under this Guidance Note shall take effect on 1 July 2007.
3. The amendment is to reflect the introduction of a new "Single Pricing" policy which will be imposed on unit trust funds effective from 1 July 2007.
4. Nothing contained herein should be construed as prejudicing the powers of the Securities Commission under the Guidelines.

#### **Amendments to Chapter 3 of the Guidelines (Information Required in a Prospectus)**

##### Key Data/Information Summary

5. The table that describes the charges incurred when buying and redeeming units of the fund as required under sub-clause 3.05(3)(b)(i) is hereby amended to read as follows:

	Charges	%/RM
(1)	Sales charge per unit	The maximum rate of sales charge to be imposed by each distribution channel during the life of the prospectus.

(2)	Repurchase charge per unit	The maximum rate of repurchase charge to be imposed by each distribution channel during the life of the prospectus.
(3)	Transaction cost factor, if any	
(4)	Any other charges payable directly by the investors (e.g switching charges, transfer charges, bank charges etc)	

Fees, Charges and Expenses

6. Sub-clause 3.09(2)(a)(i) is hereby deleted and substituted with the following provision:

(2)(a)(i) The maximum rate of sales charge to be imposed by each distribution channel during the life of the prospectus. The charge should be expressed either as a fixed amount or as a percentage of the NAV per unit.

7. Sub-clause 3.09(2)(a)(ii) is hereby deleted and substituted with the following provision:

(2)(a)(ii) The maximum rate of repurchase charge to be imposed by each distribution channel during the life of the prospectus. The charge should be expressed either as a fixed amount or as a percentage of the NAV per unit.

Transaction Information

8. Sub-clause 3.10(2)(b) is hereby deleted and substituted with the following provision:

(2)(b) An explanation on 'single pricing' and a numerical illustration to show the effect of charges payable by an investor.

- These illustrations should be based on an investment of RM10,000 in the fund and redemption of RM10,000 from the fund; and
- Any rounding adjustment should only be made after calculating the sales charge per unit and repurchase charge per unit.