

Prospectus

(with expiry period) Content Checklist

**MINIMUM CONTENTS FOR A PROSPECTUS (WITH EXPIRY PERIOD)**

**Instructions**

1. Please tick (√ ) the relevant boxes, where appropriate.
2. Checklist:
   1. Where “Yes” is indicated, please state how the requirement has been complied with by reference to the specific page and paragraph in the prospectus. For general requirements (e.g. Paragraph 3.01, Part II of the *Prospectus Guidelines for Collective Investment Schemes*), reference to the specific page and paragraph of the prospectus is not required.
   2. Where “No” or “N/A” is indicated, please state the reason.
   3. For the appendices to Part 1 of this checklist, only the relevant appendix should be submitted.
   4. If the fund’s Product Highlight Sheet is not updated in accordance with the *Guidelines on Sales Practices of Unlisted Capital Market Products* by the date of the prospectus, please ensure the information in Part 2 of this checklist is disclosed in the prospectus and submitted accordingly.
   5. If paragraphs 3.08 and 3.09 of the *Guidelines on Unit Trust Funds* are not adhered to by the date of the prospectus, please ensure the information in Part 3 of this checklist is disclosed in the prospectus and submitted accordingly.
3. An annotated prospectus (pursuant to the requirement of paragraph 2.04(e), Part V of the *Prospectus Guidelines for Collective Investment Schemes*) must be provided for submission to register a prospectus from 15 November 2016 onwards. However, management companies are strongly encouraged to provide an annotated prospectus prior to 15 November 2016 when making a submission for registration of prospectus.

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| **PART 1: MINIMUM CONTENTS FOR A PROSPECTUS** |

| **Requirements under Part II of the**  **Prospectus Guidelines for Collective Investment Schemes** | | | **Complied with?** | | | **Comments** |
| --- | --- | --- | --- | --- | --- | --- |
| **Yes** | **No** | **N/A** |
| **Chapter 1: Cover Page** | | | | | | |
| 1.01 | The cover page of a prospectus must include the following: | |  |  |  |  |
| (a) | Name of fund, or funds in the case of a master prospectus | |  |  |  |  |
| (b) | Name of the management company and its registration number | |  |  |  |  |
| (c) | Name of the trustee and its registration number | |  |  |  |  |
| (d) | Date of the prospectus | |  |  |  |  |
| (e) | Date of fund’s constitution | |  |  |  |  |
| (f) | In relation to a fund with limited offer period, the offer period | |  |  |  |  |
| (g) | In the case of a foreign fund – | |  |  |  |  |
| (i) | a statement that the fund is approved, authorised, or registered, as the case may be, by the securities regulator in the foreign jurisdiction | |  |  |  |  |
| (ii) | the foreign jurisdiction where the fund is domiciled, the name of the securities regulator regulating the fund, and the management company for the fund | |  |  |  |  |
| (iii) | the applicable legislation in the foreign jurisdiction governing the fund and that the legal and regulatory environment in the foreign jurisdiction may be different from Malaysia | |  |  |  |  |
| (iv) | where a prospectus incorporates an offer document registered outside Malaysia in respect of the fund, statement of such fact | |  |  |  |  |
| 1.02 | In the case of a master prospectus, the information in subparagraphs 1.01(g)(i) to (iv) must be disclosed for each fund which is subject of the master prospectus. | |  |  |  |  |
| 1.03 | The following statement must appear, in bold font, on the cover page of the prospectus:  **“INVESTORS ARE ADVISED TO READ AND UNDERSTAND THE CONTENTS OF THE PROSPECTUS. IF IN DOUBT, PLEASE CONSULT A PROFESSIONAL ADVISER.”**  **“FOR INFORMATION CONCERNING CERTAIN RISK FACTORS WHICH SHOULD BE CONSIDERED BY PROSPECTIVE INVESTORS, SEE “RISK FACTORS” COMMENCING ON PAGE [XX].”** | |  |  |  |  |
| 1.04 | Where a fund’s assets consist, or propose to consist, of derivatives exceeding 30% of NAV, there must be a statement disclosing the fund’s substantial investment, or intention to invest substantially, in derivatives. The statement must appear in bold font and placed in a prominent position on the cover page of the prospectus. | |  |  |  |  |
| **Chapter 2: Inside Cover/First Page** | | | | | | |
| 2.01 | If not already disclosed on the front cover, the prospectus must contain the following statements on the inside cover or at the very least, on page 1: | |  |  |  |  |
| (a) | A responsibility statement by the management company –  **“*Responsibility Statements***  This prospectus has been reviewed and approved by the directors of [name of management company] and they collectively and individually accept full responsibility for the accuracy of the information. Having made all reasonable enquiries, they confirm to the best of their knowledge and belief, that there are no false or misleading statements, or omission of other facts which would make any statement in the prospectus false or misleading.” | |  |  |  |  |
| (b) | A statement of disclaimer – | |  |  |  |  |
| (i) | In the case of a local fund authorised in Malaysia –  “***Statements of Disclaimer***  The Securities Commission Malaysia has authorised the fund and a copy of this prospectus has been registered with the Securities Commission Malaysia.  The authorisation of the fund, and registration of this prospectus, should not be taken to indicate that Securities Commission Malaysia recommends the said fund or assumes responsibility for the correctness of any statement made, opinion expressed or report contained in this prospectus.  The Securities Commission Malaysia is not liable for any non-disclosure on the part of the management company responsible for the said fund and takes no responsibility for the contents in this prospectus. The Securities Commission Malaysia makes no representation on the accuracy or completeness of this prospectus, and expressly disclaims any liability whatsoever arising from, or in reliance upon, the whole or any part of its contents.  **INVESTORS SHOULD RELY ON THEIR OWN EVALUATION TO ASSESS THE MERITS AND RISKS OF THE INVESTMENT. IF INVESTORS ARE UNABLE TO MAKE THEIR OWN EVALUATION, THEY ARE ADVISED TO CONSULT PROFESSIONAL ADVISERS**.” | |  |  |  |  |
| (ii) | In the case of a foreign fund recognised in Malaysia –  “***Statements of Disclaimer***  The fund is established in a foreign jurisdiction and is regulated by the regulator in the foreign jurisdiction. As such, the fund is not subjected to the requirements of the Guidelines on Unit Trust Funds issued by the Securities Commission Malaysia.  The Securities Commission Malaysia has recognised the fund and a copy of this prospectus has been registered with the Securities Commission Malaysia.  The recognition of the fund, and registration of this prospectus, should not be taken to indicate that Securities Commission Malaysia recommends the said fund or assumes responsibility for the correctness of any statement made, opinion expressed or report contained in this prospectus.  The Securities Commission Malaysia is not liable for any non-disclosure on the part of the management company responsible for the said fund and takes no responsibility for the contents in this prospectus. The Securities Commission Malaysia makes no representation on the accuracy or completeness of this prospectus, and expressly disclaims any liability whatsoever arising from, or in reliance upon, the whole or any part of its contents.  **INVESTORS SHOULD RELY ON THEIR OWN EVALUATION TO ASSESS THE MERITS AND RISKS OF THE INVESTMENT. IF INVESTORS ARE UNABLE TO MAKE THEIR OWN EVALUATION, THEY ARE ADVISED TO CONSULT PROFESSIONAL ADVISERS**.” | |  |  |  |  |
| 2.02 | In addition to the statements in paragraph 2.01, the following must be stated: | |  |  |  |  |
| (a) | “Investors should note that they may seek recourse under the Capital Markets and Services Act 2007 for breaches of securities laws including any statement in the prospectus that is false, misleading, or from which there is a material omission; or for any misleading or deceptive act in relation to the prospectus or the conduct of any other person in relation to the fund.” | |  |  |  |  |
| (b) | For a Shariah-compliant fund –  “[Name of fund] has been certified as Shariah compliant by the Shariah adviser appointed for the fund.” | |  |  |  |  |
| 2.03 | Where applicable, a prospectus must provide a statement stating:  “No units will be issued or sold based on this prospectus after the expiry date of this prospectus”. | |  |  |  |  |
| **Chapter 3: Table of Contents, Definitions and Directory** | | | | | | |
| 3.01 | The prospectus must be properly structured, with relevant sections and headings, for ease of reference. | |  |  |  |  |
| 3.02 | There must be a table of contents which lists all sections and sub-sections of the prospectus | |  |  |  |  |
| 3.03 | A glossary of abbreviations and terminology used must also be provided. | |  |  |  |  |
| 3.04 | The directory must contain details of the following: | |  |  |  |  |
| (a) | Name, address and telephone number of the registered office and business office of the management company. The management company’s e-mail address and website address, if any, must also be stated | |  |  |  |  |
| (b) | Name, address and telephone number of the registered office and business office of the trustee. The trustee’s e-mail address and website address, if any, must also be stated | |  |  |  |  |
| (c) | For a Shariah-compliant fund, name, address and telephone number of the Shariah adviser. The Shariah adviser’s e-mail address and website address, if any, must also be stated | |  |  |  |  |
| 3.05 | In addition to paragraph 3.04, in the case of a foreign fund, the name and address of the representative for the fund must be disclosed. | |  |  |  |  |
| **Chapter 4: The Fund** | | | | | | |
| 4.01 | A prospectus must include a section giving details on the fund offered in the prospectus. The objective is to assist investors to make informed assessments of the fund for decision making purposes. | |  |  |  |  |
| 4.02 | For the purpose of this section, a prospectus must include the following: | |  |  |  |  |
| (a) | Name of the fund | |  |  |  |  |
| (b) | Base currency of the fund, where applicable | |  |  |  |  |
| (c) | Category of the fund | |  |  |  |  |
| (d) | In the case of a new fund, the initial offer period of the fund and its initial price | |  |  |  |  |
| (e) | The investment objective of the fund. There must also be a statement that any material change to the investment objective of the fund would require unit holders’ approval | |  |  |  |  |
| (f) | The investment policy and principal investment strategies to achieve the stated investment objective. In describing the investment policy and principal investment strategies, the following information must be disclosed: | |  |  |  |  |
| (i) | Investment focus of the fund (e.g. equity, debenture, money market, collective investment schemes, etc.), the characteristics of the securities or instruments to be invested in and the asset allocation strategy. Where appropriate, the investment focus should also include the countries or markets (e.g. global, regional or country-specific, developed or emerging markets, etc.) and target sector or industry | |  |  |  |  |
| (ii) | Practice, technique or approach used by the fund manager in managing the investment portfolio, including its policy on active and frequent trading of securities | |  |  |  |  |
| (iii) | Where applicable, whether the fund manager may take temporary defensive positions which may be inconsistent with the fund’s principal strategy in attempting to respond to adverse market conditions, economic, political or any other condition, and the types of securities or instruments the fund would invest in during the defensive positions | |  |  |  |  |
| (g) | Where a fund invests or can invest in derivatives and structured products, a disclosure of the following: | |  |  |  |  |
| (i) | The types and characteristics of derivatives and structured products the fund invests in | |  |  |  |  |
| (ii) | The purpose of investing in derivatives, either for hedging or investment | |  |  |  |  |
| (iii) | Where applicable, the likelihood of high volatility of the NAV per unit of the fund | |  |  |  |  |
| (h) | Risk factors relating to the fund which would include, among others – | |  |  |  |  |
| (i) | general risks of investing in unit trust fund | |  |  |  |  |
| (ii) | specific risks associated with the investment portfolio of the fund | |  |  |  |  |
| (i) | Where the fund’s assets consist or propose to consist of warrants, convertibles, options and structured products, risk factors must include the inherent risks associated with these types of investment | |  |  |  |  |
| (j) | Where the fund’s assets consist or propose to consist of derivatives, the risks with respect to investment in derivatives, including the likelihood of high volatility in the NAV of the fund | |  |  |  |  |
| (k) | The risk management strategies and techniques to be employed by the fund manager | |  |  |  |  |
| (l) | Where the fund invests in derivatives and structured products, the specific risk management adopted, including measures to be taken in the event of a downgrade in the rating of the issuer in the case of OTC derivatives | |  |  |  |  |
| (m) | In making disclaimers on risk factors, the disclaimers must not be as wide as to cause the risk disclosures to be of little or no beneficial use to investors | |  |  |  |  |
| (n) | Distribution policy | |  |  |  |  |
| (o) | The fund’s performance benchmark and where the information on the benchmark can be obtained. If a customised benchmark or combination of multiple benchmarks is used, there must be a description on how the benchmark is derived | |  |  |  |  |
| (p) | The permitted or authorised investments and the investment limits and restrictions for the fund | |  |  |  |  |
| (q) | Where a fund invests or propose to invest substantially in derivatives, i.e. exceeding 30% of the NAV, a warning statement on the likelihood of high volatility in the NAV of the fund as a result of the fund’s investment in derivatives must be included and appear in bold font | |  |  |  |  |
| (r) | For a Shariah-compliant fund – | |  |  |  |  |
| (i) | a clear description of the Shariah approval process, including details of methodologies, rulings and screening process | |  |  |  |  |
| (ii) | a statement to the effect that the investment portfolio of the fund will comprise instruments that have been classified as Shariah compliant by the SAC of the SC or the SAC of BNM. For instruments that are not classified as Shariah compliant by the SAC of the SC or the SAC of BNM, a statement stating that the status of the instruments has been determined in accordance with the ruling issued by the Shariah adviser | |  |  |  |  |
| 4.03 | In addition to the above requirements, for certain types and categories of funds, a management company must also disclose the information stipulated in Chapters 16 – 21 of these Guidelines. | |  |  |  |  |
| **Chapter 5: Fees, Charges and Expenses** | | | | | | |
| 5.01 | A prospectus must disclose and explain the cost of investing in the fund. | |  |  |  |  |
| 5.02 | A prospectus must include a description of the charges directly incurred by investors when purchasing or redeeming units of the fund, including: | |  |  |  |  |
| (a) | The maximum rate or amount of charges imposed by each distribution channel | |  |  |  |  |
| (b) | Basis on which the charges are calculated | |  |  |  |  |
| (c) | Illustration on how the charges are calculated | |  |  |  |  |
| 5.03 | Policy on rounding adjustment adopted must also be disclosed. | |  |  |  |  |
| 5.04 | A prospectus must describe the fees indirectly incurred by investors when investing in the fund which include, among others, management fee and trustee fee. The description must include the annual rate imposed. | |  |  |  |  |
| 5.05 | A prospectus must also describe any other fee that may be imposed. | |  |  |  |  |
| 5.06 | There must be a list of expenses incurred or to be incurred by the fund (e.g. commission paid to brokers, auditors fee, valuation fee, taxes, custodial charges, etc.) in the prospectus. | |  |  |  |  |
| 5.07 | Rebates and soft commission must be disclosed and the management company’s policy on rebates and soft commissions must be explained. | |  |  |  |  |
| 5.08 | The following statement must appear under this section: **“There are fees and charges involved and investors are advised to consider them before investing in the fund.”** | |  |  |  |  |
| **Chapter 6: Transaction Information** | | | | | | |
| 6.01 | A prospectus must disclose the valuation bases for all types of assets invested or to be invested by the fund, including treatment for suspended counters. | |  |  |  |  |
| 6.02 | A prospectus must disclose the valuation points for the purpose of determining the NAV and unit price of the fund and its policy in respect of valuation points, including policy in respect of timing for valuation of a fund’s foreign investments and frequency of valuation of the fund’s assets. | |  |  |  |  |
| 6.03 | A prospectus must explain the pricing policy adopted by the management company for the fund’s units, i.e. forward pricing or historical pricing. | |  |  |  |  |
| 6.04 | Where historical pricing is adopted, the following information must be disclosed:  **“The management company will reprice the units if the NAV per unit of the fund, if revalued, differs by more than 5% from the last valuation points.”** | |  |  |  |  |
| 6.05 | There must also be a clear explanation of how unit prices are calculated. For this purpose, there must be a numerical illustration to show investors the amount payable, amount invested and amount of charges imposed. | |  |  |  |  |
| 6.06 | Instructions and procedures on how to purchase and redeem units of the fund must be disclosed. The instructions and procedures must include information, such as minimum initial investment, minimum additional investment, minimum repurchase amount, switching, transfer of units, etc. The instructions and procedures must also take into account the different procedures adopted by different distribution channels. | |  |  |  |  |
| 6.07 | The type of distribution channel must also be disclosed, (e.g. bank, broker, management company, sales agent, financial planner, etc.). Cross-reference must be made to a complete list of distribution offices at the end of the prospectus, where applicable. | |  |  |  |  |
| 6.08 | A prospectus must disclose the cooling-off policy, including an explanation and description of how such policy applies to various types of investors. | |  |  |  |  |
| 6.09 | Where the launch of a new fund or continued operation of an existing fund is conditional upon a minimum fund size, this fact and the minimum fund size must be disclosed. | |  |  |  |  |
| 6.10 | A prospectus must provide a warning statement that investors must not make payment in cash to any individual agent when purchasing units of a fund. Such warning statement must appear in a prominent position. | |  |  |  |  |
| 6.11 | A prospectus must describe the mode of distribution to investors, including policies and procedures on unclaimed monies. | |  |  |  |  |
| 6.12 | Where investors are given an option to reinvest distributions, the following must be disclosed: | |  |  |  |  |
| (a) | The costs incurred by investors when exercising the option | |  |  |  |  |
| (b) | Unit price at which the distribution is reinvested into additional units | |  |  |  |  |
| (c) | Business day at which the distribution is deemed to have been reinvested into additional units | |  |  |  |  |
| 6.13 | The following warning statement must be displayed in bold font:  **“Unit prices and distributions payable, if any, may go down as well as up”.** | |  |  |  |  |
| **Chapter 7: The Management Company** | | | | | | |
| 7.01 | The corporate information of the management company that must be disclosed, includes – | |  |  |  |  |
| (a) | the name of each director and their designation, whether independent or non-independent | |  |  |  |  |
| (b) | the management company’s experience in operating a fund | |  |  |  |  |
| 7.02 | There must be a disclosure of – | |  |  |  |  |
| (a) | the roles, duties and responsibilities of the management company | |  |  |  |  |
| (b) | all current material litigation and arbitration, including those pending or threatened, and any facts likely to give rise to any proceeding which might materially affect the business and financial position of the management company | |  |  |  |  |
| 7.03 | Where an investment committee is appointed, the roles and primary functions of the investment committee of the fund must also be disclosed. | |  |  |  |  |
| 7.04 | Where a Shariah adviser or a panel of advisers is appointed, the following information must be disclosed: | |  |  |  |  |
| (a) | Names and experience of the Shariah adviser or each member of the panel of advisers. Where the Shariah adviser is a company, to also state the name and experience of the designated person responsible for Shariah matters of the fund | |  |  |  |  |
| (b) | Roles and primary functions of the Shariah adviser or panel of advisers | |  |  |  |  |
| (c) | Frequency of review on the fund’s investments by the Shariah adviser or panel of advisers to ensure compliance with Shariah principles or any other relevant principle at all times | |  |  |  |  |
| 7.05 | A prospectus must disclose relevant information on the designated person responsible for the fund management function of the fund, including his relevant experience | |  |  |  |  |
| 7.06 | Where the fund management function is undertaken by an external party, the prospectus must in addition to the disclosure requirements under paragraph 7.05, disclose the following: | |  |  |  |  |
| (a) | Name of the fund manager | |  |  |  |  |
| (b) | Roles and duties of the fund manager | |  |  |  |  |
| (c) | The fund manager’s experience in fund management | |  |  |  |  |
| (d) | All current material litigation and arbitration, including those pending or threatened, and any facts likely to give rise to any proceeding which might materially affect the business or financial position of the fund manager | |  |  |  |  |
| 7.07 | The management company must include a statement to inform investors that further information on the management company, investment committee, Shariah adviser, panel of adviser, and fund manager is provided in the management company’s website (e.g. the qualification of the Shariah adviser or panel of adviser and their respective members, experience of the investment committee members and other corporate information). | |  |  |  |  |
| **Chapter 8: The Trustee** | | | | | | |
| 8.01 | The following information of the trustee must be disclosed: | |  |  |  |  |
| (a) | Corporate information | |  |  |  |  |
| (b) | Experience as trustee to unit trust funds | |  |  |  |  |
| (c) | Roles, duties and responsibilities of the trustee | |  |  |  |  |
| (d) | All current material litigation and arbitration, including those pending or threatened, and any fact likely to give rise to any proceeding which might materially affect the business/financial position of the trustee | |  |  |  |  |
| 8.02 | Where the custodial function of the trustee is delegated, the following information must be disclosed: | |  |  |  |  |
| (a) | A brief corporate information of the delegate | |  |  |  |  |
| (b) | The roles and duties of the delegate | |  |  |  |  |
| **Chapter 9: Salient Terms of Deed** | | | | | | |
| 9.01 | A prospectus must disclose salient terms of the deed, particularly provisions relating to – | |  |  |  |  |
| (a) | rights and liabilities of unit holders, including the limitations and restrictions on their rights | |  |  |  |  |
| (b) | maximum fees and charges permitted by the deed and payable by the investors either directly and indirectly, such as management fee, trustee fee, sales charge and repurchase charge, etc. | |  |  |  |  |
| (c) | increase in fees and charges from the level disclosed in the prospectus and the maximum rate provided in the deed | |  |  |  |  |
| (d) | permitted expenses payable out of the fund’s property | |  |  |  |  |
| (e) | removal, replacement and retirement of the management company and trustee | |  |  |  |  |
| (f) | termination of the fund and where multiple classes of units are issued, the circumstances, procedures and processes for termination of each class of units and the fund | |  |  |  |  |
| (g) | unit holders’ meeting | |  |  |  |  |
| **Chapter 10: Approvals and Conditions** | | | | | | |
| 10.01 | | A prospectus must disclose, where applicable, any approval obtained from any relevant authority in conjunction with the establishment of the fund, together with the date of the approval, any condition attached and status of its compliance |  |  |  |  |
| 10.02 | | For any waiver from any relevant guidelines which has been approved by the SC, to state the specific paragraph of the guidelines for which the waiver was sought and details of the approval and any condition imposed. |  |  |  |  |
| **Chapter 11: Related-party Transactions and Conflict of Interest** | | | | | | |
| 11.01 | | A prospectus must disclose the existing and proposed related-party transactions involving the fund, management company, trustee, promoter, any vendor or person connected to them, where applicable, together with steps taken to resolve any conflict of interest. Such disclosure is also required if the fund enters into any transaction with key personnel of the management company, promoter, vendor or any person connected to them. |  |  |  |  |
| 11.02 | | The management company must disclose its policy on dealing with any conflict of interest situation (e.g. dealing in securities by employees, directors, investment committee members, etc.). |  |  |  |  |
| 11.03 | | A prospectus must provide details of any direct or indirect interest held by the management company’s director and substantial shareholder in another corporation carrying on a similar business. |  |  |  |  |
| 11.04 | | Declaration of any expert’s existing and potential interests or conflicts of interest in an advisory capacity, vis-à-vis the fund or the management company must be provided in the prospectus. |  |  |  |  |
| **Chapter 12: Taxation of the Fund** | | | | | | |
| 12.01 | | A prospectus must contain a report providing an opinion from the fund’s tax adviser detailing the following: |  |  |  |  |
| (a) | | The taxation of the fund taking into account any distinctive characteristic of the fund (e.g. its participation in futures contracts, investment in foreign securities) |  |  |  |  |
| (b) | | Tax liabilities of the unit holder, if any. |  |  |  |  |
| **Chapter 13: Experts’ Report** | | | | | | |
| 13.01 | | Where a prospectus contains an expert’s opinion– |  |  |  |  |
| (a) | | an excerpt from, or summary of opinion expressed and conclusion recorded in the report must be disclosed |  |  |  |  |
| (b) | | the expert must state whether or not the report was prepared for inclusion in the prospectus |  |  |  |  |
| (c) | | the expert’s report must be signed and dated within reasonable time of the issuance of the prospectus. This is to ensure that the content is substantially relevant at the time the prospectus is issued. |  |  |  |  |
| 13.02 | | If an expert becomes aware of any significant change affecting the content of his report, either – |  |  |  |  |
| (a) | | between the date of the report and the issue of the prospectus |  |  |  |  |
| (b) | | after the issue of the prospectus and before the issue of the units,  then, the expert has an obligation to update the report to reflect the change and, either require the management company to issue a supplementary prospectus or replacement prospectus, or withdraw his consent to the inclusion of the report in the prospectus. Failure to do so will result in the management company, promoters and the expert being liable for any misleading statement or material omission in the outdated report. |  |  |  |  |
| 13.03 | | An expert must not make disclaimers of responsibility that are so wide that it would diminish the reliability or utility of the report to investors. |  |  |  |  |
| **Chapter 14: Additional Information** | | | | | | |
| 14.01 | | A prospectus must contain information on how investors can keep abreast of any development in the fund and track the NAV per unit of the fund. |  |  |  |  |
| 14.02 | | A prospectus must also disclose the avenue for advice available to prospective investors. |  |  |  |  |
| 14.03 | | A prospectus must also disclose a list of current deed and supplemental deeds, if any, and their corresponding dates. |  |  |  |  |
| 14.04 | | A prospectus must disclose the financial year-end of the fund and when the unit holder can expect to receive the interim report and annual report. |  |  |  |  |
| 14.05 | | The following warning statement must be displayed in bold font:  **“The fund’s annual report is available upon request.”** |  |  |  |  |
| **Chapter 15: Documents Available for Inspection** | | | | | | |
| 15.01 | | A prospectus must contain a statement for a period of at least 12 months from the date of issuance of the prospectus, a copy of the following documents, where applicable may be inspected at the registered office of the management company or such other place as the SC may determine – |  |  |  |  |
| (a) | | the deed and supplemental deed |  |  |  |  |
| (b) | | the current prospectus and supplemental or replacement prospectus, if any |  |  |  |  |
| (c) | | the latest annual and interim reports of the fund |  |  |  |  |
| (d) | | each material contract disclosed in the prospectus and, in the case of a contract not reduced into writing, a memorandum which gives full particulars of the contract |  |  |  |  |
| (e) | | where applicable, the audited financial statements of the management company and the fund for the current financial year and for the last three financial years or if less than three years, from the date of incorporation or commencement |  |  |  |  |
| (f) | | any report, letter or other document, valuation and statement by an expert, any part of which is extracted or referred to in the prospectus. Where a summary expert’s report is included in the prospectus, the corresponding full expert’s report must be made available for inspection |  |  |  |  |
| (g) | | writ and relevant cause papers for all material litigation and arbitration disclosed in the prospectus |  |  |  |  |
| (h) | | consent given by an expert disclosed in the prospectus. |  |  |  |  |

| **Requirements under Part II of the**  **Prospectus Guidelines for Collective Investment Schemes** | | **Complied with?** | | | **Comments** |
| --- | --- | --- | --- | --- | --- |
| **Yes** | **No** | **N/A** |
| **Chapter 16: Specific Requirements for Index Funds** | | | | | |
| 16.01 | The following information must be disclosed in the prospectus of an index fund, in addition to that specified under Chapters 1 – 15 of these Guidelines, unless otherwise specified |  |  |  |  |
| 16.02 | The following additional information must be disclosed: |  |  |  |  |
| (a) | The underlying index which the fund intends to track or replicate, as well as a description of the market or sector the index represents |  |  |  |  |
| (b) | The characteristics and general composition of the index and, where applicable, concentration in any economic sector or issuer |  |  |  |  |
| (c) | The fund’s investment strategy whether to invest in all (full replication) or a representative sample of component securities of the underlying index. Where a representative sample of component securities of the index is used, to disclose how the sample is constituted |  |  |  |  |
| (d) | A brief description of the index methodology and rules and how investors may obtain such information |  |  |  |  |
| (e) | The means by which investors may obtain the latest index information and other important news of the index |  |  |  |  |
| (f) | Circumstances which may affect the accuracy and completeness in the calculation of the index |  |  |  |  |
| (g) | Circumstances which may lead to tracking errors and strategies employed in minimising such errors. |  |  |  |  |
| (h) | The risks of investing in an index fund |  |  |  |  |
| (i) | The policy on rebalancing the investment portfolio |  |  |  |  |
| (j) | The weightings of the top 10 component securities of the underlying index |  |  |  |  |
| (k) | In addition to subparagraph 16.02(j), where a representative sample of component securities of the underlying index is used to track or replicate the index, the weightings of the top 10 component securities in the sample |  |  |  |  |
| 16.03 | There must be statements displayed in bold font to the effect that – |  |  |  |  |
| (a) | There is no guarantee or assurance of exact or identical replication at any time of the performance of the index |  |  |  |  |
| (b) | The index composition may change and component securities of the underlying index may be delisted |  |  |  |  |
| (c) | Where relevant, the investment of the scheme may be concentrated in securities of a single issuer or several issuers |  |  |  |  |

| **Requirements under Part II of the**  **Prospectus Guidelines for Collective Investment Schemes** | | **Complied with?** | | | **Comments** |
| --- | --- | --- | --- | --- | --- |
| **Yes** | **No** | **N/A** |
| **Chapter 17: Specific Requirements for Money Market Funds** | | | | | |
| 17.01 | The following information must be disclosed in the prospectus of a money market fund, in addition to that specified under Chapter 1 – 15 of these Guidelines, unless otherwise specified. |  |  |  |  |
| 17.02 | The following information must be disclosed: |  |  |  |  |
| (a) | The minimum credit rating of the money market instruments or debentures which the fund will invest in |  |  |  |  |
| (b) | The steps to be taken where the ratings are downgraded below the pre-determined rating |  |  |  |  |
| 17.03 | The following statement must be displayed in bold font:  **“Investment in the fund is not the same as placement in a deposit with a financial institution. There are risks involved and investors should rely on their own evaluation to assess the merits and risks when investing in the fund.”** |  |  |  |  |

| **Requirements under Part II of the**  **Prospectus Guidelines for Collective Investment Schemes** | | **Complied with?** | | | **Comments** |
| --- | --- | --- | --- | --- | --- |
| **Yes** | **No** | **N/A** |
| **Chapter 18: Specific Requirements for Guaranteed Funds** | | | | | |
| 18.01 | The following information must be disclosed in the prospectus of a guaranteed fund, in addition to that specified under Chapters 1 – 15 of these Guidelines, unless otherwise specified. |  |  |  |  |
| 18.02 | The name, address and telephone number of the registered and business office of the guarantor must be disclosed. E-mail address and website address, if any, must also be stated. |  |  |  |  |
| 18.03 | The following information must also be disclosed: |  |  |  |  |
| (a) | Name of guarantor |  |  |  |  |
| (b) | Commencement date of the fund |  |  |  |  |
| (c) | Tenure and maturity of the fund |  |  |  |  |
| (d) | Guaranteed value per unit |  |  |  |  |
| 18.04 | There shall also be statements to the following effect in the prospectus in bold font: |  |  |  |  |
| (a) | A statement on the material terms of the guarantee (e.g. the guarantee only applies to investors who hold their investment until maturity date and any redemption before the maturity date would be based on the NAV of the fund on that day and would be charged an exit fee, if any, and that the guarantee does not apply) |  |  |  |  |
| (b) | There may be dilution of performance due to the guarantee structure being put in place, compared with a fund with no guarantee structure |  |  |  |  |
| (c) | The guarantee is subject to the credit risk of the guarantor and does not give any assurance to the future solvency of the guarantor |  |  |  |  |
| 18.05 | There must be adequate information about the guarantee, which includes – |  |  |  |  |
| (a) | material terms of the guarantee, including the scope, circumstances under which the guarantee can be terminated and whether the guarantee is for 100% of the amount paid by investors or only for the amount invested in the fund (i.e. excluding any charge imposed by the management company when investing in the fund) |  |  |  |  |
| (b) | enforceability of the guarantee. In this regard, an independent legal opinion must be included in the prospectus on the enforceability of the guarantee |  |  |  |  |
| (c) | an illustration or description to demonstrate the guarantee and investment mechanism |  |  |  |  |
| (d) | the implication or consequences, if any, to investors in respect of the guarantee in the event –   1. the manager retires, is removed or replaced; 2. the trustee retires, is removed or replaced; 3. change in the guarantor; 4. the guarantor goes into liquidation or ceases to carry on the business; 5. the guarantee is terminated; and 6. the fund is terminated |  |  |  |  |
| (e) | if the guarantee is only limited to a certain period, the expiry date of the guarantee and whether the period commences from the launching date of the fund or from the date of investors’ investment in the fund |  |  |  |  |
| (f) | any other matter relating to the guarantee that may be relevant to investors in deciding whether or not to invest in the fund |  |  |  |  |
| 18.06 | A detailed description of the nature of the underlying investments which the fund invests in, including – |  |  |  |  |
| (a) | the issuers of the underlying investments, or the criteria for selection of such parties |  |  |  |  |
| (b) | the liquidation mechanism of the underlying investments to meet redemption requests. |  |  |  |  |
| 18.07 | Information on the guarantor must be disclosed, which includes– |  |  |  |  |
| (a) | corporate information including – |  |  |  |  |
| (i) | description of its business |  |  |  |  |
| (ii) | summary of the guarantor’s financial position for the past three years, where applicable, in tabular form, disclosing –   * paid-up share capital; * shareholders’ funds; * revenue; * profit/loss before tax; andprofit/loss after tax |  |  |  |  |
| (b) | the rating of the guarantor and the name of the rating agency which carried out the rating |  |  |  |  |
| (c) | steps to be taken and implication to investors, if any, where the guarantor’s rating is downgraded below the minimum rating stated in the *Guidelines on Unit Trust Funds*. |  |  |  |  |

| **Requirements under Part II of the**  **Prospectus Guidelines for Collective Investment Schemes** | | **Complied with?** | | | **Comments** |
| --- | --- | --- | --- | --- | --- |
| **Yes** | **No** | **N/A** |
| **Chapter 19: Specific Requirements for Capital Protected Funds** | | | | | |
| 19.01 | The following information must be disclosed in the prospectus of a capital protected fund, in addition to that specified under Chapter 1 – 15 of these Guidelines, unless otherwise specified. |  |  |  |  |
| 19.02 | To provide additional information, which includes – |  |  |  |  |
| (a) | the commencement date of the fund |  |  |  |  |
| (b) | the tenure and maturity of the fund |  |  |  |  |
| (c) | level of protection for investors |  |  |  |  |
| 19.03 | There shall also be statements to the following effect in a prospectus, displayed in bold font: |  |  |  |  |
| (a) | Where applicable, that the capital protection only applies to investors who hold their investment until maturity date or until the date specified in the prospectus. Any redemption before the maturity or specified date would be based on the NAV of the fund on that day and would be charged an exit fee, if any, and that the protection does not apply in this case |  |  |  |  |
| (b) | There may be dilution of performance due to capital protection structure being in place, compared with the conventional fund without capital protection. |  |  |  |  |
| 19.04 | Salient features of the fund and its terms of investment must be disclosed. |  |  |  |  |
| 19.05 | There must also be an explanation on the fund’s manager’s strategy to protect investors’ capital while earning returns. |  |  |  |  |
| 19.06 | A prospectus must also disclose information on the fund’s underlying investments, including – |  |  |  |  |
| (a) | the minimum credit rating and steps to be taken when the ratings are downgraded below the pre-determined rating |  |  |  |  |
| (b) | the liquidation mechanism of the underlying investments to meet redemption requests. |  |  |  |  |

| **Requirements under Part II of the**  **Prospectus Guidelines for Collective Investment Schemes** | | **Complied with?** | | | **Comments** |
| --- | --- | --- | --- | --- | --- |
| **Yes** | **No** | **N/A** |
| **Chapter 20: Specific Requirements for Feeder Funds** | | | | | |
| 20.01 | The following information must be disclosed in the prospectus of a feeder fund, in addition to that specified under Chapters 1 – 15 of these Guidelines, unless otherwise specified. |  |  |  |  |
| 20.02 | This section must also include information on the target fund, including – |  |  |  |  |
| (a) | name of target fund |  |  |  |  |
| (b) | the management company and fund manager of the target fund |  |  |  |  |
| (c) | country of origin of target fund |  |  |  |  |
| (d) | regulatory authority which regulates the target fund |  |  |  |  |
| (e) | date of establishment of the target fund |  |  |  |  |
| (f) | the investment objective and principal investment strategy |  |  |  |  |
| (g) | the specific and peculiar risks of the target fund |  |  |  |  |
| (h) | the permitted or authorised investment and the limits or restrictions of the target fund |  |  |  |  |
| (i) | where applicable, the foreign jurisdiction from where the fund originates and name of the regulator responsible for regulating the fund and parties responsible for the fund |  |  |  |  |
| (j) | the applicable legislation in the foreign jurisdiction which applies to the target fund |  |  |  |  |
| 20.03 | In relation to subparagraph 20.02(b), the information must include the corporate information, experience and expertise in the relevant industry. |  |  |  |  |
| 20.04 | A prospectus must explain with illustration the impact of fees and charges imposed by the target fund on the cost of investing in the feeder fund. Where fees and charges of the target fund are waived, or where rebates are given, this must be disclosed. |  |  |  |  |
| 20.05 | Where applicable, there must be a warning statement, in bold font, to alert potential investors to the fact that they will be subjected to higher fees arising from the layered investment structure. |  |  |  |  |

| **Requirements under Part II of the**  **Prospectus Guidelines for Collective Investment Schemes** | | **Complied with?** | | | **Comments** |
| --- | --- | --- | --- | --- | --- |
| **Yes** | **No** | **N/A** |
| **Chapter 21: Specific Requirements for Real Estate Investment Trusts** | | | | | |
| 21.01 | The following information must be disclosed in the prospectus of a real estate investment trust (REIT), in addition to that specified under Chapters 1–15 of these Guidelines, unless otherwise specified. |  |  |  |  |
| 21.02 | There shall be an additional statement of disclaimer, displayed in bold font, as follows:  **“The valuation approved or accepted by the Securities Commission Malaysia is only for the purpose of the proposal submitted to and approved by the Securities Commission Malaysia, and shall not be construed as an endorsement by the Securities Commission Malaysia on the value of the real estates for any other purpose.”** |  |  |  |  |
| 21.03 | The key data and information summary section should include, but is not limited to, the following information: |  |  |  |  |
| (a) | Fund information |  |  |  |  |
| (i) | Brief but relevant details on the real estates to be acquired, including a table highlighting principal statistics of the real estates |  |  |  |  |
| (ii) | Revaluation policy |  |  |  |  |
| (iii) | Gearing policy |  |  |  |  |
| (b) | Fees and charges |  |  |  |  |
| (i) | Details on other substantial fees to be paid by the REIT (e.g. property management fees, etc.) |  |  |  |  |
| 21.04 | Subparagraphs 4.02(e), (f), (g), (k), and (r) are not applicable to a REIT. Instead the prospectus of a REIT must disclose information as required in this section. |  |  |  |  |
| 21.05 | The information to be disclosed should include, but is not limited to, the following: |  |  |  |  |
| (a) | The investment objective of the REIT and a statement that material changes to the investment objective would require investors’ approval |  |  |  |  |
| (b) | The policies and investment strategies to achieve the REIT’s investment objective. The disclosure must include the future plans of the REIT (e.g. growth strategies) and steps taken, including the time frame, to realise the plans |  |  |  |  |
| (c) | The types and characteristics of real estates which the REIT will acquire (e.g. location, types of real estate, income/rental prospects of the real estate, etc.) |  |  |  |  |
| (d) | Permitted investments and investment limits/restrictions of the REIT, including the policy on holding of liquid assets to meeting repurchase requests |  |  |  |  |
| (e) | The policy on gearing and the REIT’s level of gearing at the point of establishment, including source, type, nature of borrowings and the interest rate payable |  |  |  |  |
| (f) | Distribution policy and mode of distribution to investors |  |  |  |  |
| (g) | Investors profile most suitable for the REIT |  |  |  |  |
| (h) | Details of any existing or proposed arrangement which materially enhances short-term yields but may not be sustainable in the long term and the risks associated with such arrangements. An analysis of how such arrangements affect current and future yields must be disclosed together with a computation of the forecast distribution yields without such arrangements |  |  |  |  |
| 21.06 | For an Islamic REIT, the prospectus must also include– |  |  |  |  |
| (a) | clear description of the Shariah approval process, including details on methodologies, rulings and screening process |  |  |  |  |
| (b) | a statement to the effect that the investment of the Islamic REIT is carried out in accordance with the ruling issued by the Shariah adviser. Where the fund also invests in other Shariah compliant instruments, the statement should include that the instruments have been classified as Shariah compliant by the SAC of the SC or the SAC of BNM. For instruments that are not classified as Shariah compliant by the SAC of the SC or the SAC of BNM, a statement stating that the status of the instruments has been determined in accordance with the ruling issued by the Shariah adviser. |  |  |  |  |
| 21.07 | A prospectus must include specific disclosures on the real estate, including but not limited to, the following: |  |  |  |  |
| (a) | Details and description of the real estates held by the REIT and/ or real estate to be acquired: |  |  |  |  |
| (i) | Description of the real estate which includes type, location, age, existing use, net lettable area, number of car parks, information specific to the type of the real estate, such as hotel, hospital and agriculture properties, the market value and purchase consideration |  |  |  |  |
| (ii) | Particulars of the tenancies, which include major tenants and their corresponding percentage contribution to total gross rental income, tenancy periods, periodic reviews and occupancy rates for the past three years, where applicable, and, in the case of a sale and leaseback, the basis of arriving at the rental entered into by the REIT |  |  |  |  |
| (iii) | Details of incomes and expenditure including gross rental income, outgoings, net income, estimation of future income and major capital expenditures likely to be incurred in the immediate future |  |  |  |  |
| (iv) | Any encumbrance or limitations in the title or interest to the real estate |  |  |  |  |
| (b) | Where a real estate acquired or to be acquired is leased or is proposed to be leased, details of the lease excluding any sub-lease, including details of financial arrangements, stamp duty and options, or other rights given to a lessee or proposed lessee to purchase the real estate. If none, a statement to the effect must be made |  |  |  |  |
| (c) | For a real estate to be acquired, the expected period within which the transaction will be completed and its status at the date of prospectus |  |  |  |  |
| (d) | Where a REIT has entered into an agreement to purchase a real estate upon its completion, the rationale and justification of acquiring such real estate and the future prospects of acquiring tenants and future incomes |  |  |  |  |
| (e) | Relevant information, in particular, risks associated with the following acquisitions: |  |  |  |  |
| (i) | Real estate without a track record |  |  |  |  |
| (ii) | Buildings which are not fully tenanted |  |  |  |  |
| (iii) | Equity of single-purpose companies |  |  |  |  |
| (iv) | Part of a real estate |  |  |  |  |
| (v) | Real estate located outside Malaysia |  |  |  |  |
| 21.08 | A prospectus must also state the management company’s valuation policy for the fund’s real estate, disclosing the following information: |  |  |  |  |
| (a) | Frequency of valuation |  |  |  |  |
| (b) | Date of the last valuation |  |  |  |  |
| (c) | The likely date for the next valuation |  |  |  |  |
| (d) | Revaluation surplus or deficit comparative to last valuation |  |  |  |  |
| (e) | Net book value of the real estate. |  |  |  |  |
| 21.09 | An overview of the real estate/property market and the outlook for the types of real estate which are or to be acquired by the REIT must also be included in the prospectus. |  |  |  |  |
| 21.10 | Where a REIT invests in real estate-related assets or non-real estate-related assets, the prospectus must disclose, but is not limited to, the following: |  |  |  |  |
| (a) | The investment policy and investment strategies to achieve the investment objective of the fund, including– |  |  |  |  |
| (i) | the investment focus of the fund (e.g. equity, debenture, money market, etc.), the characteristics of the securities or instruments to be invested and the asset allocation strategy. Where appropriate, the investment focus must also include the countries or markets (e.g. global, regional or country-specific, developed or emerging markets, etc.) and target sector/industry |  |  |  |  |
| (ii) | practice, technique or approach used by the fund manager in managing the investment portfolio, including the policy with regard to active and frequent trading of securities |  |  |  |  |
| (iii) | where applicable, disclosure on whether the fund manager may take temporary defensive positions which may be inconsistent with the fund’s principal strategy in attempting to respond to adverse market conditions, economic, political or any other condition. There must also be a disclosure on the types of securities/instruments the fund would invest in during defensive positions |  |  |  |  |
| (b) | The risk management strategies and techniques to be employed by the fund manager |  |  |  |  |
| (c) | The permitted or authorised investments and the investment limits and restrictions for the fund |  |  |  |  |
| (d) | Valuation bases for all types of investments invested or to be invested by the fund, including treatment for suspended counters |  |  |  |  |
| (e) | Policy with respect to the valuation point to determine the values of the investments, including policy on timing for valuation of a fund’s foreign investments and frequency of valuation of the fund’s property. |  |  |  |  |
| 21.11 | For a newly-established REIT, a proforma income statement must be disclosed for each of the last three years. The proforma financial information is presented for illustrative purpose only and on the assumption that the REIT was in existence throughout the period under review. |  |  |  |  |
| 21.12 | The following must also be stated: |  |  |  |  |
| (a) | The basis upon which the proforma income statement is prepared |  |  |  |  |
| (b) | Where applicable, that the financial statements used in the preparation of the proforma income statement were prepared in accordance with approved accounting standards in Malaysia. Details of any auditor’s qualification to these underlying financial statements must also be highlighted |  |  |  |  |
| (c) | Whether the proforma income statement has been properly prepared in a manner consistent with both the format of the financial statements and the accounting policies to be adopted by the REIT |  |  |  |  |
| (d) | Any adjustment, which was dealt with when preparing the proforma income statement, must be prominently disclosed and highlighted |  |  |  |  |
| 21.13 | A detailed analysis of the fund over the past three financial years and latest financial period, where applicable, must be provided. |  |  |  |  |
| 21.14 | A proforma balance sheet at the date of establishment of the REIT must be prepared and adjusted for the following: |  |  |  |  |
| (a) | Acquisitions connected with the proposed establishment of the REIT |  |  |  |  |
| (b) | Proceeds received and proposed utilisation of funds.  The prospectus must also set out the details of such adjustments. The proforma balance sheet will assist investors or analysts in determining the financial effects of the acquisition and the notional financial position of the REIT. |  |  |  |  |
| 21.15 | The proforma balance sheet must also include the following information: |  |  |  |  |
| (a) | NAV per unit |  |  |  |  |
| (b) | Proforma NAV per unit |  |  |  |  |
| 21.16 | The following must also be stated in the prospectus: |  |  |  |  |
| (a) | The basis upon which the proforma balance sheet is prepared |  |  |  |  |
| (b) | Where applicable, the financial statements used in the preparation of the proforma financial information were prepared in accordance with approved accounting standards in Malaysia. Details of any auditor’s qualification to these underlying financial statements must also be highlighted |  |  |  |  |
| (c) | Whether the proforma balance sheet has been properly prepared in a manner consistent with both the format of the financial statements and the accounting policies of the fund/ to be adopted by the REIT |  |  |  |  |
| (d) | Any adjustment, which was dealt with when preparing the proforma balance sheet, must be prominently disclosed and highlighted. |  |  |  |  |
| 21.17 | The proforma balance sheet must be accompanied by a reporting accountants’ letter. The reporting accountant’s letter shall state the following: |  |  |  |  |
| (a) | The proforma balance sheet has been properly prepared on the basis stated in subparagraph 21.16(a) and in a manner consistent with the format of the balance sheet and accounting policies of the REIT to be adopted by the REIT |  |  |  |  |
| (b) | Where applicable, the proforma balance sheet has been properly prepared using financial statements prepared in accordance with the approved accounting standards in Malaysia |  |  |  |  |
| (c) | Each material adjustment made to the information used in the preparation of the proforma financial information is appropriate for the purposes of preparing such financial information. |  |  |  |  |
| 21.18 | Profit estimates or forecasts must be provided and be dealt with in accordance with paragraphs 21.20 to 21.26. Where profit estimates or forecasts are submitted as part of an application for the establishment of a REIT, the profit estimates or forecasts should be provided in the prospectus. |  |  |  |  |
| 21.19 | The accounting policies and calculations for profit estimates or forecasts must be reviewed and reported on by the reporting accountants and be accompanied by a reporting accountant’s/auditor’s letter. The report/letter should be in the prospectus and the opinion stated in the letter should be consistent with those submitted pursuant to the application referred to in paragraph 21.18. |  |  |  |  |
| 21.20 | There should be notes to future financial information, including whether such information was prepared on bases and accounting principles consistent with those adopted or to be adopted in the preparation of the financial statements of the REIT. |  |  |  |  |
| 21.21 | Sufficient details on the bases and assumptions of the estimates or forecasts must be disclosed to enable the investor to assess the reliability of the estimates or forecasts and the effect of any change to the assumptions used. Profit estimates or forecasts must include at the minimum, the following:   * 1. Revenue;   2. Property operating cost;   3. Profit before tax;   4. Tax expense; and   5. Profit after tax. |  |  |  |  |
| 21.22 | The bases and assumptions for the profit estimates or forecasts must– |  |  |  |  |
| (a) | provide useful information to assist investors to form a view on the reasonableness and reliability of the estimates or forecasts |  |  |  |  |
| (b) | draw investors’ attention to, and where possible quantify, uncertain factors which can materially affect the ultimate achievement of the estimates or forecasts |  |  |  |  |
| (c) | be specific rather than vague |  |  |  |  |
| (d) | where possible, avoid generalisations and all-embracing assumptions and those relating to the general accuracy of the assumptions made in the estimates or forecasts |  |  |  |  |
| (e) | be stated and reviewed for reasonableness by the directors of the management company who are responsible for the estimates or forecasts, bases and assumptions. |  |  |  |  |
| 21.23 | The following requirements must apply for profit estimates or forecasts: |  |  |  |  |
| (a) | Estimates or forecasts should be realistic and achievable to provide investors with information on the REIT’s prospects. An unrealistic estimates or forecasts, irrespective of whether it is too high or too low, may mislead investors into making investment decisions based on the information in the prospectus |  |  |  |  |
| (b) | Estimates or forecasts must be compiled with utmost care and objectivity |  |  |  |  |
| (c) | Where estimates or forecasts are subject to a high probability of variation, the management company must provide a sensitivity analysis based on the key variables |  |  |  |  |
| 21.24 | For a newly-established REIT, forecast for the first financial year must be presented. However, if the period represented is less than 9 months, forecast for the second financial year of the REIT must be included in the prospectus. |  |  |  |  |
| 21.25 | Directors’ analysis of estimates or forecasts and commentary on achievability must be disclosed, in light of the following: |  |  |  |  |
| (a) | Future prospects of the industry |  |  |  |  |
| (b) | Future plans and strategies to be adopted |  |  |  |  |
| (c) | The level of gearing, liquidity and other requirements |  |  |  |  |
| 21.26 | Distribution estimate or forecast must be disclosed, which include the following: |  |  |  |  |
| (a) | Distribution policy |  |  |  |  |
| (b) | Distribution rate |  |  |  |  |
| (c) | Distributable amount |  |  |  |  |
| (d) | Distribution cover |  |  |  |  |
| (e) | Distribution yield |  |  |  |  |
| 21.27 | The following warning statement, to appear in bold, must be included in the prospectus:  **“The rental yield on real estate held by the scheme is not equivalent to the yield of the units.”**  **“Current rental receipts and yields may not sustain.”**  **“The value of the real estate may rise as well as fall.”** |  |  |  |  |
| 21.28 | The disclosure on the list of expenses must also include fee paid to the property manager. |  |  |  |  |
| 21.29 | A prospectus must disclose information on the appointed property manager which includes– |  |  |  |  |
| (a) | corporate information of the property manager, including number of years in real estate/property management, total property under management and staff strength |  |  |  |  |
| (b) | information on key personnel of the property manager, highlighting the academic and professional qualification, as well as experience possessed by the respective personnel |  |  |  |  |
| (c) | functions, duties and responsibility of the property manager |  |  |  |  |
| (d) | the annual fee and basis of the fee calculation |  |  |  |  |
| (e) | where applicable, unit holding of the property manager in the fund |  |  |  |  |
| 21.30 | A prospectus must contain a valuation certificate prepared in accordance with the *Guidelines on Asset Valuation.* |  |  |  |  |
| 21.31 | The relationship between the management company (including the management company’s related corporations and associated persons) and the vendors must be explained. |  |  |  |  |
| 21.32 | There must also be disclosed brief particulars of any transaction within the two preceding years relating to any real estate to be purchased or to be purchased out of the proceeds of the issue that may give rise to a conflict of interest. |  |  |  |  |
| 21.33 | The inclusion of photographs in the prospectus is only permitted on condition that the photograph is not more than six months old and the REIT owns a major portion of the real estate. Drawings of real estate must not be included in the prospectus. |  |  |  |  |
| 21.34 | Full disclosure of the salient terms of the material agreement relating to the proposed acquisition of real estate. |  |  |  |  |

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| **PART 2: FUND PERFORMANCE** |

| **Fund Performance** | | **Complied with?** | | | **Comments** |
| --- | --- | --- | --- | --- | --- |
| **Yes** | **No** | **N/A** |
| (1) | This section applies to an existing fund which has been in operation for at least one financial year/period. |  |  |  |  |
| (2) | A prospectus should disclose the following: |  |  |  |  |
| (a) | Average total returns of the fund over the last one, three, five and 10 financial years (or since establishment if it is shorter); and |  |  |  |  |
| (b) | Annual total return of the fund for each of the last 10 financial years (or since establishment if it is shorter). |  |  |  |  |
| (3) | For the purpose of clause 9.02, the use of graphs to show the performance of the fund and comparison with the selected benchmark is highly recommended. There should also be a brief write-up on the fund’s performance vis-à-vis the stated benchmark. If there has been a change in the benchmark at any point in the last one, three, five and 10 financial years (or since establishment if it is shorter), to state the fact and explain the reason for the change. |  |  |  |  |
| (4) | For the purpose of clause 9.02, a prospectus should state the basis of calculation and any assumption made in calculating the returns. |  |  |  |  |
| (5) | A prospectus should indicate the fund’s gross and net of tax distribution per unit for the past three financial years, specifying the form by which distributions were made (e.g. cash or units). |  |  |  |  |
| (6) | A prospectus shall include the following information about the fund for three most recent financial years (or since establishment, if it is shorter) and a brief explanation of any significant change: |  |  |  |  |
| (a) | Portfolio turnover ratio; and |  |  |  |  |
| (b) | Asset allocation (e.g. equities, bonds, derivatives, money market instruments, etc.). |  |  |  |  |
| (7) | A prospectus should also disclose any other information that the management company considers necessary on the performance of the fund. |  |  |  |  |
| (8) | The following statement must appear under this section (to appear in bold):  **“Past performance of the fund is not an indication of its future performance.”** |  |  |  |  |

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| **PART 3: ADDITIONAL CORPORATE INFORMATION ON MANAGEMENT COMPANY** |

| **Additional Corporate Information on Management Company** | | **Complied with?** | | | **Comments** |
| --- | --- | --- | --- | --- | --- |
| **Yes** | **No** | **N/A** |
| (1) | Information on key personnel such as the chief executive officer and designated person responsible for compliance matters; |  |  |  |  |
| (2) | Summary of the management company’s financial position for the past three years, where applicable, in tabular form, disclosing – |  |  |  |  |
| (a) | paid-up share capital; |  |  |  |  |
| (b) | shareholders’ funds; |  |  |  |  |
| (c) | revenue |  |  |  |  |
| (d) | profit or loss before tax |  |  |  |  |
| (e) | profit or loss after tax |  |  |  |  |
| (3) | Total number of funds as well total value of funds operated by the management company; |  |  |  |  |
| (4) | Where the fund management function is undertaken by an external fund manager, a brief corporate information of the external fund manager and total value of funds under the fund manager’s management; |  |  |  |  |
| (5) | Names, status (independent or non-independent), relevant qualifications and experience of each member of the investment committee and the frequency of the investment committee meeting; |  |  |  |  |
| (6) | If the management company outsources any function to an external party, a brief corporate information of the service provider or subcontractor and the roles and duties of the service provider or subcontractor; |  |  |  |  |
| (7) | Where a Shariah adviser or panel of advisers is appointed, the relevant qualifications of each of the Shariah adviser or panel of advisers. Where the Shariah adviser is a company– |  |  |  |  |
| (a) | The corporate information of the company |  |  |  |  |
| (b) | The number of funds in which it acts as adviser; and |  |  |  |  |
| (c) | The relevant qualifications of the designated person responsible for Shariah matters of the fund. |  |  |  |  |

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| **PART 4: DECLARATION** |

I/We declare that to the best of my/our knowledge and belief, all information in this document is true, complete and accurate.

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| ……………………………………………  Chief Executive Officer1  of the Management Company  Name:  Management Company:  Date: |  | ……………………………………………………  Authorised Signatory of Adviser2[[1]](#footnote-1)  Name:  Designation:  Company:  Date: |

1. 1 Where there is no Chief Executive Officer, the person who assumes the role and function of a Chief Executive Officer.

   2 Where the application is submitted through an adviser. [↑](#footnote-ref-1)