

OUR VISION

To develop the unit trust industry as the preferred vehicle for savings and retirement.

OUR MISSION

To educate and develop awareness of the investing public and to further enhance the prestige and reputation of member companies, both locally and internationally.

OUR OBJECTIVES

To improve the regulatory, fiscal and legal environment for unit trusts;

To formulate sound and ethical business practices to promote the interest of the unit trust industry and provide investor protection;

To provide information, assistance and other services to its Members; and

To promote public awareness of the benefits and risks of investing in unit trusts.

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NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the Tenth (10th) Annual General Meeting of the Federation of Malaysian Unit Trust Managers ("FMUTM") will be held on Wednesday, 26th May 2004, at 10.30 a.m. at Arcade 3 & 4, Renaissance Kuala Lumpur Hotel, Corner of Jalan Sultan Ismail and Jalan Ampang, 50450 Kuala Lumpur.

AGENDA

1. To confirm and adopt the Minutes of the Ninth (9th) Annual General Meeting held on 3 June 2003.
2. To receive the President's Report.
3. To receive, consider and adopt the audited accounts and the report of the Council of FMUTM for the financial year ended 31 December 2003.
4. To re-appoint Messrs KPMG as the Auditors of FMUTM and authorise the Council to fix their remuneration.
5. Special Matters:

5.1 To consider and to pass, if thought fit, the following special resolution:-

THAT the name 'Federation of Malaysian Unit Trust Managers' be changed to 'Federation of Malaysian Investment Managers' and that the Council be authorised to do all that is necessary to effect this change of name including, if necessary, effecting amendments to the Memorandum and Articles of Association.

5.2 To consider and to pass, if thought fit, the following special resolution:-

THAT the fees and subscriptions payable under the Articles of Association be restructured and that the Council be authorised to do all that is necessary to effect this restructuring including, if necessary, effecting amendments to the Memorandum and Articles of Association.

5.3 To consider and to pass, if thought fit, the following special resolution:-

THAT subject to FMUTM obtaining the relevant approvals and consents from the Securities Commission, the Minister charged with the responsibility for companies, and other relevant authorities, if any, the Articles of Association of FMUTM be amended as follows:

(a) Article 16(3)

The following shall be inserted after the end of the present Article 16(3):

"Notwithstanding anything contained in these Articles, the Council may waive the annual subscription payable by a member if there are less than three (3) months between the date that member is admitted as a member of the Federation and the date the annual subscription is next payable year."

6. To elect Council Members of FMUTM to hold office until the Annual General Meeting of 2006.
7. To deal with any other ordinary business for which due notice shall have been received.

By Order of the Council,



Lee Lai Huat, pp Bernard Chang Tze Wah
Secretary

Dated this 28th day of April 2004

Note:

A member of FMUTM, entitled to attend and vote at this meeting is entitled to appoint a proxy to attend and vote in his stead. A proxy need not be a member of FMUTM. The Form of Proxy must be deposited with the Secretary at the Registered Office of the Company at RDL Corporate Services Sdn Bhd, 18th Floor, Wisma Sime Darby, Jalan Raja Laut, 50350 Kuala Lumpur not later than 5 p.m. on 21 May 2004.

LIST OF RETIRING COUNCIL MEMBERS

In accordance with Article 53 of FMUTM's Articles of Association, the following members of the Council will be retiring at the Tenth (10th) Annual General Meeting of FMUTM to be held on 26 May 2004.

1. **Dato' Abdul Azim Mohd Zabidi**
(President)
2. **Cheah Swee Leng, Edmond**
3. **Tunku Dato' Ya'acob Tunku Abdullah**
4. **Cheah Chuan Lok**
5. **Low Hong Ceong, Paul**
6. **Norkhalim Ahmad**
7. **Tan Keah Huat**
8. **Toh Chin Hian, Mark**
9. **Yeoh Keat Seng**
10. **Christopher Foo Kah Foong**
(Independent Councillor)
11. **Mohammad Faiz Mohammad Azmi**
(Independent Councillor)
12. **Prof. Dr. Saiful Azhar Rosly**
(Independent Councillor)

All retiring members of the Council with the exception of Dato' Abdul Azim Mohd Zabidi, Norkhalim Ahmad and Yeoh Keat Seng will be offering themselves for re-election.

The newly elected President shall in consultation with the elected members of the Council appoint three (3) persons to be Independent Councillors.

CORPORATE INFORMATION

COUNCIL MEMBERS

Y. Bhg. Dato' Abdul Azim Mohd Zabidi
President

En. Cheah Swee Leng, Edmond
Vice President
Chairman, Tax & Accounting for Unit Trust Funds

Y.M. Tunku Dato' Ya'acob Tunku Abdullah
Chairman, Professional Practices

En. Cheah Chuan Lok
Chairman, Investment Management

En. Low Hong Ceong, Paul
Chairman, Marketing and Distribution

En. Norkhalim Ahmad
Chairman, State Unit Trusts Association and Syariah Funds

En. Tan Keah Huat
Chairman, Product Development

En. Toh Chin Hian, Mark
Chairman, Corporate Communications

En. Wong Say Fun, Peter
Chairman, International Affairs
(Resigned 1 December 2003)

En. Yeoh Keat Seng
Chairman, Education and Conference

En. Christopher Foo Kah Foong
Independent Councillor

En. Mohammad Faiz Mohammad Azmi
Independent Councillor

Prof. Dr. Saiful Azhar Rosly
Independent Councillor

MANAGEMENT

Pn. Tan Chai Fong, Kathy
Executive Director

PAST COUNCIL PRESIDENTS

Year 1993
Pro tem Council – **En. Steven Soh Teck Toh**

Year 1994 – 1995
Y. Bhg. Dato' Malek Merican

Year 1996 – 1997
Y. Bhg. Dato' Kamaruddin Mohammed

Year 1998 – Present
Y. Bhg. Dato' Abdul Azim Mohd Zabidi

REGISTERED OFFICE

RDL Corporate Services Sdn Bhd
18th Floor, Wisma Sime Darby
Jalan Raja Laut
50350 Kuala Lumpur
Tel: 603 - 2694 9999
Fax: 603 - 2698 4759

En. Bernard Chang Tze Wah
Company Secretary

AUDITORS & TAX CONSULTANT

KPMG
Wisma KPMG
Jalan Dungun
Damansara Heights
50490 Kuala Lumpur
Tel: 603 - 2095 3388
Fax: 603 - 2095 2177

BANKERS

Maybank Berhad
AG 1-2 & AG 9-10
Plaza Pekeliling
2, Jalan Tun Razak
50500 Kuala Lumpur
Tel: 603 - 4041 6049
Fax: 603 - 4041 5161

Maybank Berhad
Wisma Tan Kim San
518A, Jalan Ipoh
51200 Kuala Lumpur
Tel: 603 - 4042 8030
Fax: 603 - 4042 3112

PRESIDENT'S STATEMENT



**“There is a tide in the affairs of men,
Which, taken at the flood, leads on to fortune:
Omitted, all the voyages of their life
Is bound in shallows and in miseries.
On such a full sea are we now afloat;
And we must take the current when it serves,
Or lose our ventures.”**

William Shakespeare
(from the play, *Julius Caesar*)

On behalf of the Council Members of the Federation of Malaysian Unit Trust Managers (FMUTM), I have great pleasure in presenting to you the Tenth Annual Report and Audited Financial Statements for the 12 months ending 31 December 2003.

2003 will go down in the annals of the FMUTM as the year in which the association came of age, marking a decade of excellence but more on this source of pride later.

The year under review started off on a pessimistic note. However, after what seemed like a never-ending stream of difficulties and uncertainties, both locally and globally, 2003 ended with an optimistic overture, a promise of better and brighter things to come. Indeed, for the first half of the year, global financial markets experienced some tumultuous times,

a fallout from the cloud of uncertainty weathered by major externalities like the war in Iraq and the Severe Acute Respiratory Syndrome (SARS) epidemic. Nevertheless, market sentiment and prospects improved by the third quarter, with the end of the SARS outbreak in sight and signs of a worldwide economic recovery in clear view. On the domestic front, the Malaysian economy proved resilient against an unfavourable environment. Underpinned by strong external demand for its exports and robust private sector activity (increased domestic direct investments), particularly in the second half of 2003, Malaysia's Gross Domestic Product (GDP) grew 5.2% for the review period, exceeding all expectations.

For the unit trust industry, I am pleased to report that 2003 turned out to be a challenging yet successful year. The Malaysian unit trust industry performed impressively, registering a year-on-year Net Asset Value (NAV) growth of 30.5%, netting RM70.08 billion worth of funds under management. This growth is quite remarkable and outperformed the stock market barometer, the KLSE Composite Index (KLCI), which correspondingly gained 22.8%. To put this in perspective, with a record of 44 new funds successfully launched during the year, the industry's assets have expanded at a compounded annual growth rate of 14.6% over the period since 1992 (the year when statistics were made available). Going forward, this definitely augurs well for the enormous growth potential of the industry.

As the Federation enters its 11th year of existence, I would like to acknowledge the tremendous support and contribution of members throughout the last ten years. Your dedication and commitment to the cause have seen the FMUTM develop into an established organisation with a fast-growing stature locally, regionally and internationally. While ten years is still the infancy stage for any association, it is no mean feat for the Federation to have come such a long way and achieve so much. We are very proud of this and justifiably so.

At this juncture, allow me to reiterate the statement I have been making over the past few years based on the strong evidence that foretells the immense potential of our industry. As the FMUTM stands on the threshold of bigger things, I am confident that our industry will be a major force in the ensuing years. This confidence stems from my belief that the Federation has the capability and capacity, as well as the resources and resourcefulness, to play a proactive and pivotal role in the further development of not only the unit trust industry but also the broader investment management sector.

In my President's Statement last year, I had urged members to take considerable time to re-think and re-position themselves to take advantage of the industry's potential. In particular, I pointed to the ten-year Development Plan (DP) for our industry which recommended strategies that will assist industry participants to capture and capitalise on future developments in the capital market, as well as to develop the unit trust management companies (UTMCs) into significant players in the investment management industry. The major thrust of the DP's vision is in ensuring that the UTMCs are restructured into investment management companies and to expand the scope of their business beyond unit trust products and services. Springing from this, the key initiative is to set in motion changes in the role of the FMUTM such that it successfully redefines and restructures itself into an association representing all organisations and companies involved in managed funds. In this respect, a special resolution to change the name of the FMUTM to the Federation of Malaysian Investment Managers or the FMIM, is on the Agenda for the Tenth (10th) Annual General Meeting to be held on 26 May 2004.

The Council is of the view that the FMUTM or the restructured entity must stay relevant as the industry moves forward. The proposed change (to the FMIM) will keep the Federation at the forefront of the implementation process of the various Capital Market Masterplan (CMP) recommendations pertaining to the investment management industry. As the FMUTM marches onward in achieving its objectives, it must not do so to the beat of distant drums but instead follow the familiar buzz of the DP, in order to reap the benefits accruing from the convergence in the industry.

During the period under review, the Federation continued to nurture close working relationships with the regulators, authorities and other relevant organisations on issues of mutual concern. The sub-section on developmental initiatives with regulators and authorities of this annual report covers much of the developmental dialogue and work undertaken during the period. Suffice to report here the more significant regulatory developments.

First, the Securities Commission (SC) issued the revised Guidelines on Unit Trust Funds on 1 April 2003 (for implementation from 1 May 2003). In essence, these guidelines liberalised certain investment restrictions, allowing greater flexibility for unit trust funds; and streamlined the submission and registration processes for fund prospectuses and fund reports. This is certainly a positive move as it encourages better compliance standards and product innovation as well as enhanced disclosure requirements and risk management. Second, following the SC's discussion on the liberalisation of foreign ownership of UTMCs and bumiputra participation in the unit trust industry, the FMUTM had submitted a proposal to the SC in August 2003. We will continue to liaise with the SC on developments in this area. Third, the recent foreign exchange liberalisation announced by Bank Negara Malaysia (BNM) allows UTMCs to invest abroad but the quantum is still capped at 10% of the fund's NAV. While this is a step in the right direction, the Federation will continue to lobby for the foreign investment limit to be revised, even as we are currently awaiting the decision of BNM on our proposal that specifically designed funds for full investments abroad be permitted.

The Securities Industry (Amendment) Act 2003, which came into effect on 5 January 2004, brings about single licensing for the fund management industry. In examining this issue, due regard should be given to the structural changes taking place in many foreign jurisdictions where mergers of unit trust associations and asset management associations seem to be the vogue. Understandably, the rationale behind the merger is simple, in that it will create a more powerful association which consequently will provide greater leverage for the new enlarged entity in representing the interests of its members and investors as well. Malaysia is one of the few countries where the UTMCs and asset managers are still divorced. As early as 2000, the Federation had put forward a proposal to merge with the Malaysian Association of Asset Managers (MAAM). We could foresee then the trend that was evolving internationally, and coupled with the SC's move to introduce single licensing rules as envisioned in the CMP, we were quick to look at the various permutations in bringing about the merger. Unfortunately, the MAAM resisted the merger and the FMUTM respects its decision.

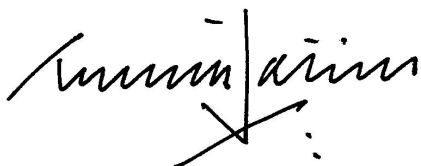
As an industry body, the Federation aims to provide value-added services to its members and plays a key role in promoting public awareness of the benefits and risk of investing in unit trusts. Both these important functions, in terms of the activities and work completed during the year under review, are detailed in the operational review section of this annual report. While I leave you to peruse the multifarious operational activities, I would like to recapitulate a statement that I recently made in the trade press. FMUTM's efforts and initiatives are primarily geared towards achieving its vision to develop the unit trust industry as the preferred vehicle for savings and retirement.

To this end, education is key. We have to continue educating the public about the benefits and risk of unit trust investing. Secondly, we have to introduce new products to make it more attractive for investors; funds have to add value through product differentiation. Thirdly, we have to raise the level of professionalism in the industry; changing the mindset of people selling unit trusts. New approaches have to be identified and one of these is the introduction of financial planners.

Lastly, on enhancing the image of the industry and the visibility of the FMUTM, it would be remiss of me if I did not make mention of the 17th Annual Assembly of the International Investment Funds Associations (IIFA), so successfully hosted by the Federation in October 2003. Malaysia was the first Southeast Asian country to be given the honour and privilege to host this international assembly, a testament to the FMUTM's growing prestige and reputation at this level.

On behalf of the Council, I would like to express my appreciation and gratitude for the invaluable contribution by our staff at the Secretariat. Their hard work and dedication to fulfilling their responsibilities has helped the FMUTM to achieve many of its objectives. I also wish to extend my heartfelt gratitude to the Council members for their selfless efforts. The important work carried out at the FMUTM could never have been accomplished without their unwavering commitment and generosity in making available their time and experience.

Enclosing, I would also like to acknowledge the unflagging support and patronage of the Securities Commission, without which all our efforts would have been in vain.



Dato' Abdul Azim Mohd Zabidi
President

5 May 2004

COUNCIL MEMBERS AND MANAGEMENT



Left to right : En. Christopher Foo Kah Foong / En. Wong Say Fun, Peter / Y.M. Tunku Dato' Ya'acob Tunku Abdullah / Prof. Dr. Saiful Azhar Rosly / En. Low Hong Ceong, Paul / En. Tan Keah Huat / Pn. Tan Chai Fong, Kathy (Executive Director) / Y. Bhg. Dato' Abdul Azim Mohd Zabidi (President) / En. Cheah Swee Leng, Edmond (Vice President) / En. Toh Chin Hian, Mark / En. Mohammad Faiz Mohammad Azmi / En. Yeoh Keat Seng / En. Cheah Chuan Lok

Not in photograph : En. Norkhalim Ahmad

Y. BHG. DATO' ABDUL AZIM MOHD ZABIDI

Y. Bhg. Dato' Azim Mohd Zabidi is currently the Chairman of Bank Simpanan Nasional (National Savings Bank), a position he has held since July 1999. He has risen rapidly through the ranks of the Malaysian financial industry. He joined Bank of Commerce Berhad in 1984 and was seconded to Commerce Property Trust Managers Berhad in September 1990 as Assistant General Manager, before assuming the position of General Manager in March 1992. In January 1995, he was made Group General Manager of Commerce Asset Managers, with the added task of overseeing the operations of a new initiative within the Commerce Asset Holdings Group, namely Commerce Asset Fund Managers Sdn Bhd.



Y. Bhg. Dato' Azim was elected by the Malaysian Government to be a member of the National Economic Consultative Council II, where he served on the Islamic Banking and Finance Committee. He is also Deputy Chairman of the Board of Advisors to the Malaysian Central Depository. He is a member of the Index Sub-Committee of the Kuala Lumpur Stock Exchange and was appointed by the Securities Commission to be a member of the Capital Market Advisory Council in 2000.

On the international front, he was elected to the Board of Directors of the World Savings Banks Institute. Additionally, he is also a member of the Steering Committee of the International Investment Funds Associations.

In the political arena, Y. Bhg. Dato' Azim has served in numerous positions at all levels of UMNO, including being an elected member of UMNO Youth Malaysia for the period 1996 to 2000. In May 2000, he was elected to be a Supreme Council Member.

Y. Bhg. Dato' Azim is a Fellow of the Chartered Institute of Secretaries, UK and holds an MA in Business Law from London Guildhall University, United Kingdom. He has been on the Council of the FMUTM since 1995 and is currently serving as its President, a post he has held since 1998.

EN. CHEAH SWEE LENG, EDMOND

En. Edmond Cheah B.A. (Honours), A.C.A., CFP, is the Executive Director and Chief Executive Officer of Public Mutual Berhad and a member of the Investment Committee of the various unit trust schemes managed by Public Mutual. En. Cheah is a member of the Institute of Chartered Accountants of England and Wales and a Chartered Accountant of the Malaysian Institute of Accountants.

His previous work experience includes auditing, portfolio and investment management, corporate planning and merchant banking. With regard to past investment experience, En. Cheah has been involved in unit trust management since 1984 when he started his career in portfolio management with a merchant bank, where he was responsible for the portfolio management of the bank's clientele. Prior to joining Public Mutual, he was the General Manager of Investment and Corporate Planning in a public listed company.

In 1992, he joined Public Mutual as its Deputy Managing Director and was subsequently appointed Chief Executive Officer on 22 February 1994. As Deputy Managing Director, he was responsible for managing the funds of Public Mutual. In addition to his role as Chief Executive Officer, En. Cheah oversees the direction and portfolio management of Public Mutual's unit trust funds. He is the designated fund manager of Public Savings Fund, Public Growth Fund, Public Index Fund, Public Industry Fund and Public SmallCap Fund. Since he joined Public Mutual, the total fund size under management has grown from RM159 million to its current level of above RM8 billion.

En. Cheah was first appointed a Council Member of the FMUTM and Chairman of the Tax & Accounting Committee on 13 December 1995. He is currently the Vice President of the FMUTM. En. Cheah is also a founder member and President of the Financial Planning Association of Malaysia (FPAM), and Chairman of its Board of Certification and Standards.

He co-authored two books entitled *Financial Freedom - Your Guide To Lifetime Financial Planning* and *Financial Freedom - Through Malaysian Equities and Unit Trusts*. Both books have had a combined sale and distribution of more than 80,000 copies since their launch.

Y.M. TUNKU DATO' YA'ACOB TUNKU ABDULLAH

Y.M. Tunku Dato' Ya'acob was appointed a Council Member of the FMUTM on 11 April 2002. He holds a B.Sc. (Honours) in Economics and Accounting from the City University, London (1982) and is also a Fellow of the Institute of Chartered Accountants of England and Wales. He was attached to the offices of PricewaterhouseCooper in London and Kuala Lumpur from 1982 to 1987.



Y.M. Tunku Dato' Ya'acob served as the Chief General Manager of Malaysian Assurance Alliance Berhad (MAA Assurance) from 1987 to 1995 and was its Managing Director/Chief Executive Officer until May 2000, when he became Chairman of MAA Assurance, a position he still holds today. He is also the Deputy Group Managing Director of the Melewar Group Berhad, an investment holding company.

Y.M. Tunku Dato' Ya'acob is also the Managing Director/Chief Executive Officer of MAA Holdings Berhad, Managing Director of Melewar Industrial Group Berhad, Director of Malaysian National Reinsurance Berhad and Chairman of Toyochem Corporation Berhad, all of which are public listed companies on the KLSE. He also holds directorships in several private limited companies.

Y.M. Tunku Dato' Ya'acob is currently the Deputy President of the Federation of Public Listed Companies (FPLC). At the FMUTM, he chairs the Professional Practices Committee.

EN. CHEAH CHUAN LOK

En. Cheah is the Chief Executive Officer of AmInvestment Services Berhad (formerly known as AMMB Investment Services Berhad), and responsible for the general management of the company. Prior to his present appointment, he was a Fund Manager and also the Head of Equities Research of AMMB Asset Management Sdn Bhd.

He holds an MBA from Maryhurst College, Oregon, USA. He is currently a Council Member of the FMUTM, chairing the Investment Management Committee.

**EN. LOW HONG CEONG, PAUL**

En. Paul Low is the Chief Executive Officer of SBB Mutual Berhad. He is responsible for the company's performance and leads the company in the formulation of its business strategies and future plans. He was previously the General Manager of SBB Mutual Berhad and has been with the company since July 1998.

He holds an MBA from McNeese State University, Louisiana, USA. En. Low has been in the financial services circuit since 1986 which includes international experience in the USA. Before his return to Malaysia in 1993, he was with Northwestern Mutual and Metlife in the USA. He was also the Founder and President of the Malaysian-California Chamber of Commerce 1992/1993 and President of St. Louis Chinese Junior Chamber of Commerce USA in 1987/1988.

En. Low is also a board member of the Financial Planning Association of Malaysia (FPAM). He is a Council Member of the FMUTM and currently chairs the Marketing and Distribution Committee.

EN. NORKHALIM AHMAD

En. Norkhalim has been the Chief Executive Officer of Amanah Saham Kedah Berhad (ASKB) since 1 November 1994. He holds a degree in Operations Research from University of Denver, USA.

He started his professional career in 1986 as a Corporate Planning Executive at Johor Corporation (JC) before he moved on to be an Investment Executive at Pelaburan Johor Berhad (PJB), where he handled asset management and investment research. He was then promoted to Operations Manager and was responsible in re-launching Amanah Saham Johor in 1992. Backed with experience gained in Johor, En. Norkhalim was then assigned as a Consultant in the establishment of Amanah Saham Sarawak Berhad (ASSB) and entrusted to lead its Operations Division in 1993. While at ASSB, he was also a Consultant in the establishment of Saham Sabah Berhad and ASKB. He joined ASKB in 1994.



With his vast knowledge in unit trusts and asset management, he was appointed the Chairman of State Unit Trusts Association (SUTRA) effective 16 December 1999. SUTRA, a body representing all unit trust management companies offering state funds was formed to enhance the public's interest and participation in state unit trusts. He is also constantly being sought after by the State and various government agencies to assist in strengthening their investment activities.

En. Norkhalim is a Council Member of the FMUTM chairing the State Unit Trusts and Syariah Funds Committee. He also represents FMUTM in the Securities Commission's Islamic Capital Market Working Group (ICMWG).

EN. TAN KEAH HUAT

En. Tan is the Chief Executive Officer of Apex Investment Services Berhad (formerly known as Apex Unit Trusts Berhad) and Director of Apex Asset Management Sdn Bhd. He holds a B.Sc. (Honours) in Actuarial Science from the University of Western Ontario, Canada and he is also a Certified Financial Planner (CFP).



En. Tan has been involved in the fund management industry since 1995 and previously held the position of Chief Executive Officer in AMMB Investment Services Berhad. His responsibilities also extended to the roles of Investment Committee member, Chairman of Fixed Income Risk Committee and Chairman of Derivative Risk Management Committee.

En. Tan is currently a Council Member of the FMUTM, chairing the Product Development Committee.

EN. TOH CHIN HIAN, MARK

En. Mark Toh is an Associate of the Chartered Insurance Institute (UK) with a Masters degree from the University of Keele, UK. He began his career with the Prudential Assurance Company Limited holding various positions until his appointment in 1991 by a local banking group to start up and manage a group of financial services companies that included unit trusts, asset management, trustee and will-writing. In 2000, he rejoined Prudential as the Chief Executive Officer of Prudential Unit Trusts Berhad, bringing along with him more than 25 years of both local and international experience in the financial services industry.

He is a board member of the Financial Planning Association of Malaysia (FPAM) and also currently a Council Member of the FMUTM, chairing the Corporate Communications Committee.

EN. WONG SAY FUN, PETER

En. Peter Wong was appointed the Executive Director/Chief Executive Officer of MBf Unit Trust Management Berhad in December 1998. He joined the company to head its fund management team in March 1996, and became Vice President/Chief Investment Officer in 1997.



En. Wong holds an MBA (Finance and Investment) from the National University of Singapore, a B.Sc. (First Class Honours) in Chemistry from University of Malaya, and diplomas in Finance & Accounting, Systems Analysis and Personnel Management.

He has a multi-disciplinary background in investment, management consultancy, corporate treasury, foreign exchange management, financial and corporate planning, EDP and personnel management. He had worked for 13 years with Singapore Airlines Ltd., including 6 years in fund management as head of the Treasury Planning Department overseeing the airline's global investment portfolio of a few billion Singapore Dollars. He had also worked as a Consultant with PA Consulting Group Sdn Bhd in Kuala Lumpur, and subsequently assumed the post of Chief Strategist for portfolio investment at SJ Asset Management Sdn Bhd.

Before resigning from the Council of the FMUTM on 1 December 2003, En. Wong was the Chairman of the International Affairs Committee.

EN. YEOH KEAT SENG

En. Yeoh is the Chief Executive Officer of Commerce Trust, having joined the company in June 2001.

Prior to his current position, he had spent 10 years in investment research, the last 3 1/2 years as First Vice President with Merrill Lynch. He holds a Bachelor of Accountancy from the National University of Singapore and has been a qualified Chartered Financial Analyst since 1992. He further obtained the Certified Financial Planner qualification in 2003.



En. Yeoh is currently a Council Member of the FMUTM chairing the Education and Conference Committee. He is also a columnist for 'The Star' and the author of the book *Investing Your Savings*.

EN. CHRISTOPHER FOO KAH FOONG

En. Christopher Foo has been a partner of a legal firm, Messrs Raja, Darryl & Loh, since March 1994. Prior to this, he was a partner of Messrs Murphy & Dunbar for more than 10 years. He obtained his LLB (Honours) from the University of Malaya in 1980 and was admitted as an Advocate & Solicitor of the High Court of Malaya in January 1981.

En. Foo has contributed and provided advice to various unit trust management companies and trustees on legal matters pertaining to the unit trust industry such as the establishment of funds, the preparation of various legal documentation and organisation of unit-holders' meetings, amongst others.

He was appointed an Independent Councillor of the FMUTM on 28 November 2000.

EN. MOHAMMAD FAIZ MOHAMMAD AZMI

En. Mohammad Faiz is currently an Executive Director (Assurance and Business Advisory Services) in the Financial Services Group in PricewaterhouseCoopers Malaysia which specialises in providing services to clients in the financial industry. He holds an honours degree in Law from Durham University, UK. Besides being called to the English Bar, he is also a member of the Malaysian Institute of Accountants as well as the Institute of Chartered Accountants of England and Wales. His audit clients include banks, stockbroking firms, fund management firms and funds.



En. Mohammad also acts as a trainer in his firm's banking and securities courses. He is a Director in Financial Risk Management, a unit specialising in offering advice on risk management and accounting matters, particularly on special products and transactions. He represents his firm on the Malaysian Accounting Standards Board's (MASB) committees on Islamic Accounting, IAS39 and Bank Reporting.

En. Mohammad was appointed an Independent Councillor of the FMUTM on 6 June 2001.

PROF. DR. SAIFUL AZHAR ROSLY

Prof. Dr. Saiful is a Professor of Economics at the International Islamic University Malaysia, specialising in Islamic economics, banking and finance. He teaches money & banking and monetary economics. Prof. Saiful obtained his Bachelor and Masters in Economics from Northern Illinois University, DeKalb, USA. He pursued his PhD (1991-1995) at the National University of Malaysia (UKM), specialising in input-output study of the Malaysian manufacturing sector.



Prof. Dr. Saiful sat in the National Economic Development Council on Islamic Banking and Finance (MAPEN2). He has written for several reputed journals, including 'The Thunderbird Business Review', 'The International Journal of Islamic Financial Services', 'Arab Law Quarterly', 'International Journal of Social Economics' and 'IIUM Journal of Economics and Management'. He was also a columnist for 'The Sun' and 'ZoomFinance' newspaper from 1995-2000.

At present, Prof. Dr. Saiful serves as advisor and consultant in a number of financial organisations in Malaysia. He is currently a member of the Syariah panel of Permodalan Usahawan Nasional Berhad (PUNB), Commerce International Merchant Bank (CIMB) and EON Finance Berhad. He is also resident advisor to Silverlake Malaysia. He presently has a monthly column on Islamic capital markets in the KLSE's 'Investors' Digest'.

Currently, Prof. Dr. Saiful is conducting an MTEN research on the establishment of Centers of Excellence (COE) in Labuan. He is also developing an Islamic microfinancing model for Malaysia and the Middle East under the Islamic Development Bank (IDB) stewardship.

He was appointed an Independent Councillor of the FMUTM on 8 December 2000 and is also an advisor on Syariah funds.

PN. TAN CHAI FONG, KATHY

Pn. Kathy Tan joined the FMUTM in June 1998, as the Development Manager. In April 1999, she was promoted to Executive Director, a position she currently holds. She graduated from Monash University, Melbourne, Australia with a Bachelor in Economics, majoring in Accounting and also obtained an MBA in Finance from the University of Hull, United Kingdom.

Pn. Tan worked with the NZI Bank Group in New Zealand from 1987-1992. Her responsibilities included financial management planning, financial reporting and analysis, group consolidation and special projects. Prior to joining FMUTM, she was the Group Finance Manager for Commerce Property Trust Managers Berhad and Commerce Asset Fund Managers Sdn Bhd. She has also worked as an Investment Manager with Premier Capital Management Sdn Bhd.

Pn. Tan is an Associate Member of the Australian Society of Certified Public Accountants and New Zealand Society of Accountants. In Malaysia, she has been a Registered Accountant with the Malaysian Institute of Accountants since July 1992, and she is also a member of the Malaysian Institute of Management.

MALAYSIAN UNIT TRUST INDUSTRY REVIEW 2003

THE MALAYSIAN ECONOMY

The Malaysian economy was resilient in the face of uncertainties during 2003. Benefiting from the more robust external demand and increased private sector activity in the domestic economy, especially in the second half of 2003, Gross Domestic Product (GDP) expanded by 5.2%, exceeding the official forecast of 4.5%.

2003 proved to be a challenging year for global financial markets despite the high degree of economic and financial uncertainty arising from major external events such as the Severe Acute Respiratory Syndrome (SARS) viral outbreak and the U.S.-led war on Iraq. The broader market performed well as the KLSE Composite Index (KLCI) gained 22.8%, hitting its highest level in three years, while the Second Board Index rose by 43.2% during the year under review. Apart from sustained efforts by the government to improve the investment environment, factors that helped boost the stock market included the timely economic stimulus package, the smooth transition in the country's leadership and the upgrade of Malaysia's sovereign rating by international rating agencies.

While equity markets trended upwards, the fixed income market was tumultuous due to the combined effect of the following:

- Improved global economic outlook in the second half of 2003
- Thinned-out liquidity on the local front
- Anticipation of higher interest rates in the future.

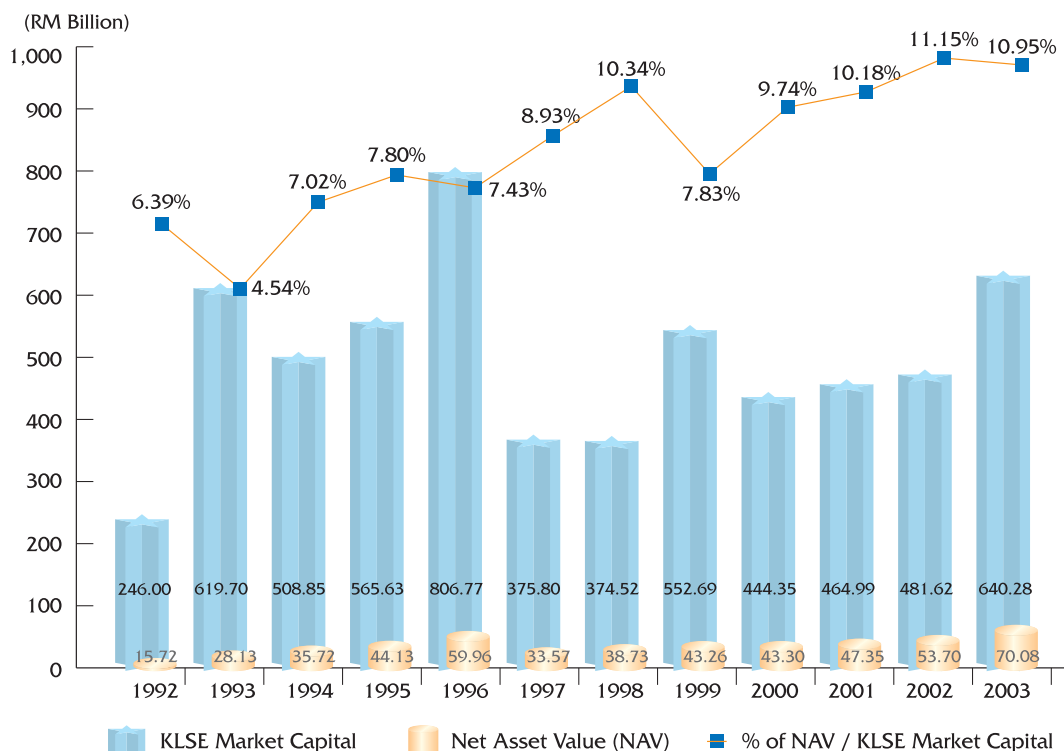
ANALYSIS OF THE NET ASSET VALUE (NAV) OF THE INDUSTRY

The Malaysian unit trust industry, along with the broader financial system and capital market, performed well under these very challenging conditions.

During the year under review, the total net asset value of unit trusts increased 30.5% to RM70.08 billion, the highest value since 1992. However, the NAV of the industry accounted for a smaller percentage of the Kuala Lumpur Stock Exchange's (KLSE) market capitalisation at 10.95% which was 0.2% lower than in the previous year (Chart 1).

Chart 1

Total Net Asset Value vs KLSE Market Capitalisation as at 31 December (RM billion)



Source: Securities Commission

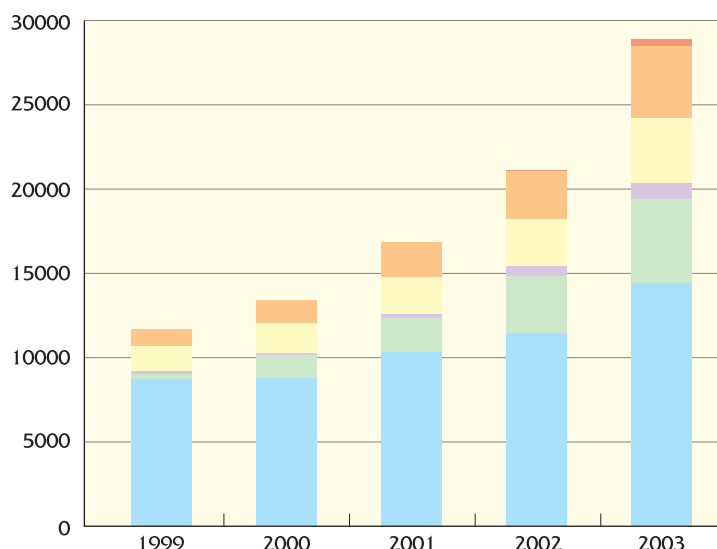
Stock funds thrived as the outlook of the KLSE turned rosier from the middle of the year with the NAV strengthening to RM14.38 billion at end-2003, a net increase of RM2.94 billion or 25.7% compared to last year. While continuing to constitute the largest portion of investment assets, the dominance of stock funds in relation to other types of funds saw a deterioration from 54.2% at end - 2002 to an all-time low of 49.83% at end-2003.

Bond funds generally benefited from a rally in the bond market as well as spectacular returns in previous years and the earlier months of 2003. The NAV of bond funds increased 48.18% from RM3.39 billion in end-2002 to a record RM5.03 billion in end-2003. However, as the local stock market sentiment gradually improved, the NAV of bond funds was adversely affected as bond prices fell and investors cashed out and switched to equities.

In the case of Islamic funds, new funds were introduced and promoted by more industry players to meet the burgeoning demand for investments that conform to Syariah principles. As a result, the NAV of these funds rose to RM4.30 billion in end-2003, garnering a bigger market share at 14.89% of private unit trust funds, up from 13.63% the year before.

Assets of money market funds and asset allocation funds also saw sizeable increases. In the case of money market funds, the NAV recorded RM0.94 billion, 54.9% more than the previous high of RM0.61 billion in 2002, while asset allocation funds increased 40.71% to RM3.84 billion in 2003 from RM2.73 billion last year.

Chart 2
Net Asset Value by Types of Funds as at 31 December (RM million)



	1999	2000	2001	2002	2003
Guaranteed / Protected	0.00 (0.00%)	0.00 (0.00%)	0.00 (0.00%)	74.69 (0.35%)	375.92 (1.30%)
Islamic	1,009.15 (8.64%)	1,409.60 (10.49%)	2,116.12 (12.54%)	2,880.23 (13.63%)	4,297.77 (14.89%)
Asset Allocation	1,459.24 (12.50%)	1,744.30 (12.98%)	2,162.22 (12.81%)	2,732.85 (2.87%)	3,845.46 (13.32%)
Money Market	162.95 (1.40%)	157.39 (1.17%)	287.95 (1.70%)	606.42 (2.93%)	939.35 (3.25%)
Bond	319.28 (2.74%)	1,356.79 (10.09%)	1,960.12 (11.62%)	3,392.86 (16.06%)	5,027.66 (17.41%)
Stock	8,722.67 (74.72%)	8,774.04 (65.27%)	10,350.26 (61.33%)	11,444.82 (54.16%)	14,386.34 (49.83%)
Total	11,673.29 (100.00%)	13,442.12 (100.00%)	16,876.67 (100.00%)	21,131.87 (100.00%)	28,872.50 (100.00%)

Source: Lipper Asia Ltd.

Based on respondent private funds as categorised by Lipper Asia Ltd. and adopted by members.

Notes:

1. Based on Lipper's fund investment objectives, these funds have been grouped into the following six types:

- Guaranteed/Protected Funds: Comprises Capital Guaranteed funds and Capital Protected funds.
- Money Market Funds : Include all Money Market funds.
- Asset Allocation Funds : Include Mixed Asset Growth funds and Mixed Asset Income funds.
- Islamic Funds : Include Islamic/Syariah-Mixed Asset, Islamic/Syariah-Bonds and Islamic/Syariah-Equities.
- Bond Funds : Include all General Bond funds.
- Stock Funds : Include Index Tracking funds, Growth funds, Income funds, Small Companies funds and Info & Technology funds.

2. The private sector fund classification may differ between the Securities Commission and Lipper.

NEW FUNDS LAUNCHED

A total of 44 funds were launched by 15 unit trust management companies during 2003. This brought the total number of unit trust funds to 216 as at the end of the year. A list of the new funds launched in 2003 is shown in Table 1.

In terms of fund types, Islamic funds continued to top the list in 2003 with the addition of 13 fresh funds that amounted to 29.55% of all new funds launched in the year. Among the newly introduced Islamic funds were four Islamic mixed asset funds and three Islamic bond funds which combined total has out-stripped new Islamic equity funds for the first time. These diverse types of Islamic funds bring the industry a step closer towards offering Malaysian investors a more complete range of Islamic products that conform to Syariah principles.

Conventional equity funds increased by another eight funds, comprising 18.18% of all new funds launched in 2003. Also, the investing public now has options to more fixed income and capital preservation products as the industry has rolled out another nine bond funds (20.45%) and four capital guaranteed funds (9.09%) during the year under review.

Table 1: New Funds Launched in Year 2003

	Funds	Launch Date	Approved Fund Size (million units)	Management Company
1.	Mayban Value	7 Jan 03	300	Mayban Unit Trust Berhad
2.	Mayban Ethical	7 Jan 03	300	Mayban Unit Trust Berhad
3.	OSK-UOB Income	26 Feb 03	300	OSK-UOB Unit Trust Management Berhad
4.	KL City Dana Imbang	26 Feb 03	300	KLCity Unit Trust Berhad
5.	ASG - Amanah Saham Persaraan	17 Mar 03	} Combined approved fund size of 1 billion units	Amanah Saham Nasional Berhad
6.	ASG - Amanah Saham Kesihatan	17 Mar 03		Amanah Saham Nasional Berhad
7.	ASG - Amanah Saham Pendidikan	17 Mar 03		Amanah Saham Nasional Berhad
8.	Pacific Dana Murni	25 Mar 03	500	Pacific Mutual Fund Berhad
9.	Pacific Dana KLSI	25 Mar 03	500	Pacific Mutual Fund Berhad
10.	HLG Dana Maa'rof	25 Mar 03	200	HLG Unit Trust Berhad
11.	HLG Dana Munir	25 Mar 03	500	HLG Unit Trust Berhad
12.	Hwang-DBS Capital Guaranteed Fund I	25 Apr 03	200	Hwang-DBS Unit Trust Berhad
13.	SBB Dana Al-Hikmah	30 Apr 03	500	SBB Mutual Berhad
14.	SBB Dana Al-Ihsan 2	30 Apr 03	500	SBB Mutual Berhad
15.	SBB Dana Al-Azam	30 Apr 03	500	SBB Mutual Berhad
16.	Public Institutional Bond	30 Apr 03	2,000	Public Mutual Berhad
17.	Lifetime Dana Barakah	26 May 03	500	Commerce Trust Berhad
18.	Mayban Enhanced Bond	27 May 03	500	Mayban Unit Trust Berhad
19.	Public Islamic Equity	28 May 03	2,000	Public Mutual Berhad
20.	PRU Master Trust - Prudential Cash Management	29 May 03	(Note 1)	Prudential Unit Trusts Berhad
21.	AmDynamic Bond	16 Jun 03	1,000	AmInvestment Services Berhad
22.	Phillip Master First Ethical	18 Jun 03	200	Phillip Mutual Berhad
23.	Phillip Master Equity Growth	18 Jun 03	200	Phillip Mutual Berhad
24.	Phillip Master Money Market	18 Jun 03	200	Phillip Mutual Berhad
25.	MAA Mutual Al-Faid	30 Jun 03	(Note 2)	MAA Mutual Berhad

Funds	Launch Date	Approved Fund Size (million units)	Management Company
26. MAA Mutual As-Saad	30 Jun 03	(Note 2)	MAA Mutual Berhad
27. Hwang-DBS Select Bond	28 Jul 03	1,000	Hwang-DBS Unit Trust Berhad
28. Hwang-DBS Select Balanced	28 Jul 03	600	Hwang-DBS Unit Trust Berhad
29. Phillip Master Dana Hafizh	30 Jul 03	100	Phillip Mutual Berhad
30. Phillip Master Capital Protected	30 Jul 03	100	Phillip Mutual Berhad
31. Pacific Select Balance	11 Aug 03	300	Pacific Mutual Fund Berhad
32. Pacific Select Income	11 Aug 03	300	Pacific Mutual Fund Berhad
33. Mayban First Capital Guaranteed	19 Aug 03	300	Mayban Unit Trust Berhad
34. Apex Islamic Balanced	28 Aug 03	100	Apex Unit Trusts Berhad
35. Apex Islamic Income	28 Aug 03	100	Apex Unit Trusts Berhad
36. OSK-UOB Capital Guaranteed Series 1	2 Sep 03	200	OSK-UOB Unit Trust Management Berhad
37. AmConservative	16 Sep 03	1,000	AmInvestment Services Berhad
38. AmBalanced	16 Sep 03	1,000	AmInvestment Services Berhad
39. SBB Equity Income	1 Oct 03	300	SBB Mutual Berhad
40. SBB Crystal Equity	1 Oct 03	500	SBB Mutual Berhad
41. Steady Returns Bond	13 Oct 03	250	Commerce Trust Berhad
42. PRUDynamic	6 Nov 03	500	Prudential Unit Trusts Berhad
43. Pacific Dividend	18 Nov 03	500	Pacific Mutual Fund Berhad
44. Public Money Market	16 Dec 03	1,000	Public Mutual Berhad

Notes:

1. Part of PRU Master Trust with a combined fund size of 2 billion units.
2. Part of MAA Mutual Funds with a combined fund size of 1 billion units.

PERFORMANCE OF MALAYSIAN UNIT TRUSTS IN 2003

A GLISTENING AND GLOWING YEAR

The fundamental story for Asia in 2003 was an uptrend as the Asia-Pacific regional markets outperformed other markets elsewhere; some of the best performing funds in 2003 were Asian funds. Asian stock markets set the pace for the rest of the world in 2003. However, with uncertainties obscuring the outlook for growth in the U.S., canny investors were looking for better places to invest and therefore began to wake up to Asia's potential.

Asia endured a roller-coaster year in 2003 as the region underwent changes, starting with pessimism and ending with optimism. Investors kicked off market rallies in Asia early in 2003 but sentiment soon began to swing the other way as fears related to the Severe Acute Respiratory Syndrome (SARS) epidemic began to dominate the markets. The start of the U.S.-led war on Iraq and various terrorist attacks around the world also added to investor uneasiness. The net effect on the Asian markets was to cover them and their economies with uncertainty. However, by the third quarter, with the end of the SARS outbreak and evidence of a global economic turnaround, Asian markets resumed their upward path with a vengeance. The subsequent rallies around the region were strong, prompting speculation that the bear markets had reached their end.

Looking around the region, Hong Kong-authorized mutual funds were up 30.34% and funds available for sale in Singapore gained 25.28% on average in 2003. The Malaysian unit trust industry was one of those joining the improving trend in the year, with funds averaging 20.39% in gains and all unit trusts ending 2003 in positive territory. The average annual return was more than 16 percentage points greater than the return of 2002; after the gains in excess of 30% in 1999, Malaysia experienced a downturn and fell in 2000. In 2002, 3 of 14 Lipper Malaysian classifications declined but in 2003 we saw all Lipper Malaysian unit trust classifications averaging gains.

The year 2003 turned out to be a gratifying one for those who ventured into Malaysian equity investments. Malaysia's economy picked up steam over the year, backed by higher exports and improving gross domestic product (GDP) growth indicating an upward trend in the country's economy. Investors enjoyed double-digit returns in the equity funds market – on average over 25% gains in 2003 – and Malaysia's KLSE Composite Index (KLCI) closed the year at 793.94, surging 22.84% for the first broad-based rally in the past three years. Malaysian equity bulls pointed to a strong economy and robust consumer spending substantiated a rosy surge in the market. The success in the overall equity funds investment arena propelled the small companies classifications to outpace all other Lipper classification groupings, surging to a 31.88% annual growth in 2003. Small companies were the top performers and stimulated the success in the general equity universe for the three-year (+51.24%) and five-year (+99.19%) periods. Small companies took advantage of the robust stock market as investor sentiment improved and increasing demand reflected the flows into small companies' investments.

Investors found the equity market more attractive and turned their backs on bond markets, revealing the rebound in domestic confidence. The major rallies in the global equity market did attract many investors who saw less opportunity and turned increasingly bearish over the fixed income arena. Asian equity funds rose faster and further than their international counterparts. There is no doubt that Asia now stands out as one of the most attractive investment regions in the world as the region's strong fundamentals - low interest rates, sound economic fundamentals and reasonable valuations relative to other regions - make clear. This means that Asia is gaining significance in the global context and will be an increasingly important element in any global investment portfolio. The strong earnings prospects for the region make it a logical choice for investors who want to diversify. At the same time, local fund investor demand has begun to increase as investors seek alternatives to low domestic interest rates.

In the year under review, investors' renewed confidence and increased appetite for risk were results of mounting evidence of the world's economic recovery. Also, the rising profits that confirmed the upward trend added impetus to the unit trust industry. The market catered for the demands of the broad spectrum of investors who were willing to explore new investment opportunities and reposition their assets to take advantage of the resurgent market. This gives Malaysia a better chance of keeping its upward momentum and establishing more promising ground for the market to attract positive investment sentiment. All these factors combined provided further stimulus to growth and development of investment funds in the region.

As one way of recognising fund managers' accomplishments, a total of 31 unit trusts won awards at The Edge-Lipper Malaysian Unit Trust Funds Awards 2003 (Table 2). Lipper adopted the global standard of selecting winners for investors who are looking for consistency over three and five-year periods using the Information Ratio for the calculation.

Table 2: The Edge-Lipper Malaysian Unit Trust Fund Awards 2003 - Winners

Category Information	1-year Ended 31 Dec 2003	Performance (% Returns)	3-year Ended 31 Dec 2003	Performance (% Returns)	Information Ratio	5-year Ended 31 Dec 2003	Performance (% Returns)	Information Ratio
Bond General	Pheim Income Fund	14.62	Public Bond Fund	29.62	0.26	Public Bond Fund	59.63	0.27
Bond Islamic/Syariah	Public Islamic Bond Fund	6.99	N/A	N/A	N/A	N/A	N/A	N/A
Equity Growth	HLG Trading/Services Sector Fund	37.40	RHB Malaysia Recovery Fund	67.81	0.40	CMS Premier Fund	130.64	0.31
Equity Income	Hwang-DBS Select Opportunity Fund	59.29	TA Comet Fund	107.59	0.39	TA Growth Fund	123.52	0.32
Equity Index Tracking	OSK-UOB KLCI Tracker Fund	23.56	ASM Index Fund	27.78	0.15	Public Index Fund	45.21	0.05
Equity Info & Technology	RHB Technology Fund	31.27	N/A	N/A	N/A	N/A	N/A	N/A
Equity Islamic/Syariah	Hwang-DBS Dana Izdihar	64.96	Public Ittikal Fund	44.58	0.25	Pacific Dana Aman	92.28	0.26
Equity Small Companies	OSK-UOB Small Cap Opportunity Unit Trust	39.67	Alliance Vision Fund	67.04	0.36	OSK-UOB Small Cap Opportunity Unit Trust	178.12	0.22
Equity State Fund	Saham Amanah Sabah	21.31	PJB Dana Johor	41.16	0.03	Saham Amanah Sabah	20.29	0.04
Mixed Asset Growth	Pheim Emerging Companies Balanced Fund	31.89	ASM Balanced Fund	33.95	-0.12	SBB Retirement Balanced Fund	74.50	0.07
Mixed Asset Income	TA Income Fund	26.50	Alliance First Fund	46.92	0.19	Alliance First Fund	106.82	0.21
Mixed Asset Islamic/Syariah	Dana Makmur Pheim	34.02	N/A	N/A	N/A	N/A	N/A	N/A
Money Market Malaysia Ringgit	AmlIncome Fund	2.92	N/A	N/A	N/A	N/A	N/A	N/A

Fund Management Company Special Award: Public Mutual Berhad (for the highest number of best performing funds for one, three and five years)

One key to investors' involvement in investment is to pay heed to the performance but it should not be used in isolation when selecting funds for their portfolio. Lipper's award methodology addresses the consistency of returns but investors have to be aware that an award-winning fund is not necessarily the right one to meet individual investment objectives.

During 2003, there were 44 unit trusts newly authorised for sale in Malaysia, amounting to 19% of the total number of funds for sale in the country. Investors continued to pile money into the unit trust industry in the recovering global equity market environment and this saw one-third of the new funds launched being equity funds. Malaysian investors not only witnessed the new fund introductions during the year, but also experienced additional guaranteed funds being launched following their debut in October 2002. However, the new launches were mainly mixed-asset funds, indicating investors' increased appetite for risk but with some retained exposure to bonds.

We believe the Malaysian market will be in the best position to profit from the growing momentum, improving sentiments and correlation with the continuity of buoyant world economies in the new year. Also, against an environment of appreciating Asian currencies and inflation rates, coupled with interest rates that are still hovering low, the market should perform well in 2004. There is no doubt the upturn is likely to be maintained this year on the back of the country's economic development and we are expecting good times ahead, barring any events that might seriously dampen expectations in the region.

Extracted from Lipper Asia Ltd. - "Performance of Malaysian Unit Trusts in 2003: A Glistening and Growing Year".

OPERATIONAL REVIEW 2003

As a quasi-self regulatory organisation, FMUTM is responsible for the registration of Persons Dealing In Unit Trusts (PDUTs). In line with the Securities Commission's requirements to ensure that eligible individuals possess the minimum accepted level of product knowledge and understanding of unit trusts before they are registered and licensed to market and distribute units, the conduct of the mandatory UTE for PDUTs has been entrusted to FMUTM.

REGISTRATION OF PERSONS DEALING IN UNIT TRUSTS (PDUTs)

The year saw a slight decrease of 1.53% in the total number of registered PDUTs. As at 31 December 2003, the total number of PDUTs stood at 32,308 as compared to 32,818 as at 31 December 2002. This decline was due to an exercise undertaken by FMUTM to terminate PDUTs who had not renewed their subscriptions for 2000 and 2001. In addition, FMUTM had carried out a PDUTs reconciliation exercise with the members of FMUTM, resulting in the termination of PDUTs who were deemed inactive as at the date of the exercise.

Of the total 32,308 registered PDUTs, 90.8% of them were attached to Ordinary Members while the remaining 9.2% were with Associate Members (Table 3). The profile analysis in Chart 3 shows that 73.84% or 23,855 of the registered PDUTs were Tied-Agents. Related Party Corporate Representatives made up 13.01% (4,204) whereas Staff of UTMCs and Third Party Corporate Representatives constituted 3.65% (1,180) and 9.50% (3,069), respectively.

Further analysis of Chart 3 shows a 3.12% and 22.56% growth in the Related Party Corporate Representatives and Third Party Corporate Representatives categories, respectively. This growth is attributed to the registration of PDUTs by the IUTAs whose licences to market and distribute unit trusts were approved during the year in review. Other categories of PDUTs registered declines.

Table 3: Number of Registered PDUTs

Members	31 December 2002	31 December 2003
Ordinary Members		
Abrar Unit Trust Management Berhad	7	2
Affin Trust Management Berhad	307	345
Alliance Unit Trust Management Berhad	25	11
Amanah Saham Kedah Berhad	33	25
Amanah Saham Nasional Berhad	259	293
Amanah Saham Sarawak Berhad	46	54
AmInvestment Services Berhad	847	1,060
Apex Unit Trusts Berhad	347	448
Asia Unit Trusts Berhad	554	394
ASM Mara Unit Trust Management Berhad	403	466
Avenue Unit Trust Management Berhad	27	37
BBMB Unit Trust Management Berhad	93	0
SBB Mutual Berhad	6,201	5,342
BIMB Unit Trust Management Berhad	27	49
CMS Trust Management Berhad	416	385
Commerce Trust Berhad	159	228
HLG Unit Trust Berhad	1,608	1,715
Hwang-DBS Unit Trust Berhad	107	124
Kenanga Unit Trust Berhad	65	71
KLCity Unit Trust Berhad	78	286
KSC Capital Berhad	0	0
Public Mutual Berhad	10,929	10,022
MAA Mutual Berhad	495	591
Mayban Unit Trust Berhad	1,175	1,456
MBf Unit Trust Management Berhad*	466	1
Metrowangsa Unit Trusts Berhad	188	175
OSK-UOB Unit Trust Management Berhad	542	547
Pacific Mutual Fund Berhad	1,699	1,576
Pelaburan Johor Berhad	25	19
Sub-total	27,128	25,722

Members	31 December 2002	31 December 2003
Ordinary Members		
Sub-total (brought forward from previous page)	27,128	25,722
Pengurusan Kumipa Berhad	25	20
Permodalan BSN Berhad	61	50
Pheim Unit Trusts Berhad	36	33
Phillip Mutual Berhad	0	18
Prudential Unit Trusts Berhad	2,026	2,541
PTB Unit Trust Berhad	11	11
RHB Unit Trust Management Berhad	651	524
Saham Sabah Berhad	53	49
SBB Unit Trust Management Berhad*	1	1
TA Unit Trust Management Berhad	389	361
Tabung Amanah Saham Selangor Berhad	36	17
Sub-total	30,417	29,347
Associate Members		
Affin Bank Berhad	0	82
Affin-UOB Securities Sdn Bhd	0	7
Alliance Bank Malaysia Berhad	216	247
AmMerchant Bank Berhad	0	28
Bank Simpanan Nasional	0	0
CIMB Securities Sdn Bhd	26	27
Citibank Berhad	335	197
Commerce International Merchant Bankers Berhad	10	7
Deutsche Bank (Malaysia) Berhad	6	6
ENG Securities Sdn Bhd	0	7
EON Bank Berhad	30	277
EON Finance Berhad	32	199
HLG Securities Sdn Bhd	0	0
HSBC Bank Malaysia Berhad	318	344
Inter-Pacific Securities Sdn Bhd	8	8
Jupiter Securities Sdn Bhd	0	0
Malayan Banking Berhad	0	0
OCBC Bank (Malaysia) Berhad	319	345
OSK Securities Berhad	0	0
Overseas Union Bank (M) Berhad	78	0
RHB Bank Berhad	489	674
RHB Delta Finance Berhad	33	0
Southern Bank Berhad	52	113
Standard Chartered Bank Malaysia Berhad	285	215
United Overseas Bank (Malaysia) Berhad	164	178
Sub-total	2,401	2,961
Grand Total	32,818	32,308

Source: FMUTM

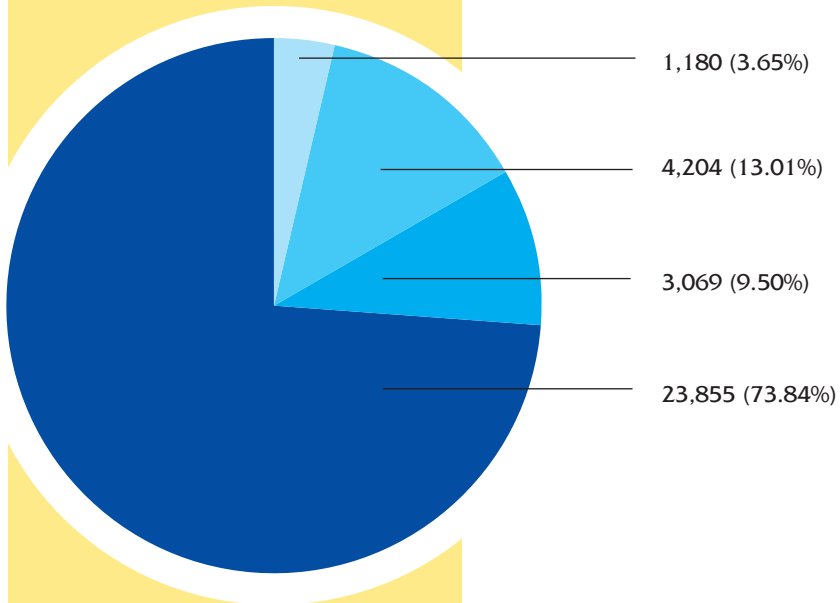
Note:

The statistics show the number of PDUTs who have passed the UTE and have been issued with FMUTM Numbers. Termination and re-registration of PDUTs with different members and non-renewal cases are also accounted for.

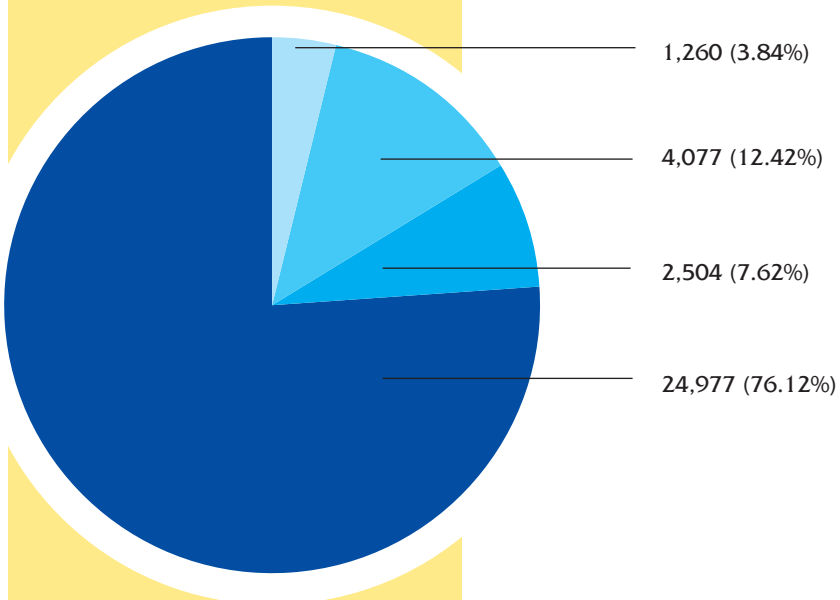
* With the exit of MBF Unit Trust Management Berhad & SBB Unit Trust Management Berhad, all the registered PDUTs concerned have since been terminated.

**Chart 3
Profile of Registered PDUTs**

No. of Registered PDUTs as at 31 December 2003



No. of Registered PDUTs as at 31 December 2002



- Staff of UTMCs
- Corporate Representatives-Related Party
- Corporate Representatives-Third Party
- Tied-Agents

Source : FMUTM

UNIT TRUST EXAMINATION (UTE)

During the year under review, 22 Unit Trust Examination (UTE) sessions were conducted, out of which 12 sessions were held nationwide (Table 4). Besides the eight permanent examination centres, the nationwide sessions were also conducted at ad hoc centres in Alor Setar, Kota Bahru, Melaka and Sibul as and when there were adequate number of candidates.

As shown in Table 4, a total of 9,260 candidates sat for the UTE during the period. Compared to last year, this represented a decrease of 6.93% of the total registered candidates. 2003 saw a lower average of 772 candidates per month registering for the UTE in contrast to the previous year's average of 829 candidates per month. Despite an increase in the number of UTE sessions during the year, the total number of candidates registering for the UTE declined, probably due to a slower intake of PDUTs.

The overall attendance for the examination was satisfactory with an average of 90.40% turnout achieved during the year. The highest attendance was recorded in the first quarter with an average of 91.46% while the lowest turnout was registered in the last quarter with an average of 89.36%. The analysis of the UTE results is illustrated in Chart 4.

The examinations were conducted in three languages: English, Bahasa Melayu and Chinese. 7,811 (84.35%) of the candidates took the examination in English, 930 (10.04%) of them chose Bahasa Melayu while the remaining 519 (5.61%) selected Chinese (Chart 5).

Table 4: UTE Sessions Held from January 2003 to December 2003

Examination Date	Location	No. of Registered Candidates
25 January 2003	Nationwide	487
8 February 2003	Kuala Lumpur	144
22 February 2003	Nationwide	532
8 March 2003	Kuala Lumpur	125
22 March 2003	Nationwide	679
12 April 2003	Kuala Lumpur	278
22 April 2003	Nationwide	788
10 May 2003	Kuala Lumpur	176
24 May 2003	Nationwide	515
14 June 2003	Kuala Lumpur	285
28 June 2003	Nationwide	661
12 July 2003	Kuala Lumpur	191
26 July 2003	Nationwide	526
9 August 2003	Kuala Lumpur	215
23 August 2003	Nationwide	631
13 September 2003	Kuala Lumpur	296
27 September 2003	Nationwide	729
11 October 2003	Kuala Lumpur	121
25 October 2003	Nationwide	482
8 November 2003	Kuala Lumpur	181
22 November 2003	Nationwide	508
13 December 2003	Nationwide	710
Total		9,260

Source : FMUTM

Chart 4
Results of UTE Conducted in 2003

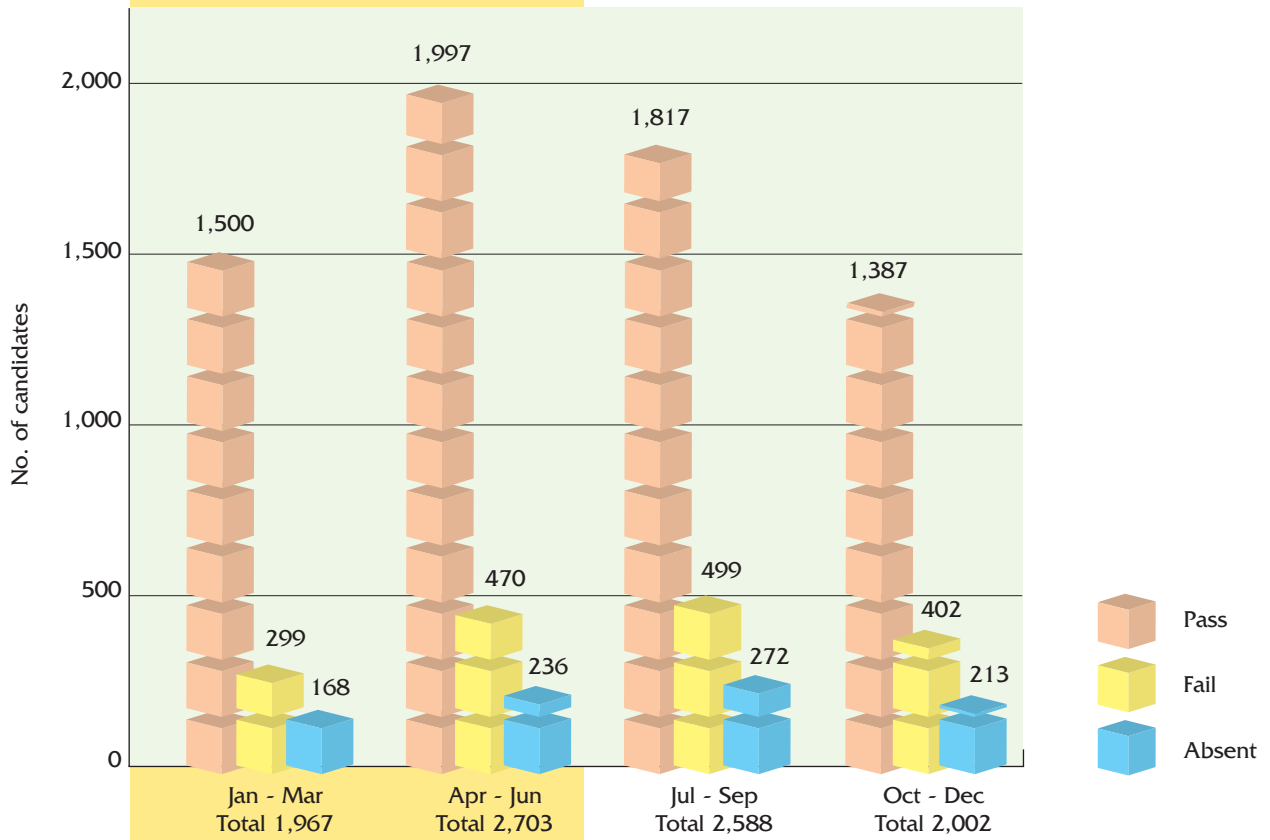
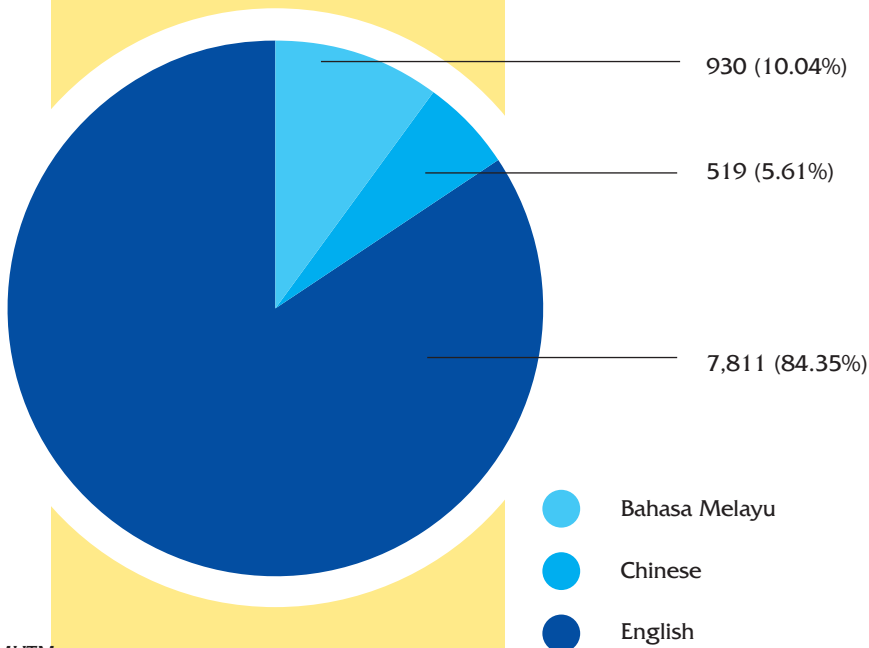


Chart 5
Analysis by Language for UTE Conducted in 2003



Source : FMUTM

REGISTRATION OF INSTITUTIONAL UNIT TRUST AGENTS (IUTAs)

Since the introduction of the Guidelines for Registration of Institutional Unit Trust Agents for the marketing and distribution of unit trusts (IUTA Guidelines) in February 2000, FMUTM has received a total of 53 applications. Of these applications, 36 were approved, five are still pending approval, five were withdrawn, two rejected and five terminated.

During the year, seven IUTAs were approved to market and distribute unit trusts; all are third party distributors. Of these, three related party IUTAs had changed status from related party to third party distributors. These IUTAs are AmMerchant Bank Berhad, Affin Bank Berhad and RHB Bank Berhad.

As at 31 December 2003, the total number of registered IUTAs stood at 36 following the de-registration of RHB Delta Finance Berhad due to the completion of its merger and acquisition exercise effective 14 November 2003.

The total number of approved IUTAs as at 31 December 2003 comprised 18 banks, four UTMCS, six finance companies and eight stockbroking firms.

Name of IUTAs	Effective Date*	Types of Distributorship
Approved IUTAs (in Year 2003)		
1. EON Finance Berhad	15 Sep 2003	Third Party
2. EON Bank Berhad	15 Sep 2003	Third Party
3. AmMerchant Bank Berhad	1 Sep 2003	Third Party
4. ENG Securities Sdn Berhad	1 Jun 2003	Third Party
5. Inter-Pacific Securities Sdn Bhd	15 Mar 2003	Third Party
6. Affin Bank Berhad	1 Mar 2003	Third Party
7. RHB Bank Berhad	1 Feb 2003	Third Party
Approved IUTAs (in previous years)		
8. United Overseas Bank (Malaysia) Berhad	15 Mar 2002	Third Party
9. Commerce International Merchant Bankers Berhad	1 May 2002	Third Party
10. Kenanga Unit Trust Berhad	1 Jul 2002	Third Party
11. HLG Securities Sdn Bhd	1 Aug 2002	Related Party
12. Malayan Banking Berhad	15 Sep 2002	Third Party
13. Mayban Finance Berhad	15 Sep 2002	Related Party
14. Southern Finance Berhad	15 Oct 2002	Related Party
15. Am Investment Services Berhad	15 Jun 2001	Third Party
16. Am Securities Sdn Bhd	15 Jun 2001	Related Party
17. Am Finance Berhad	15 Jun 2001	Related Party
18. Am Bank Berhad	15 Jun 2001	Related Party
19. Alliance Bank Malaysia Berhad	1 Aug 2001	Third Party
20. SBB Securities Sdn Bhd	1 Sep 2001	Related Party
21. RHB Securities Sdn Bhd	1 Oct 2001	Related Party
22. CIMB Securities Sdn Bhd	1 Oct 2001	Third Party
23. Citibank Berhad	1 May 2000	Third Party
24. Standard Chartered Bank Malaysia Berhad	1 May 2000	Third Party
25. HSBC Bank Malaysia Berhad	1 May 2000	Third Party
26. OCBC Bank (Malaysia) Berhad	1 May 2000	Third Party
27. Deutsche Bank (Malaysia) Berhad	1 Jul 2000	Third Party
28. OSK Securities Berhad	15 Jul 2000	Related Party
29. Hong Leong Bank Berhad	1 Aug 2000	Related Party
30. Hong Leong Finance Berhad	1 Aug 2000	Related Party
31. BHLB Pacific Unit Trust Management Berhad	1 Sep 2000	Third Party
32. Public Bank Berhad	1 Oct 2000	Related Party
33. Public Finance Berhad	1 Oct 2000	Related Party
34. Southern Bank Berhad	15 Oct 2000	Third Party
35. Bumiputra-Commerce Bank Berhad	1 Nov 2000	Third Party
36. Apex Unit Trusts Berhad	1 Nov 2000	Third Party

Source: FMUTM

* Date of commencement for marketing and distribution of unit trusts.

DEVELOPMENTAL INITIATIVES WITH REGULATORS AND AUTHORITIES

During the year under review, FMUTM continued to work closely with the regulators, authorities and other relevant organisations to ensure that the unit trust industry had the capacity and was well prepared to meet the changing needs and demands of investors in the light of increasing individual wealth, combined with growing financial literacy and investor sophistication.

The Securities Commission (SC)

The FMUTM has actively participated by way of providing constructive views in various dialogues with the SC.

a) Eight (8th) SC-FMUTM Policy Meeting

The Eighth (8th) SC-FMUTM Policy Meeting was held on 8 August 2003 and the following issues of mutual concern were deliberated upon:

- Revision of the Institutional Unit Trust Agents (IUTA) Guidelines;
- Professional training for compliance officers;
- Definition of certain type of funds, namely, small-cap fund, balanced fund and retirement fund;
- Fees and charges in the unit trust industry;
- Self-Regulatory Organisation (SRO);
- Investment in foreign markets;
- Standardised deed for unit trust funds; and
- Provision of cooling-off right.

b) Revised Guidelines on Unit Trust Funds

The SC issued the revised Guidelines on Unit Trust Funds on 1 April 2003 (for implementation from 1 May 2003). The revised Guidelines focused on the following areas:

- Greater flexibility in terms of investments for the fund and introducing specialised unit trust products;
- Removal of investment limits for participation in future contracts to encourage a more effective management of risk;
- A move towards a declaratory approach for certain types of proposals and enhancements in disclosure requirements for unit trust fund prospectuses and fund reports;
- Enhanced standards of submission via introduction of standardised application forms;
- A change in the registration process with respect to renewal of unit trust fund prospectuses; and
- Improved compliance standards, quality of services, professional standards and internal controls.

c) The Anti-Money Laundering Act (AMLA) 2001

The FMUTM has participated in providing constructive views during the AMLA Meetings. The SC has established a working group to facilitate the implementation of the reporting requirements as provided for under the AMLA 2001 on capital market intermediaries. AMLA sets out the regulatory framework to regulate the offence of money laundering and the precautionary measures to be undertaken. In line with the requirements of the AMLA 2001, the requirements for reporting of suspicious transactions have been imposed on banking institutions. These requirements similarly will also be imposed on entities carrying out stockbroking and future broking businesses.

d) Capital Market Graduate Training Scheme

Spearheaded by the SC, the Capital Market Graduate Training Scheme (CMGTS) serves to provide opportunities for graduates to acquire a basic working knowledge of the financial subjects relevant to the capital market. The scheme is also in line with the Economic Stimulus Package, which amongst others, emphasised the need for human resource development in Malaysia.

The Scheme consists of a 4-week intensive programme conducted by the SC with input from capital market intermediaries such as merchant banks, stockbrokers and unit trust management companies, which is followed by 11 months on-the-job training.

Following the selection process, 10 graduates were attached to FMUTM's member companies for practical work exposure.

e) SC's Discussion on the Liberalisation of Foreign Ownership of UTMCs and Bumiputra Participation in the Unit Trust Industry

In line with the government's comments in the recent fiscal stimulus package that the 30% Bumiputra shareholding limit need no longer be complied with in order to attract foreign investors here, the Federation feels that the same should also be applied to the unit trust industry, regardless of the liberalisation issue. Following the SC's discussion, FMUTM accordingly submitted a proposal to the SC on 8 August 2003.

f) Suffix '-i' to denote Syariah-based funds

The SC noted the latest trend of using Arabic names to distinguish Syariah funds and suggested that a suffix could be added to the fund name. The SC sought feedback from the FMUTM on the proposal to add 'i' as a suffix to the proper name; '-i' being an acronym for the word 'Islamic'. The suffix would enable easy identification of Syariah-based funds. Alternatively, Syariah-based funds could be denoted by the suffix '-s' instead as an acronym of the word 'Syariah-complaint'. The SC would undertake further study on the matter.

The Kuala Lumpur Stock Exchange Berhad (KLSE)

a) Sixth (6th) Annual Dialogue

The Sixth (6th) Annual Dialogue Session between the KLSE and the FMUTM was held on 11 August 2003 and the following issues were discussed:

- Provision of statistics on foreign flows;
- Access to Centralised Depository System; and
- Writing of option.

b) KLSE's Proposed New Corporate Identity

As part of the KLSE's on-going transformation effort, an exercise to develop a new corporate identity was undertaken by the KLSE to fit its up-coming new positioning as a demutualised corporation. Discussions were conducted to solicit opinions from all of KLSE's stakeholders before finalising the new corporate identity. En. Yeoh Keat Seng represented FMUTM at these discussions.

Bank Negara Malaysia (BNM)

With regard to the proposed revision of the foreign investment limit for unit trust funds, BNM is currently looking for a solution that would meet the unit trust industry's needs for an expansion of its activities and an increased depth of domestic investments through unit trusts, while meeting the overall macroeconomic objective of stability in the financial markets.

The Employees Provident Fund (EPF)

In an effort to enable its members to enhance the returns on their EPF savings, the EPF introduced the 'EPF Members Investment Scheme' in November 1996. As at 31 December 2003, a total of RM6.3 billion of EPF funds had been withdrawn for investment under this Scheme.

The significant matters discussed during the Fifth (5th) EPF-FMUTM Dialogue on 10 March 2003 were:

- Impact of the implementation of the new Smart Identity Cards (SICs) on the submission of unit trust investments to the EPF;
- Eligibility rules pertaining to the EPF Members' Withdrawal Investment Scheme (WIS); and
- Role of unit trusts in the private pension industry.

Malaysia Derivatives Exchange Berhad (MDEX)

Since the establishment of the Derivatives Masterplan Task Force Meeting, the FMUTM has actively participated in providing constructive views on how unit trusts can contribute to the development of the derivatives market. During the year, two meetings were held on 27 January 2003 and 18 April 2003, respectively.

MEMBERSHIP

As at 31 December 2003, the total number of FMUTM members stood at 60 following the exit of Abrar Unit Trust Management Berhad and Metrowangsa Unit Trusts Berhad, both of which have ceased operations. During the year, BHLB Pacific Trust Management Berhad had merged with SBB Unit Trust Management Berhad and the merged entity was subsequently renamed SBB Mutual Berhad. MAA Mutual Berhad assumed ownership of MBf Unit Trust Management Berhad; and RHB Delta Finance Berhad had officially completed its merger and acquisition exercise.

During 2003, three companies joined the FMUTM, one as Ordinary Member and two as Associate Members. A list of Ordinary Members, Associate Members and their respective Authorised Representatives is shown below.

Ordinary Members, Associate Members and Authorised Representatives as at 31 December 2003

Ordinary Members	Year Joined	Authorised Representative
1. Amanah Property Trust Managers Berhad	1993	En. Eugene Hon Kah Weng
2. AmInvestment Services Berhad	1993	En. Cheah Chuan Lok
3. AmProperty Trust Management Berhad	1993	En. Kamalul Arifin Othman
4. Asia Unit Trusts Berhad	1993	En. Mushthaq Ahmad Ibrahim
5. ASM Mara Unit Trust Management Berhad	1993	En. Mansoor Ahmad
6. SBB Mutual Berhad	1993	En. Low Hong Ceong, Paul
7. KLCity Unit Trust Berhad	1993	En. Wong Mien
8. Pelaburan Johor Berhad	1993	En. Ahmed Muzni Mohamed
9. Public Mutual Berhad	1993	Y. Bhg. Datuk Tay Ah Lek
10. RHB Unit Trust Management Berhad	1993	En. Tan Lib Chau, Michael
11. Affin Trust Management Berhad	1994	En. Wan Kamaruzaman Wan Ahmad
12. Amanah Saham Sarawak Berhad	1994	En. Shamsul Anuar Ahamad Ibrahim
13. Mayban Unit Trust Berhad	1994	En. Ismail Mohd Yusof
14. Pengurusan Kumipa Berhad	1994	Pn. Hajjah Nor Asmah Abdul
15. HLG Unit Trust Berhad	1995	Cik Tye Su Leng
16. PTB Unit Trust Berhad	1995	Tn. Haji Othman Muhammad
17. Alliance Unit Trust Management Berhad	1996	En. Tan Wai Kuen, Kenny
18. Amanah Saham Kedah Berhad	1996	En. Norkhalim Ahmad
19. CMS Trust Management Berhad	1996	En. S. Kumaravelloo Pillai
20. OSK-UOB Unit Trust Management Berhad	1996	En. Ho Seng Yee
21. Pacific Mutual Fund Berhad	1996	En. Michael Auyeung
22. Permodalan BSN Berhad	1996	Tn. Haji Mohamed Sirad Mohamed Marzuki
23. Saham Sabah Berhad	1996	Y. Bhg. Datuk Hassan Otoi
24. TA Unit Trust Management Berhad	1996	En. Chua Lai Huat, Richard
25. Tabung Amanah Saham Selangor Berhad	1996	En. Abdul Rahim Abdul Aziz
26. Apex Unit Trusts Berhad	1997	En. Tan Keah Huat
27. BIMB Unit Trust Management Berhad	1997	En. Ahmad Nazrien Haji Yusof
28. Commerce Trust Berhad	1997	En. Yeoh Keat Seng
29. Amanah Saham Nasional Berhad	1998	En. Paisol Ahmad
30. Kenanga Unit Trust Berhad	1998	En. Johan Tazrin Hamid Ngo
31. Pelaburan Hartanah Nasional Berhad	1998	Pn. Siti Ramelah Yahya
32. Avenue Unit Trust Management Berhad	1999	En. Wong Teck Meng, Danny
33. Hwang-DBS Unit Trust Berhad	2001	Cik Lee Le Leng
34. Prudential Unit Trusts Berhad	2001	En. Toh Chin Hian, Mark
35. KSC Capital Berhad	2002	En. Daud Mah Abdullah
36. MAA Mutual Berhad	2002	Y.M. Tunku Dato' Ya'acob Tunku Abdullah
37. Pheim Unit Trusts Berhad	2002	En. Phua Lee Kerk
38. Phillip Mutual Berhad	2003	En. Munawir Mohammad

Associate Members	Year Joined	Authorised Representative
1. Standard Chartered Bank (Malaysia) Berhad	1996	En. Goh Teck Eng
2. HSBC Bank Malaysia Berhad	1998	En. U Chen Hock
3. Citibank Berhad	1999	En. Sik Wan King, Charles
4. Deutsche Bank (M) Berhad	1999	Cik Lee Kwee Hua, Evelyn
5. OCBC Bank (Malaysia) Berhad	1999	Cik Wong Hung Ching, Sheila
6. Southern Bank Berhad	2000	En. Tom Van Tighem
7. Alliance Bank Malaysia Berhad	2001	En. Chan Chun Fee
8. Bank Simpanan Nasional	2001	En. Mohd Ariffin Marzuki
9. CIMB Securities Sdn Bhd	2001	En. Gui Eng Hock, Paul
10. Jupiter Securities Sdn Bhd	2001	En. Johari Hassan
11. RHB Bank Berhad	2001	Cik Angela Christine Tan
12. Affin Bank Berhad	2002	En. Alzafry Mohd Zaliff Mohamed Adahan
13. Commerce International Merchant Bankers Berhad	2002	En. Neville Ian Azzopardi
14. ENG Securities Sdn Bhd	2002	En. Mohd Fuad Foo Abdullah
15. EON Bank Berhad	2002	En. Abdul Jamel Pawanteh
16. EON Finance Berhad	2002	En. Lau Yiong
17. HLG Securities Sdn Bhd	2002	En. Lee Wai Kok
18. Inter-Pacific Securities Sdn Bhd	2002	En. Tan Mun Choy
19. Malayan Banking Berhad	2002	En. Zulkifly Sulaiman
20. United Overseas Bank (M) Berhad	2002	En. Aw Tee Woo
21. AmMerchant Bank Berhad	2003	En. Tai Terk Lin
22. Affin-UOB Securities Sdn Bhd	2003	En. Saiful Bahri Zainuddin

Note:

The list of Authorised Representatives is compiled based on company board resolutions received by the FMUTM.

REPORT FROM THE COUNCIL

The Council has established various committees with specific objectives to serve the interest of its members and the investing public. The activities of these committees for the year under review are summarised below:

1. Tax & Accounting for Unit Trust Funds

En. Cheah Swee Leng, Edmond
Chairman

Areas of focus:

- To be responsible for preparing tax proposals for submission to the Malaysian tax authorities.
- To coordinate liaison with the government, Inland Revenue Board or other authorities on all matters pertaining to tax and accounting for unit trust funds.
- To develop, in conjunction with other authorities, the accounting and reporting standards for unit trusts.

Activities:

a) MASB Exposure Draft 26 - Financial Reporting by Unit Trusts (revised)

Following the revision to the Exposure Draft 26 on 16 July 2003 by the Malaysian Accounting Standards Board (MASB), members' views were sought during an industry meeting. A proposal was submitted to the MASB to seek further clarification on the following areas:

- Principles on recognition and de-recognition of investments;
- Full fair value model in the subsequent measurement of financial assets;
- Revenue recognition;
- Determination of profit or loss from investments; and
- Separation of realised and unrealised gains and losses.

2. Investment Management

En. Cheah Chuan Lok
Chairman

Areas of focus:

- To propose and recommend reform of the current investment practices so that the best international standards could be achieved in the conduct of fund management activities in Malaysia.
- To obtain worldwide acceptance of our standard for the calculation and presentation of investment performance in a fair, comparable format that provides full disclosure.

Activities:

a) Pension and Retirement Funds Proposal

The Committee is working with the Product Development Committee to submit a proposal on Pension and Retirement Funds. The Committee has reviewed and re-evaluated the annual proposal submitted by the FMUTM to the Ministry of Finance on long-term retirement funds and tax breaks. The Committee will work on the specific recommendations before engaging an external consultant to prepare the proposal.

b) Licensing Examination Review Committee

Established by the SC, the committee participated in the Licensing Examination Review Committee (LERC). Three meetings were held during the year.

3. Marketing and Distribution

En. Low Hong Ceong, Paul Chairman

Areas of focus:

- To monitor the registration of Persons Dealing in Unit Trusts (PDUTs).
- To evaluate minimum standards or qualifications of the candidates for the purpose of unit trust examinations (UTE) and registration with the FMUTM.
- To develop, in conjunction with other Committees of the FMUTM, a career path for PDUTs.
- To coordinate liaison with the SC on guidelines or policies pertaining to all unit trust examinations.

Activities:

a) Annual Convention of Unit Trust Consultants

On 18 September 2003, 907 participants gathered at Sunway Pyramid Convention Centre for the third Annual Convention. Organised by the FMUTM for the member companies and targeted at PDUTs, the convention was themed "Moving in Unison Towards Greater Heights". The main aim of the convention is to ensure that PDUTs are kept abreast of developments in the industry and to provide them with an additional avenue to interact with the Federation on various matters which need resolution.

The One-Day Seminar was formally recognised as the Annual Convention to reflect more appropriately the common calling of PDUTs, an integral part of the industry.

b) Internet Investment Information (I³) System

The first phase of the I³ System which includes PDUTs registration and the Computerised Unit Trust Examinations (CUTE) modules have been tested. Briefings to update the External Working Committee (EWC) members on the progress of the project were held to clear operational issues and to obtain feedback as the prelude to preparing all members for the necessary operational changes when the I³ System (first phase) is implemented in the near future. The PDUTs and Examination Committee held meetings to discuss, deliberate and resolve issues arising from the I³ System's development.

4. State Unit Trusts Association and Syariah Funds

En. Norkhalim Ahmad Chairman

Areas of focus:

- To be responsible for discussion on all issues relating to state unit trust funds.
- To coordinate liaison with the federal and state governments, and the SC on guidelines or policies pertaining to state unit trust funds.
- To focus on the development and proliferation in the scope of Syariah trust funds.
- To attend and deliberate all operational issues relating to Syariah principles in the Islamic capital market.

Activities:

a) Consultative Committee on Islamic Securities

Established by the SC, this Committee assists in the formulation of an appropriate set of Guidelines on the offering of Islamic Securities that is to be issued pursuant to the definition of 'securities' under the Securities Commission Act 1993. The Committee also designs appropriate risk disclosure requirements for Islamic Securities involving profit and/or loss elements. Prof. Dr. Saiful represented the FMUTM at the Consultative Committee Meeting on 17 November 2003.

5. Product Development

En. Tan Keah Huat Chairman

Areas of focus:

- Responsible for the deliberation of matters relating to equity, fixed income and property trusts.
- To coordinate liaison with the Government, the SC or any other authorities on policies, amendments, new proposals or any other matters pertaining to equity, fixed income and property trusts.
- To coordinate reviews of the Guidelines on Unit Trust Funds or draft legislation as and when appropriate.

Activities:

a) Consultative Committee on Structured Products

The SC established a Consultative Committee on Structured Products (CCSP) to address issues in relation to structured products namely, Equity Linked Notes, Index Linked Notes and Credit Linked Notes.

The first CCSP Meeting was held on 1 July 2003, resulting in the confirmation of the Terms of Reference of the Committee. The CCSP serves to identify product characteristics and assess potential risk posed by such products (from the issuers and investors' perspective). The CCSP also identifies the impact of structured products on the underlying market and designs appropriate risk disclosure requirements for this eventuality. En. Mark Toh represented the FMUTM at the first CCSP Meeting.

b) Standardised Deed for Unit Trust Funds

The SC proposed to the FMUTM to develop a standard deed for unit trust funds. It is important to the industry to ensure consistency in terms of the role, power and duties of management companies and trustees. The Committee would undertake further study on the proposal.

6. Corporate Communications

En. Toh Chin Hian, Mark Chairman

Areas of focus:

- To develop, in conjunction with other Committees of the FMUTM, effective communication channels among FMUTM's members, Committees and other parties related to the industry.
- To enhance the working relationship between FMUTM members and various Committees.
- To enhance and reinforce the corporate image of unit trust products and services, the industry and FMUTM.

Activities:

a) FMUTM's Tenth (10th) Anniversary Celebrations

The Committee has been tasked to organise the FMUTM's Tenth (10th) Anniversary Celebrations, which marks a significant achievement for the Federation and the unit trust industry. They proposed to organise a gala dinner and other activities including a golf tournament, treasure hunt and investment management seminar, as part of the celebrations.

b) Industry Market Survey

As part of FMUTM's efforts in developing the unit trust industry, the Committee plans to conduct an annual industry market survey to monitor consumers' behaviour and to forecast future market trends. Opinions were sought from the industry on the key areas of focus. The Committee will evaluate the feedback before making recommendations to the Council on the Terms of Reference for the survey.

c) FMUTM Newsletter

The Committee is preparing the second issue of the FMUTM Newsletter 'UT Today'. The Newsletter serves as a medium to communicate with FMUTM's members and PDUTs, keeping them abreast of the latest developments in the unit trust industry.

d) The Dato' Kamaruddin Mohammed Challenge Trophy

As part of FMUTM's social interaction programme for members, the annual golf tournament was held on 10 May 2003 at the Kuala Lumpur Golf and Country Club. A total of 29 golfers participated which included several invited guests and sponsors. The trophy was won by En. Johan Ismail of Mayban Unit Trust Berhad.

e) Council Brainstorming Session 2003

The Fourth (4th) Council Brainstorming session was held on 17-20 July 2003 to discuss the following issues:

- Review and update issues from the previous session;
- FMUTM as a Trade Association versus a Self-Regulatory Organisation (SRO);
- New Memorandum & Articles of Association (M&A) for FMIM; and
- Strategic issues namely, fee structure of the unit trust industry, liberalisation of foreign restrictions on ownership of UTMCS and Due Diligence Checklist for IUTAs.

7. International Affairs**En. Wong Say Fun, Peter
Chairman****Areas of focus:**

- To exchange views and deliberate on matters relating to the managed funds industry at the international level.
- To establish and foster friendly relationships with foreign funds associations to facilitate exchange of information that can help accelerate the development of our industry.
- To tune in to emerging issues and latest developments or trends in products and services abroad to help ensure that our products, services and system of regulation are in sync with advancements in the international marketplace.
- To collect and disseminate information or statistical data obtained from foreign funds associations for the benefit of our members.

Activities:**a) Eight (8th) Asia-Oceania Regional Meeting (AORM)**

The meeting was held in Sydney, Australia from 19-23 March 2003 and was attended by delegates representing the investment funds associations from 10 countries. The meeting provided an opportunity for participants from the region to discuss and exchange views on a wide range of issues related to the investment management industry.

b) 17th Annual Assembly of the International Investment Funds Associations 2003 (IIFA 2003)

Themed “Collective Investments - Market Performance and Investors’ Confidence” and hosted by FMUTM, IIFA 2003 was held in Kuala Lumpur on 20 and 21 October 2003. About 70 delegates from 32 countries throughout the world attended, representing some USD12.4 trillion worth of funds under management.

The annual gathering provided a platform for various national investment funds associations to discuss major issues affecting the industry and expound on global developments in the industry. It also provided the delegates with insights into experiences in other jurisdictions. During the discussions, delegates re-affirmed the responsibility of fund managers to safeguard the interest of fund investors at all times and continue to initiate and support efforts that demand the highest level of integrity and transparency within the industry.

The pre and post assembly gatherings held in Langkawi and Kuching, respectively, served to strengthen the personal bonds established amongst delegates and to showcase Malaysia to the world. Overall, IIFA 2003 was a great success and it certainly helped in rebuilding investors’ confidence.

8. Education and Conference**En. Yeoh Keat Seng****Chairman****Areas of focus:**

- To organise education and training programmes for staff of member companies and PDUTs.
- To organise public awareness programmes to educate the public on unit trusts.
- To liaise with local or overseas professional institutions and organisations in matters relating to education and training.
- To develop, in conjunction with other Committees of the FMUTM, a career path for PDUTs.

Activities:**a) Securities Industries Development Centre (SIDC)**

The SIDC Capital Market Workshop Series (CMW) offer basic courses on the Malaysian capital market and its regulatory framework. It is designed for new entrants to the industry, candidates preparing for the licensing examinations and the general public. The FMUTM participated in the SIDC’s Questionnaire on Training Programmes.

COUNCIL MEMBERS' ATTENDANCE RECORD

Council Members	2003 Council Meetings	80th	81st	82nd	83rd	84th	85th	Total
		16 Jan	19 Feb	30 Apr	19 Jun	20 Aug	20 Nov	
1. Dato' Abdul Azim Mohd Zabidi		●	●	●		●	●	5/6
2. Cheah Swee Leng, Edmond			●	●	●	●	●	5/6
3. Tunku Dato' Ya'acob Tunku Abdullah		●	●	●	●		●	5/6
4. Cheah Chuan Lok		●	●	●				3/6
5. Low Hong Ceong, Paul		●	●		●	●		4/6
6. Norkhalim Ahmad		●	●	●		●		4/6
7. Tan Keah Huat		●	●	●	●	●	●	6/6
8. Toh Chin Hian, Mark		●	●	●	●		●	5/6
9. Wong Say Fun, Peter		●	●	●	●	●	●	6/6
10. Yeoh Keat Seng			●		●	●	●	4/6
Independent Councillors								
11. Christopher Foo Kah Foong		●		●		●	●	4/6
12. Mohammad Faiz Mohammad Azmi		●	●		●		●	4/6
13. Prof. Dr. Saiful Azhar Rosly		●	●	●	●		●	5/6
In Attendance:								
14. Tan Chai Fong, Kathy		●	●	●	●	●	●	6/6

● Present

□ Absent

CALENDAR OF EVENTS

for the Year 2003

JANUARY

- 9 January 2003
Briefing on Property Trust Funds Guidelines
- 16 January 2003
80th Council Meeting
- 17 January 2003
1st Capital Market Graduate Training Scheme (CMGTS) Task Force Meeting
- 21 January 2003
Visit by Ugandan Officials
- 27 January 2003
4th Derivatives Masterplan Task Force Meeting

FEBRUARY

- 13 February 2003
SC's Industry Consultation on Financial Planning
- 14 February 2003
11th Marketing & Distribution Committee Meeting - PDUTs
- 5th Marketing & Distribution Committee Meeting - Examination
- 19 February 2003
81st Council Meeting
- 20 February 2003
The Edge-Lipper Malaysian Unit Trust Awards 2002 Presentation
- 21 February 2003
2nd CMGTS Task Force Meeting

MARCH

- 10 March 2003
5th EPF-FMUTM Dialogue
- 12 March 2003
3rd CMGTS Task Force Meeting
- 19-23 March 2003
8th Asia-Oceania Regional Meeting (AORM), Sydney, Australia
- 26 March 2003
The Star/Standard & Poor's Investment Funds Award Malaysia 2003
- 31 March 2003
Internet Investment Information (I³) System Project Briefing to External Working Committee (EWC)

APRIL

- 1 April 2003
I³ System Hands-on Training Session
- 10 April 2003
I³ System Trial Run on Computerised Unit Trust Examinations (CUTE)
- 18 April 2003
5th Derivatives Masterplan Task Force Meeting
- 21 April 2003
Briefing on Guidelines on Unit Trust Funds
- 29 April 2003
4th CMGTS Task Force Meeting
- 30 April 2003
82nd Council Meeting

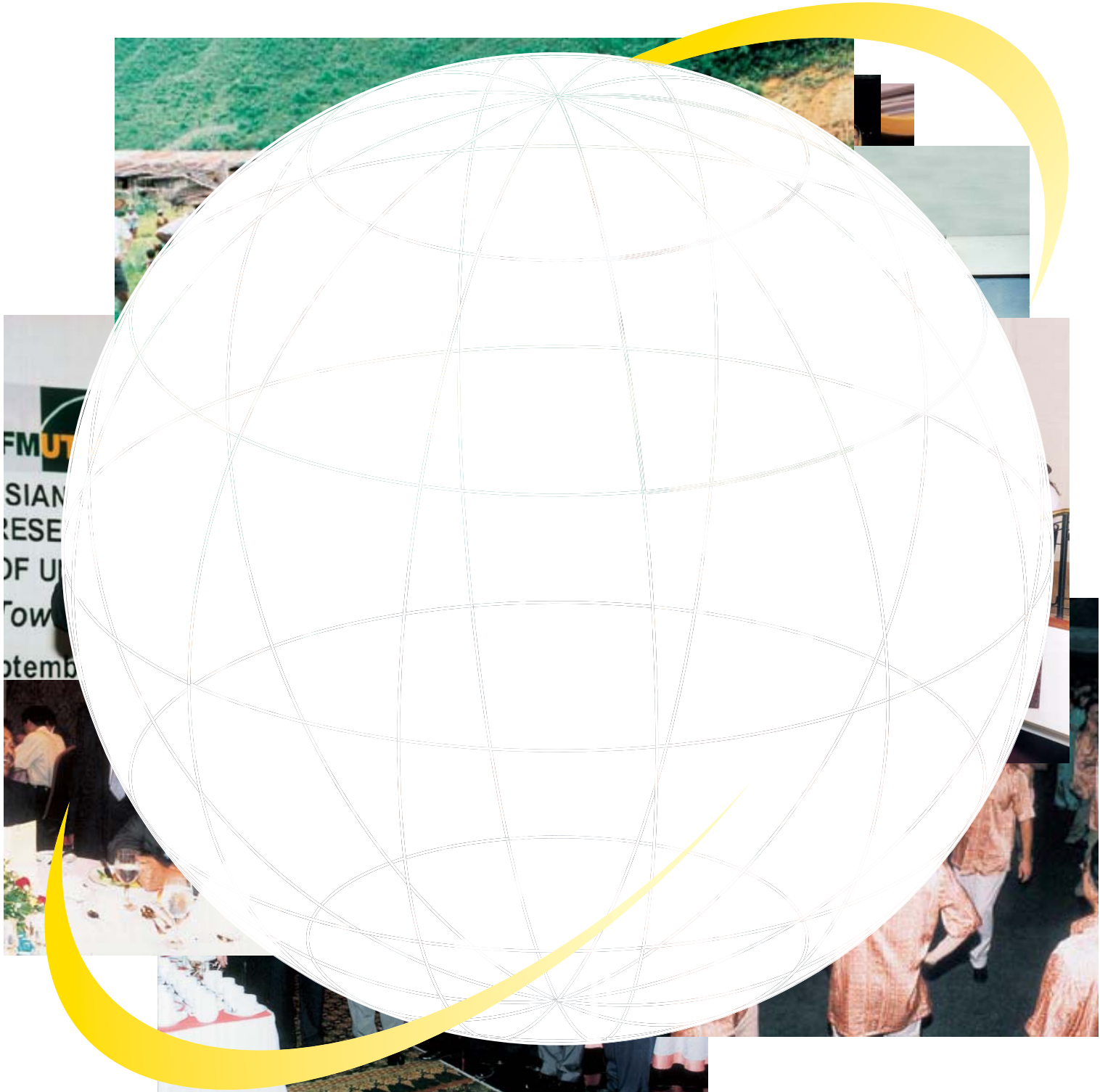
MAY

- 8 May 2003
3rd Briefing on I³ System Project
- 10 May 2003
The Dato' Kamaruddin Mohammed Challenge Trophy
- 21-23 May 2003
ICI 2003 General Membership Meeting/
Steering Committee Meeting, Washington DC

JUNE

- 3 June 2003
9th Annual General Meeting
- 19 June 2003
83rd Council Meeting
- 24 June 2003
Licensing Examination Review Committee Meeting

AROUND THE YEAR IN PICTURES



CALENDAR OF EVENTS

JULY

1 July 2003

1st Consultative Committee Meeting
on Structured Products

3 July 2003

4th Briefing on I³ System Project

16 July 2003

Members' meeting on MASB Exposure Draft 26 (revised)

Participated in SC's Discussion on
New Strategies Towards Stimulating
the Nation's Economic Growth

17-20 July 2003

4th Council Brainstorming Session 2003,
Bangkok, Thailand

28 July 2003

Participated in SC's Discussion on the Liberalisation of
Foreign Ownership of UTMCS and Bumiputra
Participation in the Unit Trust Industry

29 July 2003

Licensing Examination Review Committee Meeting

AUGUST

8 August 2003

8th SC-FMUTM Policy Meeting

11 August 2003

6th KLSE-FMUTM Annual Dialogue

20 August 2003

84th Council Meeting

27 August 2003

2nd Consultative Committee Meeting on
Structured Products

SEPTEMBER

18 September 2003

Annual Convention of Unit Trust Consultants:
Moving in Unison Towards Greater Heights

30 September 2003

Licensing Examination Review Committee Meeting

OCTOBER

9 October 2003

Council Briefing on the 17th Annual Assembly of the
International Investment Funds Associations (IIFA) 2003

17-24 October 2003

17th Annual Assembly of the IIFA 2003:
Collective Investments - Market Performance &
Investors' Confidence, Langkawi, Kuala Lumpur and
Kuching

20-23 October 2003

SC's Annual Dialogue on Enhancing Competitiveness and
Value Creation

NOVEMBER

17 November 2003

1st Consultative Committee Meeting on
Islamic Securities

20 November 2003

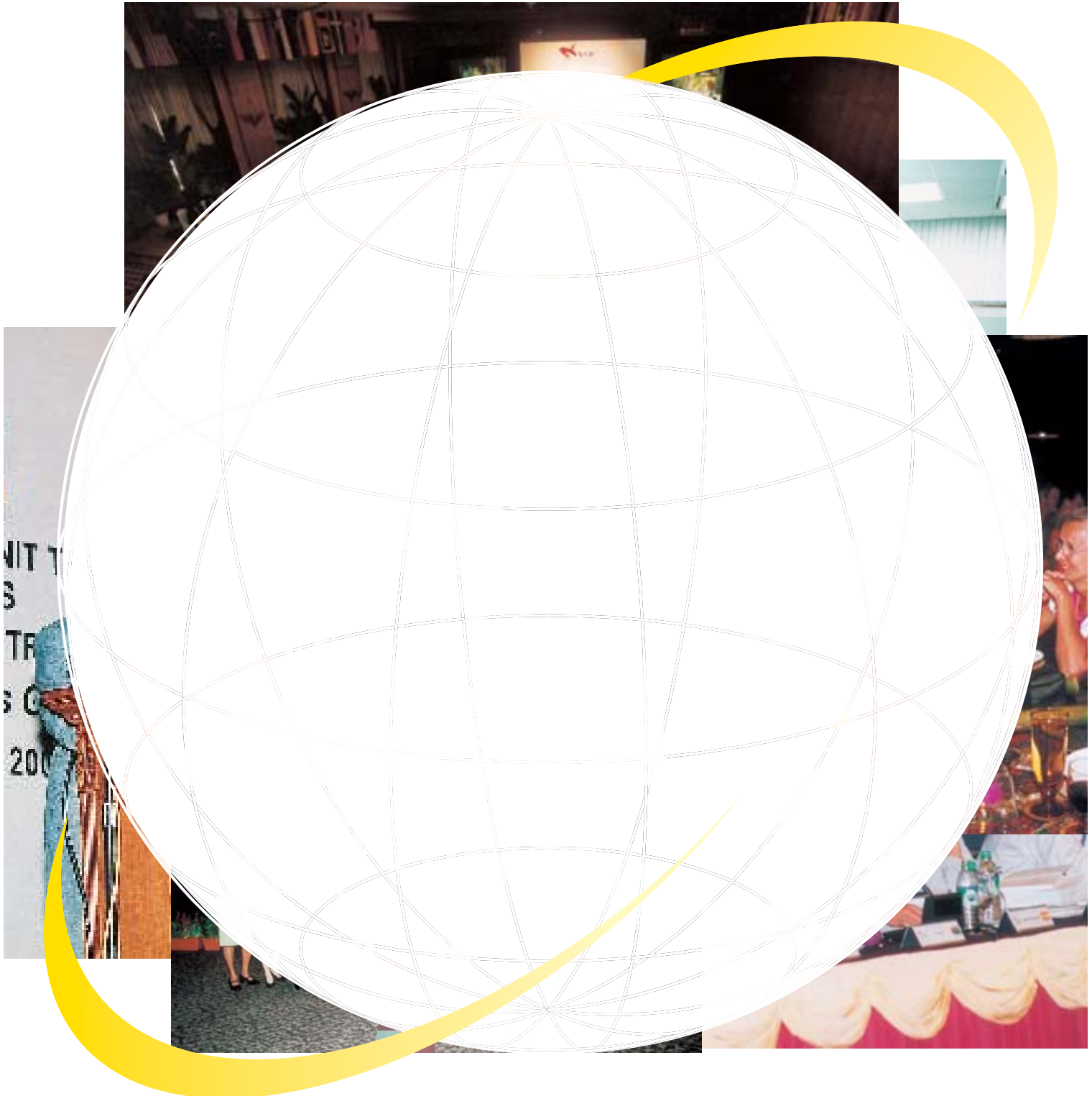
85th Council Meeting

DECEMBER

12 December 2003

Briefing on Anti-Money Laundering Act (AMLA) 2001

AROUND THE YEAR IN PICTURES



COUNCIL MEMBERS' REPORT

for the year ended 31 December 2003

The Council Members have pleasure in submitting their report and the audited financial statements of the Federation for the year ended 31 December 2003.

Principal activities

The Federation's principal functions are to conduct its affairs in the best interests of unit trust holders and the unit trust industry, to encourage and foster amongst its members conduct, ethics and standards of practice that will best serve, maintain further and protect the interests of unit trust holders and the unit trust industry. There has been no significant change in the nature of these functions during the financial year.

Results

	RM
Operating surplus for the year	<u>1,009,933</u>

Reserves and provisions

There were no material transfers to or from reserves and provisions during the year except as disclosed in the financial statements.

Council Members of the Federation

Council Members in office since the date of the last report are:

Dato' Abdul Azim Mohd Zabidi
Cheah Swee Leng, Edmond
Low Hong Ceong
Norkhalim Ahmad
Toh Chin Hian, Mark
Wong Say Fun, Peter
Christopher Foo Kah Foong
Prof. Dr. Saiful Azhar Rosly
Mohammad Faiz Mohammad Azmi
Tunku Dato' Ya'acob Tunku Abdullah
Yeoh Keat Seng
Cheah Chuan Lok
Tan Keah Huat

Council Members' benefits

Direct benefits

Since the end of the previous financial year, no Council Member of the Federation has received or become entitled to receive any benefit (other than Honorarium Fee disclosed in Note 8 to the financial statements) by reason of a contract made by the Federation with the Council Member or with a firm of which the Council Member is a member, or with a Company in which the Council Member has a substantial financial interest.

Indirect benefits

During the year, an amount of RM53,800 is payable for professional services rendered by PricewaterhouseCoopers, Malaysia, in which a Council Member is a partner. This has also been disclosed in Note 11 of the financial statements.

There were no arrangements during and at the end of the financial year which had the object of enabling Council Members of the Federation to acquire benefits by means of the acquisition of shares in or debentures of any other body corporate.

Other statutory information

Before the financial statements of the Federation were made out, the Council Members took reasonable steps to ascertain that:

- i) there are no bad debts to be written off and no provision need be made for doubtful debts, and
- ii) all current assets have been stated at the lower of cost and net realisable value.

At the date of this report, the Council Members of the Federation are not aware of any circumstances:

- i) that would render it necessary to write off any bad debts or provide for any doubtful debts, or
- ii) that would render the value attributed to the current assets in the Federation financial statements misleading, or
- iii) which have arisen which render adherence to the existing method of valuation of assets or liabilities of the Federation misleading or inappropriate, or
- iv) not otherwise dealt with in this report or the financial statements, that would render any amount stated in the financial statements of the Federation misleading.

At the date of this report, there does not exist:

- i) any charge on the assets of the Federation that has arisen since the end of the financial year and which secures the liabilities of any other person, or
- ii) any contingent liability in respect of the Federation that has arisen since the end of the financial year.

No contingent liability or other liability of the Federation has become enforceable, or is likely to become enforceable, within the period of twelve months after the end of the financial year which, in the opinion of the Council Members, will or may substantially affect the ability of the Federation to meet its obligations as and when they fall due.

In the opinion of the Council Members, the results of the operations of the Federation for the financial year ended 31 December 2003 have not been substantially affected by any item, transaction or event of a material and unusual nature nor has any such item, transaction or event occurred in the interval between the end of that financial year and the date of this report.

Auditors

The auditors, Messrs KPMG, have indicated their willingness to accept re-appointment.

Signed in accordance with a resolution of the Council Members:

Dato' Abdul Azim Mohd Zabidi

President

Cheah Swee Leng, Edmond

Vice President

Kuala Lumpur,
Date: 14 April 2004

STATEMENT BY COUNCIL MEMBERS

pursuant to Section 169(15) of the Companies Act, 1965

In the opinion of the Council Members, the financial statements set out on pages 46 to 54 are drawn up in accordance with applicable approved accounting standards in Malaysia so as to give a true and fair view of the state of affairs of the Federation at 31 December 2003 and of the results of its operations and of its cash flows for the year ended on that date.

Signed in accordance with a resolution of the Council Members:

Dato' Abdul Azim bin Mohd Zabidi
President

Cheah Swee Leng, Edmond
Vice President

Kuala Lumpur,
Date: 14 April 2004

STATUTORY DECLARATION

pursuant to Section 169(16) of the Companies Act, 1965

I, **Tan Chai Fong, Kathy**, the officer primarily responsible for the financial management of Federation of Malaysian Unit Trust Managers, do solemnly and sincerely declare that the financial statements set out on pages 46 to 54, are, to the best of my knowledge and belief correct, and I make this solemn declaration conscientiously believing the same to be true, and by virtue of the provisions of the Statutory Declarations Act, 1960.

Tan Chai Fong, Kathy

Subscribed and solemnly declared by the above named in Kuala Lumpur on 14 April 2004

Before me:

Barathan A/L Sinniah @ Chinniah
(W 202)
Commissioner For Oaths

REPORT OF THE AUDITORS TO THE MEMBERS

of Federation of Malaysian Unit Trust Managers

We have audited the financial statements set out on pages 46 to 54. The preparation of the financial statements is the responsibility of the Federation's Council Members. Our responsibility is to express an opinion on the financial statements based on our audit.

We conducted our audit in accordance with approved Standards on Auditing in Malaysia. These standards require that we plan and perform the audit to obtain all the information and explanations which we consider necessary to provide us with evidence to give reasonable assurance that the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence relevant to the amounts and disclosures in the financial statements. An audit also includes an assessment of the accounting principles used and significant estimates made by the Council Members as well as evaluating the overall adequacy of the presentation of information in the financial statements. We believe our audit provides a reasonable basis for our opinion.

In our opinion:

- (a) the financial statements are properly drawn up in accordance with the provisions of the Companies Act, 1965 and applicable approved accounting standards in Malaysia so as to give a true and fair view of:
 - i) the state of affairs of the Federation at 31 December 2003 and its results and cash flows for the year ended on that date; and
 - ii) the matters required by Section 169 of the Companies Act, 1965 to be dealt with in the financial statements of the Federation; and
- (b) the accounting and other records and the registers required by the Companies Act, 1965 to be kept by the Federation have been properly kept in accordance with the provisions of the said Act.

KPMG

Firm Number: AF 0758
Chartered Accountants

Siew Chin Kiang @ Seow Chin Kiang

Partner
Approval Number: 2012/11/04(J)

Kuala Lumpur,
Date: 14 April 2004

BALANCE SHEET

at 31 December 2003

	Note	2003 RM	2002 RM
Plant and equipment	2	471,014	479,040
Current assets			
Other receivables, deposits and prepayments		486,875	178,148
Cash and cash equivalents	3	4,402,862	3,499,176
		4,889,737	3,677,324
Current liabilities			
Advanced billings		848,018	835,433
Other payables and accruals		504,420	434,970
Taxation		323,176	237,577
		1,675,614	1,507,980
Net current assets		3,214,123	2,169,344
		3,685,137	2,648,384
Financed by:			
Accumulated fund	4	3,600,137	2,590,204
Deferred liabilities			
Deferred income	5	–	1,180
Deferred taxation	6	85,000	57,000
		3,685,137	2,648,384

The financial statements were approved and authorised for issue by the Council Members on 14 April 2004

The notes set out on pages 49 to 54 form an integral part of, and should be read in conjunction with, these financial statements.

INCOME STATEMENT

for the year ended 31 December 2003

	Note	2003 RM	2002 RM
Revenue	7	3,017,647	2,974,748
Interest income		87,797	84,735
Depreciation		(146,244)	(114,267)
Rental of premises		(124,025)	(103,525)
Staff cost		(749,139)	(918,637)
Other operating and administrative expenses		(765,658)	(388,502)
Net other expenses		(7,652)	(239,309)
Excess of revenue over expenditure	8	1,312,726	1,295,243
Tax expense	9	(302,793)	(276,584)
Excess of revenue over expenditure after taxation for the year		1,009,933	1,018,659

The notes set out on pages 49 to 54 form an integral part of, and should be read in conjunction with, these financial statements.

CASH FLOW STATEMENT

for the year ended 31 December 2003

	2003 RM	2002 RM
Cash flows from operating activities		
Excess of revenue over expenditure	1,312,726	1,295,243
Adjustments for:		
Depreciation	146,244	114,267
Interest income	(87,797)	(84,735)
Loss on disposal of plant and equipment	967	–
	1,372,140	1,324,775
Excess of operating revenue over expenditure before working capital and changes		
Changes in working capital and deferred income		
Other receivables	(308,264)	(39,133)
Advanced billings	12,585	(396,200)
Other payables and accruals	69,450	(275,418)
Deferred income	(1,180)	(5,207)
	1,144,731	608,817
Cash generated from operations		
Tax paid	(189,194)	(352,031)
	955,537	256,786
Net cash generated from operating activities		
Cash flows from investing activities		
Purchase of plant and equipment	(139,335)	(283,406)
Interest received	87,334	86,329
Proceeds from disposal of plant and equipment	150	–
	(51,851)	(197,077)
Net cash used in investing activities		
Net increase in cash and cash equivalents	903,686	59,709
Cash and cash equivalents at beginning of year	3,499,176	3,439,467
Cash and cash equivalents at end of year	4,402,862	3,499,176
Cash and cash equivalents comprise:		
Deposits and repo with a licensed bank	4,388,750	3,443,774
Cash and bank balances	14,112	55,402
	4,402,862	3,499,176

The notes set out on pages 49 to 54 form an integral part of, and should be read in conjunction with, these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

1. Summary of significant accounting policies

The following accounting policies are adopted by the Federation and are consistent with those adopted in previous years except for the adoption of MASB 25, Income Taxes and MASB 29, Employee Benefits.

Apart from the inclusion of the new policies and extended disclosures where required by these new standards, there is no effect on these financial statements.

(a) Basis of accounting

The financial statements of the Federation are prepared on the historical cost basis except as disclosed in the notes to the financial statements and in compliance with the provisions of the Companies Act, 1965 and applicable approved accounting standards in Malaysia.

(b) Plant and equipment

Plant and equipment are stated at cost less accumulated depreciation.

Plant and equipment retired from active use and held for disposal are stated at the carrying amount at the date when the asset is retired from active use, less impairment losses, if any.

(c) Depreciation

The straight-line method is used to write off the cost of the following assets over the term of their estimated useful lives at the following principal annual rates:

Office equipment	20%
Furniture and fittings	10%
Office renovations	33 1/3%
Motor vehicles	20%

(d) Cash and cash equivalents

Cash and cash equivalents consist of cash on hand, balances and deposits with banks and highly liquid investments which have an insignificant risk of changes in value.

(e) Income tax

Tax on the profit or loss for the year comprises current and deferred tax. Income tax is recognised in the income statement.

Current tax expense is the expected tax payable on the taxable income for the year, using tax rates enacted or substantially enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

Deferred tax is provided, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantially enacted at the balance sheet date.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised.

(f) Receivables

Receivables are stated at cost less allowance for doubtful debts, if any. Known bad debts are written off and specific allowance is made for any considered to be doubtful of collection.

(g) Revenue recognition**i) Subscriptions**

Annual subscriptions receivable from members and Persons Dealing in Unit Trusts are accounted for under the accruals method of accounting.

ii) Advance billings

Annual subscriptions received over the period of subscriptions for each calendar year are recognised as revenue evenly in the income statement on a monthly basis over the 12 months of each financial year.

iii) Application and examination fees

Application and examination fees are recognised upon the receipt of application and the holding of examination respectively.

iv) Refundable registration fees

Registration fees received in advance are recognised as revenue in the income statement upon confirmation of an applicant as a registered Persons Dealing in Unit Trusts.

v) Capital grants

Capital grants, received for the purchase of plant and equipment are taken to deferred income. Such grants are recognised in the income statement in accordance with the related depreciation charged on the plant and equipment.

vi) Revenue grants

Revenue grants for working capital purposes are recognised in the income statement upon receipt.

vii) Interest income

Interest income is recognised in the income statement as it accrues, taking into account the effective yield on the asset.

(h) Impairment

The carrying amount of assets is reviewed at each balance sheet date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated. An impairment loss is recognised whenever the carrying amount of an asset or the cash-generating unit to which it belongs exceeds its recoverable amount. Impairment losses are recognised in the income statement. Any subsequent increase in recoverable amount is recognised in the income statement.

The recoverable amount is the greater of the asset's net selling price and its value in use. In assessing value in use, estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount and it is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss has been recognised. The reversal is recognized in the income statement.

2. Plant and equipment

	Office equipment RM	Furniture and fittings RM	Office renovations RM	Motor vehicles RM	Total RM
Cost					
At 1 January 2003	610,321	82,221	148,822	151,630	992,994
Additions	(2,078)	–	–	–	(2,078)
Disposals	139,335	–	–	–	139,335
At 31 December 2003	747,578	82,221	148,822	151,630	1,130,251
Depreciation					
At 1 January 2003	241,218	37,136	141,859	93,741	513,954
Charge for the year	104,930	8,222	2,766	30,326	146,244
Disposals	(961)	–	–	–	(961)
At 31 December 2003	345,187	45,358	144,625	124,067	659,237
Net book value					
At 31 December 2003	402,391	36,863	4,197	27,563	471,014
At 31 December 2002	369,103	45,085	6,963	57,889	479,040
Depreciation charge for the period ended 31 December 2002	50,500	8,204	25,236	30,327	114,267

3. Cash and cash equivalents

	2003 RM	2002 RM
Deposits and repo with a licensed bank	4,388,750	3,443,774
Cash and bank balances	14,112	55,402
	4,402,862	3,499,176

4. Accumulated fund

	2003 RM	2002 RM
Accumulated fund brought forward	2,590,204	1,571,545
Operating surplus for the year	1,009,933	1,018,659
Accumulated fund carried forward	3,600,137	2,590,204

5. Deferred income

	2003 RM	2002 RM
Capital grant		
At 1 January	1,180	6,387
Recognised in the income statement	(1,180)	(5,207)
	<hr/>	<hr/>
At 31 December	–	1,180

6. Deferred tax liabilities

	2003 RM	2002 RM
Property, plant and equipment - capital allowances	85,000	57,000

7. Revenue

Revenue represents members' subscriptions and application fees, Institutional Unit Trust Agents' annual and application fees and Persons Dealing in Unit Trusts' application, registration and net examination fees received or receivable.

8. Excess of revenue over expenditure

	2003 RM	2002 RM
Excess of revenue over expenditure is arrived at after charging:		
Auditors' remuneration		
- current year	5,000	5,000
- underprovision in prior year	–	1,250
Honorarium fee paid to independent Council Members	3,900	4,800
Roadshow net expenses	–	109,325
PDUT seminar expenses	108,228	91,410
Conference expenses	–	50,425
Other project expenses	3,793	–
Unit trust examination expenses	288,784	309,690
Loss on disposal of plant and equipment	967	–
	<hr/>	<hr/>
and crediting:		
Capital grant recognised	1,180	5,207
Interest income	87,797	84,735
Unit trust examination fees	867,302	954,026
Conference net income	98,154	–

The number of employees (excluding Council Members) of the Federation during the year was 13 (2002 - 15).

9. Tax expense

	2003 RM	2002 RM
Current tax expense		
- current	274,793	237,436
- prior year	–	9,148
	<hr/> 274,793	<hr/> 246,584
Deferred tax expense		
- Origination and reversal of temporary differences	28,000	30,000
	<hr/> 302,793	<hr/> 276,584
Reconciliation of effective tax rate		
Profit before taxation	<hr/> 1,312,726	<hr/> 1,295,243
Income tax using Malaysia tax rates	367,563	362,668
Non-deductible expenses	40,184	2,797
Tax exempt income	(81,330)	(79,376)
Effect of changes in tax rates	(15,035)	(15,025)
Other items	(8,589)	(3,628)
	<hr/> 302,793	<hr/> 267,436
Underprovision in prior years	–	9,148
	<hr/> 302,793	<hr/> 276,584
Tax expense	<hr/> <hr/> 302,793	<hr/> <hr/> 276,584

The Federation is treated as a 'Trade Association' under Section 53(3) of the Income Tax Act 1967, under which its income is taxed at scale rates. The effect of changes in tax rate above is a result of the disparity between corporate tax rate of 28% and the scale rates applicable to the Federation.

10. Capital commitments

	2003 RM	2002 RM
Contracted but not provided for in the financial statements	93,600	229,200
	<hr/> 93,600	<hr/> 229,200

11. Related party transactions

	2003 RM	2002 RM
Amount payable for professional services rendered by PricewaterhouseCoopers, Malaysia, in which a Council Member is a partner	53,800	–
	<hr/> 53,800	<hr/> –

12. Financial instruments

Financial risk management objectives and policies

Exposure to credit and interest rate risk arises in the normal course of the Federation's business. The Council reviews and agrees on policies for managing each of these risks and they are summarised as follows:

Credit risk

Management monitors credit risk on an ongoing basis. Fixed deposits are placed only with a licensed financial institution.

At balance sheet date, there was no significant concentration of credit risk as fixed deposits are placed with anchor banks. The maximum exposure to credit risk is represented by the carrying amount of each financial asset.

Interest rate risk

The Federation does not have any borrowings. Excess funds are placed in short term fixed deposits based on the prevailing rate. The fluctuations in interest rate have no material impact on the financial statements.

Liquidity risk

The Federation monitors and maintains a level of cash and cash equivalents deemed adequate by management to finance the Federation's operations and to mitigate the effects of fluctuations in cash flows.

Effective interest rates and repricing analysis

The following table shows information about the Federation's exposure to interest rate risk.

	2003					2002				
	Effective interest rate %	Total RM	Within 1 year RM	1-5 years RM	After 5 years RM	Effective interest rate %	Total RM	Within 1 year RM	1-5 years RM	After 5 years RM
Financial assets										
Fixed deposits and repo	2.68	4,388,750	4,388,750	–	–	2.70	3,443,774	3,443,774	–	–

Fair values

In the opinion of the Council Members, there is no significant difference between the fair values and the book values of financial assets and financial liabilities.

DETAILED INCOME STATEMENT

for the year ended 31 December 2003

	2003 RM	2002 RM
Revenue		
Members' subscription	785,000	770,000
Members application fees	10,000	50,000
Persons Dealing in Unit Trusts (PDUTs)		
- application and registration fees	1,431,379	1,342,412
examination fees	867,302	954,026
examination expenses	(288,784)	(309,690)
- net examination fees	578,518	644,336
Institutional Unit Trust Agents (IUTAs)		
- application fees	6,250	12,500
- annual fees	206,500	155,500
	3,017,647	2,974,748
Other (expenses)/income		
Books/Materials sales	1,428	608
Capital grant	1,180	5,207
Loss on disposal of plant and equipment	(967)	-
Roadshow net expenses	-	(109,325)
PDUT seminar expenses	(108,228)	(91,410)
Conference income/(expenses)	98,154	(50,425)
Other project expenses	(3,793)	-
Sundry income	4,574	6,036
	(7,652)	(239,309)
Interest income	87,797	84,735
Less:		
Expenditure		
Depreciation	146,244	114,267
Rental	124,025	103,525
Staff costs	749,139	918,637
Other operating and administrative expenses		
Advertisement	16,754	630
Auditors' remuneration		
- current year	5,000	5,000
- underprovision in prior year	-	1,250
Bank charges	1,321	1,452
Computer program	23,439	500
Council and committee events	63,313	73,184
Honorarium fees	3,900	4,800
Courier and postage	2,574	5,911
Entertainment	7,717	3,319
Insurance	1,075	1,031
Magazines and periodicals	3,893	7,950
Printing and stationery	23,609	21,214
Professional fees	128,524	49,390
Secretarial fees	1,430	2,025
Study tour/conference	181,230	78,710
Sundry expenses	18,455	8,163
Promotion	23,800	22,500
Telephone and faxes	39,435	39,973
Travelling and accommodation	90,669	42,402
Upkeep of office equipment	2,240	3,912
Upkeep of office	9,986	9,679
Water and electricity	8,794	5,507
Sponsorship	108,500	-
	765,658	388,502
	1,312,726	1,295,243
Excess of revenue over expenditure		
Tax expense	(302,793)	(276,584)
Excess of revenue over expenditure after taxation for the year	1,009,933	1,018,659

MEMBERS' DIRECTORY

as at 31 March 2004

ORDINARY MEMBERS

Affin Trust Management Berhad 22nd Floor, Menara Boustead Jalan Raja Chulan 50200 Kuala Lumpur	Contact Person Tel Fax	En. Wan Kamaruzaman Wan Ahmad (603) 2034 2869 (603) 2144 4953	Approved Fund Size (million units)
Funds Affin Equity Dana Islamiah Affin Affin Capital	Launch Date 29/04/1993 11/11/2001 12/12/2001	Type of Funds Equity: Income Mixed Asset: Islamic/Syariah Balanced Bond: General	400 400 600
Alliance Unit Trust Management Bhd 23.01, 23rd Floor Menara Multi-Purpose, Capital Square No. 8, Jalan Munshi Abdullah 50100 Kuala Lumpur	Contact Person Tel Fax	En. Tan Wai Kuen, Kenny (603) 2698 4299 (603) 2693 0792	Approved Fund Size (million units)
Funds Alliance First Alliance Vision Alliance Moneyplus	Launch Date 16/01/1996 01/03/2000 30/01/2002	Type of Funds Mixed Asset: Income Equity: Small Companies Bond: General	400 400 300
Amanah Property Trust Managers Berhad 10th Floor, Bangunan Amanah Capital 82, Jalan Raja Chulan 50200 Kuala Lumpur	Contact Person Tel Fax	En. Wahid Ramli (603) 2732 2668 (603) 2732 5833	Approved Fund Size (million units)
Funds First Malaysia Property Trust	Launch Date 10/10/1989	Type of Funds Property	1,000
Amanah Saham Kedah Berhad No. 178 - 180, Jalan Sultanah Sambungan 05250 Alor Setar Kedah	Contact Person Tel Fax	En. Norkhalim Ahmad (604) 730 0323 (604) 730 0320	Approved Fund Size (million units)
Funds Amanah Saham Kedah	Launch Date 27/02/1995	Type of Funds State Fund	200
Amanah Saham Nasional Berhad 25th Floor, Bangunan PNB 201-A, Jalan Tun Razak 50400 Kuala Lumpur	Contact Person Tel Fax	En. Paisol Ahmad (603) 2050 5500 (603) 2161 0082	Approved Fund Size (million units)
Funds ASN ASB ASW 2020 ASN 2 Amanah Saham Malaysia Amanah Saham Didik Amanah Saham Nasional 3 Imbang ASG - Amanah Saham Persaraan ASG - Amanah Saham Kesihatan ASG - Amanah Saham Pendidikan	Launch Date 20/04/1981 02/01/1990 28/08/1996 09/06/1999 20/04/2000 20/04/2001 16/10/2001 17/03/2003 17/03/2003 17/03/2003	Type of Funds Federal Fund Federal Fund Federal Fund Federal Fund Federal Fund Federal Fund Federal Fund Federal Fund Federal Fund Federal Fund Federal Fund	2,500 Unlimited 3,000 2,500 3,000 500 1,000 Combined Fund Size = 1 billion units

Note:

Above fund information excludes funds launched from January 2004.

Amanah Saham Sarawak Berhad Lot 357, Section 5 KTLD, Jalan Satok 93400 Kuching Sarawak	Contact Person Tel Fax	En. Shamsul Anuar Ahamad Ibrahim (6082) 231 433 (6082) 231 751	Approved Fund Size (million units)
Funds Amanah Saham Sarawak	Launch Date 25/08/1993	Type of Funds State Fund	750
AmInvestment Services Berhad 9th Floor, Bangunan AmBank Group No. 55, Jalan Raja Chulan 50200 Kuala Lumpur	Contact Person Tel Fax	En. Cheah Chuan Lok (603) 2078 2633 (603) 2031 5210	Approved Fund Size (million units)
Funds AmCash Management AmTotal Return AmIttikal AmCumulative Growth AmBond AmIncome AmNew Frontier AmBon Islam AmIncome Plus AmAI-Amin AmDynamic Bond AmBalanced AmConservative	Launch Date 28/11/1986 10/01/1989 01/01/1993 24/07/1996 20/01/2000 20/01/2000 15/10/2001 26/11/2001 26/11/2001 26/11/2001 16/06/2003 16/09/2003 16/09/2003	Type of Funds Money Market Equity: Income Equity: Islamic/Syariah Equity: Growth Bond: General Money Market Equity: Info & Technology Bond: Islamic/Syariah Money Market Money Market Bond: General Mixed Asset: Growth Bond: General	500 500 1000 500 2000 1000 500 1000 200 200 1,000 1,000 1,000
AmProperty Trust Management Berhad 17th Floor, Bangunan AmBank Group No. 55, Jalan Raja Chulan 50200 Kuala Lumpur	Contact Person Tel Fax	En. Kamalul Arifin Othman (603) 2078 2633 (603) 2732 0644	Approved Fund Size (million units)
Funds AmFirst Property Trust	Launch Date 17/08/1989	Type of Funds Property	135
Apex Investment Trust Berhad Suite 10-A3, 10A Floor Grand Seasons Avenue 72, Jalan Pahang 53000 Kuala Lumpur	Contact Person Tel Fax	En. Tan Keah Huat (603) 2693 2789 (603) 2692 6546	Approved Fund Size (million units)
Funds Apex Malaysia Growth Apex CI Tracker Apex Small-Cap Apex Islamic Balanced Apex Islamic Income	Launch Date 06/08/1997 28/06/2000 18/09/2000 28/08/2003 28/08/2003	Type of Funds Equity: Growth Equity: Index Tracking Equity: Small Companies Mixed Asset: Islamic/Syariah Balanced Bond: Islamic/Syariah	100 100 300 100 100

Note:

Above fund information excludes funds launched from January 2004.

Asia Unit Trusts Berhad First Floor, Bangunan Amanah Capital No. 82, Jalan Raja Chulan 50200 Kuala Lumpur	Contact Person Tel Fax	En. Mushthaq Ahmad Ibrahim (603) 2163 3311 (603) 2164 1904	Approved Fund Size (million units)
Funds	Launch Date	Type of Funds	
AUTB Progress	01/06/1970	Equity: Small Companies	300
AUTB Dana Bakti	14/05/1971	Equity: Islamic/Syariah	500
AUTB Tactical	05/05/1976	Equity: Growth	300
AUTB Bond	24/01/1984	Bond: General	50
AUTB Investment	18/07/1996	Equity: Income	300
ASM Mara Unit Trust Management Berhad Ground Floor, Wisma ASMB No. 1A, Jalan Lumut 50400 Kuala Lumpur	Contact Person Tel Fax	En. Mansoor Ahmad (603) 4041 7199 (603) 4042 6511	Approved Fund Size (million units)
Funds	Launch Date	Type of Funds	
ASM KMBY Ketiga	01/11/1969	Equity: Income	20
ASM KMBY Keempat	02/02/1970	Equity: Income	20
ASM KMBY Kelima	03/09/1971	Equity: Income	20
ASM KMBY Keenam	05/05/1972	Equity: Income	20
ASM KMBY Ketujuh	28/12/1972	Equity: Income	20
ASM KMB - Dana Pertumbuhan	28/12/1972	Equity: Growth	20
ASM KMBY Kesepuluh	24/10/1978	Equity: Income	20
ASM KMBY Kesebelas	29/10/1979	Equity: Income	50
ASM First Public	20/04/1992	Equity: Income	350
ASM Premier	12/06/1995	Equity: Income	350
Amanah Saham Pekerja-Pekerja TNB	28/08/1995	Equity: Income	50
Dana Al-Aiman	19/05/1997	Equity: Islamic/Syariah	200
ASM Balanced	06/12/1997	Mixed Asset: Growth	100
ASM Index	25/03/2002	Equity: Index Tracking	250
Dana Bestari	03/10/2002	Equity: Islamic/Syariah	250
Avenue Unit Trust Management Berhad Level 12, Menara Asia Life 189, Jalan Tun Razak 50400 Kuala Lumpur	Contact Person Tel Fax	En. Wong Teck Meng, Danny (603) 2166 3030 (603) 2161 4608	Approved Fund Size (million units)
Funds	Launch Date	Type of Funds	
Amanah Saham Wanita (ASNITA)	05/05/1998	Equity: Islamic/Syariah	400
Avenue Income Extra	10/09/1999	Bond: General	1,500
Avenue Equity Extra	10/09/1999	Equity: Income	500
Avenue Bond Extra	08/10/2002	Bond: General	500
Avenue Money Extra	08/10/2002	Money Market	200
Avenue Versatile Extra	28/10/2002	Mixed Asset: Growth	200
Avenue Syariah Extra	06/11/2002	Mixed Asset: Islamic/Syariah Balanced	250

Note:

Above fund information excludes funds launched from January 2004.

BIMB Unit Trust Management Berhad Level 5, Darul Takaful Jalan Sultan Ismail 50250 Kuala Lumpur	Contact Person Tel Fax	En. Ahmad Nazrien Haji Yusof (603) 2694 6617 (603) 2694 3516	Approved Fund Size (million units)
Funds Amanah Saham Bank Islam ASBI Dana Persaraan ASBI Dana Pendidikan ASBI Dana Bon Islam	Launch Date 30/06/1994 27/12/2001 27/12/2001 27/12/2001	Type of Funds Equity: Islamic/Syariah Mixed Asset: Islamic/Syariah Balanced Mixed Asset: Islamic/Syariah Balanced Bond: Islamic/Syariah	302 400 400 400
CMS Trust Management Berhad Level 1, Wisma Mahmud Jalan Sungai Sarawak 93100 Kuching Sarawak	Contact Person Tel Fax	En. S. Kumaravelloo Pillai (6082) 343 022 (6082) 343 066	Approved Fund Size (million units)
Funds CMS Premier CMS Balanced CMS Bond CMS Islamic	Launch Date 26/11/1996 23/05/2001 15/08/2002 15/08/2002	Type of Funds Equity: Growth Mixed Asset: Income Bond: General Equity: Islamic/Syariah	1,000 500 500 500
Commerce Trust Berhad Level 5, Menara Milenium No. 8, Jalan Damanlela Bukit Damansara 50490 Kuala Lumpur	Contact Person Tel Fax	En. Yeoh Keat Seng (603) 2084 2222 (603) 2084 2233	Approved Fund Size (million units)
Funds Lifetime Dana Mubarak Lifetime Bond Lifetime - Balanced Returns Lifetime - Future Goals Lifetime - Income Plus Lifetime Dana Barakah Steady Returns Bond	Launch Date 15/06/1995 15/11/1995 12/03/1998 12/03/1998 12/03/1998 26/05/2003 13/10/2003	Type of Funds Equity: Islamic/Syariah Bond: General Mixed Asset: Growth Equity: Growth Mixed Asset: Income Mixed Asset: Islamic/Syariah Bond: General	300 1,500 1,000 1,000 1,000 500 250

Note:

Above fund information excludes funds launched from January 2004.

HLG Unit Trust Berhad Level 8, Menara HLA No. 3, Jalan Kia Peng 50450 Kuala Lumpur	Contact Person Tel Fax	En. Teo Chang Seng (603) 2733 2500 (603) 2733 2541	
Funds	Launch Date	Type of Funds	Approved Fund Size (million units)
HLG Growth	08/09/1995	Equity: Growth	1,500
HLG Penny Stock	26/04/1999	Equity: Growth	5,000
HLG Blue Chip	26/04/1999	Equity: Growth	300
HLG Finance Sector	29/08/2000	Equity: Growth	} Combined Fund Size = 500 million units
HLG Industrial & Technology Sector	29/08/2000	Equity: Growth	
HLG Trading/Services Sector	29/08/2000	Equity: Growth	
HLG Consumer Products Sector	29/08/2000	Equity: Growth	
HLG Construction, Infrastructure & Property	29/08/2000	Equity: Growth	
HLG Dana Makmur	12/11/2001	Equity: Islamic/Syariah	
HLG Bond	29/01/2002	Bond: General	500
HLG Balanced	29/04/2002	Mixed Asset: Income	500
HLG Dana Maa'rof	25/03/2003	Mixed Asset: Islamic/Syariah Balanced	200
HLG Dana Munir	25/03/2003	Bond: Islamic/Syariah	500
Hwang-DBS Unit Trust Berhad Suite 12-03, 12th Floor Menara Keck Seng 203, Jalan Bukit Bintang 55100 Kuala Lumpur	Contact Person Tel Fax	Cik Lee Le Leng (603) 2142 1881 (603) 2143 1881	
Funds	Launch Date	Type of Funds	Approved Fund Size (million units)
Hwang-DBS Select Opportunity	07/09/2001	Equity: Income	200
Hwang-DBS Dana Izdihar	08/10/2002	Equity: Islamic/Syariah	400
Hwang-DBS Capital Guaranteed Fund I	25/04/2003	Guaranteed/Protected	200
Hwang-DBS Select Balanced	28/07/2003	Mixed Asset: Income	600
Hwang-DBS Select Bond	28/07/2003	Bond: General	1,000
Kenanga Unit Trust Berhad 303, 3rd Floor, Pernas International Jalan Sultan Ismail 50250 Kuala Lumpur	Contact Person Tel Fax	En. Johan Tazrin Hamid Ngo (603) 2162 5688 (603) 2162 5699	
Funds	Launch Date	Type of Funds	Approved Fund Size (million units)
KUT - Negara Equity	17/01/2000	Equity: Growth	500
KUT - Negara Equity Islamic	29/01/2002	Equity: Islamic/Syariah	200
KLCity Unit Trust Berhad No. 8, Jalan Binjai Off Jalan Ampang 50450 Kuala Lumpur	Contact Person Tel Fax	En. Wong Mien (603) 2166 9799 (603) 2166 8799	
Funds	Launch Date	Type of Funds	Approved Fund Size (million units)
KL City Ruby	31/12/1980	Equity: Income	200
KL City Sapphire	25/11/1993	Equity: Income	300
KL City Emerald	01/06/2001	Equity: Income	100
KL City Dana Imbang	26/02/2003	Mixed Asset: Islamic/Syariah Balanced	300

Note:

Above fund information excludes funds launched from January 2004.

KSC Capital Berhad Suite E-13A-15, Block E Plaza Mont' Kiara 2, Jalan 1/70C, Mont' Kiara 50480 Kuala Lumpur	Contact Person Tel Fax	En. Daud Mah Abdullah (603) 6203 3888 (603) 6201 2118	
Funds Value	Launch Date 16/12/2002	Type of Funds Equity: Growth	Approved Fund Size (million units) 100
MAAKL Mutual Berhad 1.03, Mezzanine Floor, Menara MAA 12, Jalan Dewan Bahasa 50460 Kuala Lumpur	Contact Person Tel Fax	Y.M.Tunku Dato' Ya'acob Tunku Abdullah (603) 2146 9588 (603) 2146 9550	
Funds MAA Mutual Balanced MAA Mutual Value MAA Mutual Equity Index MAA Mutual Syariah Index MAA Mutual Bond MAA Mutual Progress MAA Mutual Growth MAA Mutual As-Saad MAA Mutual Al-Faid	Launch Date 02/05/1991 28/06/1995 26/05/1997 04/01/2002 18/02/2002 18/02/2002 18/02/2002 30/06/2003 30/06/2003	Type of Funds Mixed Asset: Income Equity: Growth Equity: Index Tracking Equity: Islamic/Syariah Bond: General Equity: Small Companies Equity: Growth Bond: Islamic/Syariah Equity: Islamic/Syariah	Approved Fund Size (million units) 750 300 300 300 } Combined Fund Size = 1 billion units
Mayban Unit Trust Berhad Level 12, MaybanLife Tower Dataran Maybank No. 1, Jalan Maarof 59000 Kuala Lumpur	Contact Person Tel Fax	En. Shamsudin Bahari (603) 2287 2818 (603) 2287 6818	
Funds Mayban Unit Trust Mayban Balanced Mayban Income Mayban Dana Yakin Mayban Index-Linked Mayban Dana Ikhlas Mayban Ethical Mayban Value Mayban Enhanced Bond Mayban First Capital Guaranteed	Launch Date 26/03/1992 19/09/1994 19/06/1996 24/11/2000 16/05/2002 17/09/2002 07/01/2003 07/01/2003 27/05/2003 19/08/2003	Type of Funds Equity: Income Mixed Asset: Growth Bond: General Equity: Islamic/Syariah Equity: Index Tracking Mixed Asset: Islamic/Syariah Balanced Equity: Income Equity: Growth Bond: General Guaranteed/Protected	Approved Fund Size (million units) 1,500 1,150 600 400 400 400 300 300 500 300

Note:

Above fund information excludes funds launched from January 2004.

OSK-UOB Unit Trust Management Berhad 5th Floor, Plaza OSK Jalan Ampang 50450 Kuala Lumpur	Contact Person Tel Fax	En. Ho Seng Yee (603) 2164 3036 (603) 2164 4226	Approved Fund Size (million units)
Funds	Launch Date	Type of Funds	
OSK-UOB Equity	08/08/1996	Equity: Growth	750
Small Cap Opportunity	20/04/1998	Equity: Small Companies	1,000
OSK-UOB KidSave	10/05/1999	Mixed Asset: Income	700
KLCI Tracker	03/04/2000	Equity: Index Tracking	500
TMT Focus	18/08/2001	Equity: Info & Technology	200
OSK-UOB Dana Islam	26/10/2001	Equity: Islamic/Syariah	100
OSK-UOB Income	26/02/2003	Bond: General	300
OSK-UOB Capital Guaranteed Series 1	02/09/2003	Guaranteed/Protected	200
Pacific Mutual Fund Berhad 1001, Level 10, Uptown 1 Jalan SS 21/58 Damansara Uptown 47400 Petaling Jaya	Contact Person Tel Fax	En. Michael Auyeung (603) 7725 9877 (603) 7725 9860	Approved Fund Size (million units)
Funds	Launch Date	Type of Funds	
Pacific Premier	10/08/1995	Equity: Income	500
Pacific Pearl	06/01/1997	Equity: Small Companies	500
Pacific Dana Aman	16/04/1998	Equity: Islamic/Syariah	1,000
Pacific Recovery	15/04/1999	Equity: Growth	500
Pacific Millennium	15/04/1999	Equity: Income	500
Pacific Income	18/08/2000	Mixed Asset: Income	500
Pacific Progressive	02/01/2001	Equity: Info & Technology	500
Pacific Dana KLSI	25/03/2003	Equity: Islamic/Syariah	500
Pacific Dana Murni	25/03/2003	Bond: Islamic/Syariah	500
Pacific Select Income	11/08/2003	Mixed Asset: Income	300
Pacific Select Balance	11/08/2003	Mixed Asset: Income	300
Pacific Dividend	18/11/2003	Equity: Income	500
Pelaburan Hartanah Nasional Berhad Tingkat 24, Menara PNB 201-A, Jalan Tun Razak 50400 Kuala Lumpur	Contact Person Tel Fax	Pn. Siti Ramelah Yahya (603) 2050 5669 (603) 2050 5273	Approved Fund Size (million units)
Funds	Launch Date	Type of Funds	
Amanah Hartanah PNB	20/03/1989	Property	100
Pelaburan Johor Berhad Tingkat 10, Menara Perbandaran Johor Kotaraya 80000 Johor Bahru Johor	Contact Person Tel Fax	En. Ahmed Muzni Mohamed (607) 223 4953 (607) 224 5251	Approved Fund Size (million units)
Funds	Launch Date	Type of Funds	
Amanah Saham Johor	15/05/1992	State Fund	300
Dana Johor	19/04/1995	State Fund	500
Amanah Saham Angkasa	24/04/1998	State Fund	300

Note:

Above fund information excludes funds launched from January 2004.

Pengurusan Kumipa Berhad Tingkat 20, Kompleks Teruntum Jalan Mahkota 25720 Kuantan Pahang	Contact Person Tel Fax	Ph. Hajjah Nor Asmah Abdul (609) 513 3900 (609) 513 3949	
Funds Kumpulan Modal Bumiputra Pahang	Launch Date 20/06/1994	Type of Funds State Fund	Approved Fund Size (million units) 150
Permodalan BSN Berhad Tingkat 18, Wisma BSN No. 117, Jalan Ampang 50450 Kuala Lumpur	Contact Person Tel Fax	Tn. Haji Mohamed Sirad Mohamed Marzuki (603) 2164 5545 (603) 2143 1910	
Funds Amanah Saham BSN	Launch Date 12/01/1995	Type of Funds Equity: Income	Approved Fund Size (million units) 500
Pheim Unit Trusts Berhad Letter Box 12 3rd Floor, MUI Plaza Jalan P.Ramlee 50250 Kuala Lumpur	Contact Person Tel Fax	En. Phua Lee Kerk (603) 2142 8888 (603) 2141 9199	
Funds Dana Makmur Pheim Pheim Emerging Companies Balanced Pheim Income	Launch Date 28/01/2002 28/01/2002 28/01/2002	Type of Funds Mixed Asset: Islamic/Syariah Balanced Mixed Asset: Growth Bond: General	Approved Fund Size (million units) 100 100 100
Phillip Mutual Berhad B-2-7, Megan Avenue II 12, Jalan Yap Kwan Seng 50450 Kuala Lumpur	Contact Person Tel Fax	En. Munawir Mohammad (603) 2715 9802 (603) 2166 6417	
Funds Phillip Master First Ethical Phillip Master Equity Growth Phillip Master Money Market	Launch Date 18/06/2003 18/06/2003 18/06/2003	Type of Funds Equity: Growth Equity: Growth Money Market	Approved Fund Size (million units) 200 200 200
Prudential Unit Trusts Berhad 21st Floor, Menara TA One 22, Jalan P.Ramlee 50250 Kuala Lumpur	Contact Person Tel Fax	En. Toh Chin Hian, Mark (603) 2052 3388 (603) 2052 3232	
Funds PRU Master Trust - Prudential Balanced PRU Master Trust - Prudential Bond PRU Master Trust - Prudential Growth PRU Master Trust - Prudential Small-Cap PRU Master Trust - Prudential Cash Management* PRU Islamic Trust - Prudential Dana Al-Islah PRU Islamic Trust - Prudential Dana Al-Ilham Prudential First Capital Guaranteed PRUDynamic	Launch Date 29/05/2001 29/05/2001 29/05/2001 29/05/2001 29/05/2003 14/08/2002 14/08/2002 22/08/2002 06/11/2003	Type of Funds Mixed Asset: Growth Bond: General Equity: Growth Equity: Small Companies Money Market Mixed Asset: Islamic/Syariah Balanced Equity: Islamic/Syariah Guaranteed/Protected Mixed Asset: Growth	Approved Fund Size (million units) } Combined Fund Size = 2 billion units Part of PRU Master Trust } Combined Fund Size = 300 million units 150 500

Note:

Above fund information excludes funds launched from January 2004.

PTB Unit Trust Berhad		Contact Person	Tn. Haji Othman Muhammad
Suite 3A01, Menara AMCORP 18, Jalan Persiaran Barat, 46050 Petaling Jaya		Tel	(603) 7954 3030
		Fax	(603) 7958 8779
Funds	Launch Date	Type of Funds	Approved Fund Size (million units)
Amanah Saham Darul Iman	31/10/1994	State Fund	500
Public Mutual Berhad		Contact Person	En. Cheah Swee Leng, Edmond
Block B, Sri Damansara Business Park Persiaran Industri Bandar Sri Damansara 55200 Kuala Lumpur		Tel	(603) 6279 6800
		Fax	(603) 6277 9800
Funds	Launch Date	Type of Funds	Approved Fund Size (million units)
Public Savings	29/03/1981	Equity: Income	1,500
Public Growth	11/12/1984	Equity: Income	4,500
Public Index	02/03/1992	Equity: Index Tracking	1,500
Public Industry	18/11/1993	Equity: Income	1,000
Public Regular Saving	25/04/1994	Equity: Income	2,000
Public Aggressive Growth	25/04/1994	Equity: Growth	1,000
Public Balanced	07/06/1995	Mixed Asset: Income	1,500
Public Bond	11/06/1996	Bond: General	1,500
Public Ittikal	10/04/1997	Equity: Islamic/Syariah	1,000
PB Balanced	05/05/1998	Mixed Asset: Income	300
Public SmallCap	13/06/2000	Equity: Small Companies	500
Public Equity	15/08/2001	Equity: Growth	2,000
Public Islamic Bond	15/08/2001	Bond: Islamic/Syariah	300
PB Growth	03/10/2002	Equity: Growth	600
PB Fixed Income	03/10/2002	Bond: General	300
Public Institutional Bond	30/04/2003	Bond: General	2,000
Public Islamic Equity	28/05/2003	Equity: Islamic/Syariah	2,000
Public Money Market	16/12/2003	Money Market	1,000
RHB Unit Trust Management Berhad		Contact Person	En. Tan Lib Chau, Michael
Level 7, Tower One, RHB Centre Jalan Tun Razak 50400 Kuala Lumpur		Tel	(603) 9286 2666
		Fax	(603) 9286 2835
Funds	Launch Date	Type of Funds	Approved Fund Size (million units)
RHB Dynamic	15/09/1992	Equity: Income	750
RHB Capital	12/04/1995	Equity: Growth	500
RHB Mudharabah	09/05/1996	Mixed Asset: Islamic/Syariah Balanced	500
RHB Bond	10/10/1997	Bond: General	500
RHB Malaysia Recovery	03/05/1999	Equity: Growth	500
RHB Islamic Bond	25/08/2000	Bond: Islamic/Syariah	250
RHB Spectrum - RHB Balanced	18/04/2001	Mixed Asset: Growth	125
RHB Spectrum - RHB Income	18/04/2001	Mixed Asset: Income	125
RHB Spectrum - RHB Index	18/04/2001	Equity: Index Tracking	125
RHB Spectrum - RHB Technology	18/04/2001	Equity: Info & Technology	125

Note:

Above fund information excludes funds launched from January 2004.

Saham Sabah Berhad Suite 1-9-W2, W3 & W4, 9th Floor CPS Tower, Centre Point Sabah No. 1, Jalan Centre Point 88000 Kota Kinabalu Sabah		Contact Person Tel Fax	Y. Bhg. Datuk Haji Hassan Otoi (6088) 266 588 (6088) 262 588	
Funds Saham Amanah Sabah	Launch Date 10/10/1994	Type of Funds State Fund	Approved Fund Size (million units) 500	
SBB Mutuall Berhad No 50, 52 & 54, Jalan SS 21/39 Damansara Utama 47400 Petaling Jaya		Contact Person Tel Fax	En. Low Hong Ceong, Paul (603) 7712 2888 (603) 7726 5088	
Funds SBB Double Growth SBB Emerging Co. Growth SBB Premium Capital SBB Savings SBB High Growth SBB Retirement Balanced SBB Dana Al-Ihsan SBB Bond SBB Composite Index SBB Index-Linked SBB HGF Sequel SBB Dana Al-Mizan SBB Dana Al-Hikmah SBB Dana Al-Ihsan 2 SBB Dana Al-Azam SBB Equity Income SBB Crystal Equity	Launch Date 15/05/1991 10/05/1994 01/08/1995 10/08/1995 28/09/1995 12/03/1997 07/05/1998 28/07/1999 23/08/1999 08/06/2000 08/03/2001 08/03/2001 30/04/2003 30/04/2003 30/04/2003 01/10/2003 01/10/2003	Type of Funds Equity: Growth Equity: Small Companies Equity: Income Mixed Asset: Growth Equity: Growth Mixed Asset: Growth Equity: Islamic/Syariah Bond: General Equity: Index Tracking Equity: Index Tracking Equity: Growth Mixed Asset: Islamic/Syariah Balanced Equity: Islamic/Syariah Equity: Islamic/Syariah Equity: Small Companies Equity: Income Equity: Growth	Approved Fund Size (million units) 750 700 1,000 500 1,000 500 1,200 200 200 500 500 1,000 500 500 500 300 500	
TA Unit Trust Management Berhad 23rd Floor, Menara TA One No. 22, Jalan P.Ramlee 50250 Kuala Lumpur		Contact Person Tel Fax	En. Chua Lai Huat, Richard (603) 2072 1277 (603) 2031 4479	
Funds TA Growth TA Comet TA Islamic TA Income	Launch Date 01/07/1996 01/10/1999 24/04/2001 06/05/2002	Type of Funds Equity: Income Equity: Income Equity: Islamic/Syariah Mixed Asset: Income	Approved Fund Size (million units) 350 300 250 150	
Tabung Amanah Saham Selangor Berhad Lot 1 & 10, Aras 1A, Blok Podium Plaza Perangsang, Persiaran Perbandaran 40000 Shah Alam Selangor		Contact Person Tel Fax	En. Abdul Rahim Abdul Aziz (603) 5510 1536 (603) 5510 1255	
Funds Amanah Saham Selangor	Launch Date 06/08/1994	Type of Funds State Fund	Approved Fund Size (million units) 500	

Note:

Above fund information excludes funds launched from January 2004.

ASSOCIATE MEMBERS

Affin Bank Berhad 17th Floor, Menara Affin 80, Jalan Raja Chulan 50200 Kuala Lumpur	Contact Person Tel Fax	En. Alzafry Mohd Zaliff Mohamed Adahan (603) 2055 9000 (603) 2026 1415
Affin-UOB Securities Sdn Bhd Level 32, Menara Keck Seng 203, Jalan Bukit Bintang 55100 Kuala Lumpur	Contact Person Tel Fax	En. Saiful Bahri Zainuddin (603) 2143 8668 (603) 2143 3663
Alliance Bank Malaysia Berhad 2nd Floor, Menara Multi-Purpose No. 8, Jalan Munshi Abdullah 50100 Kuala Lumpur	Contact Person Tel Fax	En. Chan Chun Fee (603) 2694 0000 (603) 2694 5150
AmMerchant Bank Berhad 18th Floor, Bangunan AmBank Group 55, Jalan Raja Chulan 50200 Kuala Lumpur	Contact Person Tel Fax	En. Tai Terk Lin (603) 2078 2633 (603) 2032 2398
Bank Simpanan Nasional Finance Division 117, Jalan Ampang 50450 Kuala Lumpur	Contact Person Tel Fax	En. Mohd Ariffin Marzuki (603) 2162 3222 (603) 2164 5819
Commerce International Merchant Bankers Berhad 10th Floor, Bangunan CIMB Jalan Semantan Damansara Heights 50490 Kuala Lumpur	Contact Person Tel Fax	En. Neville Ian Azzopardi (603) 2093 6688 (603) 2093 5522
CIMB Securities Sdn Bhd 9th Floor, Commerce Square Jalan Semantan Damansara Heights 50490 Kuala Lumpur	Contact Person Tel Fax	En. Gui Eng Hock, Paul (603) 2723 8688 (603) 2723 8638
Citibank Berhad Level 13, Wisma Char Yong 89, Jalan Ampang 50450 Kuala Lumpur	Contact Person Tel Fax	En. Sik Wan King, Charles (603) 2383 0000 (603) 2713 5538
Deutsche Bank (Malaysia) Berhad Level 18, Menara IMC 8, Jalan Sultan Ismail 50250 Kuala Lumpur	Contact Person Tel Fax	Cik Lee Kwee Hua (603) 2053 6826 (603) 2031 1899
ENG Securities Sdn Bhd 95, Jalan Tun Abdul Razak 80100 Johor Bahru Johor 50796 Kuala Lumpur	Contact Person Tel Fax	En. Mohd Fuad Foo Abdullah (607) 2231 211 (607) 2246 266
EON Bank Berhad 12th Floor, Wisma Cyclecarri 288, Jalan Raja Laut P.O.Box 12996 50796 Kuala Lumpur	Contact Person Tel Fax	En. Abdul Jamel Pawanteh (603) 2694 1188 (603) 2694 9588

EON Finance Berhad 11th Floor, Wisma Cyclecarri 288, Jalan Raja Laut P.O.Box 12996 50796 Kuala Lumpur	Contact Person Tel Fax	En. Lau Yiong (603) 2612 8888 (603) 2694 5876
HSBC Bank Malaysia Berhad 15th Floor, Bangunan HSBC 2, Leboh Ampang 50100 Kuala Lumpur	Contact Person Tel Fax	En. U Chen Hock (603) 2070 0744 (603) 2070 1146
Inter-Pacific Securities Sdn Bhd West Wing, Level 13 Berjaya Times Square No. 1, Jalan Imbi 55100 Kuala Lumpur	Contact Person Tel Fax	En. Tan Mun Choy (603) 2117 1888 (603) 2144 1686
Jupiter Securities Sdn Bhd Level 7, 8 & 9, Menara Olympia No. 8, Jalan Raja Chulan 50200 Kuala Lumpur	Contact Person Tel Fax	En. Johari Hassan (603) 2034 1888 (603) 2034 2288
Malayan Banking Berhad 10th Floor, Menara Maybank 100, Jalan Tun Perak 50050 Kuala Lumpur	Contact Person Tel Fax	En. Zulkifly Sulaiman (603) 2070 8833 (603) 2070 2611
OCBC Bank (Malaysia) Berhad Wisma Lee Rubber Jalan Melaka 50100 Kuala Lumpur	Contact Person Tel Fax	Cik Sheila Wong Hung Ching (603) 2692 0344 (603) 2694 0267
RHB Bank Berhad Level 9, Tower 2, RHB Centre, Jalan Tun Razak 50400 Kuala Lumpur	Contact Person Tel Fax	Cik Angela Christine Tan (603) 9287 8888 (603) 9287 9000
Southern Bank Berhad Level 5, Menara Southern Bank 83, Jalan Medan Setia 1, Plaza Damansara Bukit Damansara 50490 Kuala Lumpur	Contact Person Tel Fax	En. Tom Van Tighem (603) 2087 3000 (603) 2092 3136
Standard Chartered Bank Malaysia Berhad 4th Floor No. 2, Jalan Ampang 50450 Kuala Lumpur	Contact Person Tel Fax	En. Goh Teck Eng (603) 2074 4123 (603) 2074 4538
United Overseas Bank (Malaysia) Berhad Personal Financial Services Level 4, Menara UOB Jalan Raja Laut 50350 Kuala Lumpur	Contact Person Tel Fax	En. Aw Tee Woo (603) 2772 6635 (603) 2694 8562

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(Incorporated in Malaysia)
PROXY FORM

I, _____
of _____

being the Authorised Representative of the Ordinary Member (being a member of FMUTM) HEREBY APPOINT

_____ of _____

(being a person entitled to vote at a General Meeting of the FMUTM in accordance with and subject to the Articles of FMUTM) as my proxy to vote for me on my behalf at the Tenth (10th) Annual General Meeting of the FMUTM to be held on the 26th day of May 2004 and at any adjournment of that meeting.

This form is to be used *in favour of/against the following resolutions specified below:

Resolutions	For	Against
Resolution No. 1 To confirm and adopt the Minutes of the Ninth (9th) Annual General Meeting held on 3 June 2003.		
Resolution No. 2 To receive the President's Report.		
Resolution No. 3 To receive, consider and adopt the audited accounts and the report of the Council of FMUTM for the financial year ended 31 December 2003.		
Resolution No. 4 To re-appoint Messrs KPMG as the Auditors of the FMUTM and authorise the Council to fix their remuneration.		
Resolution No. 5 To consider and to pass, if thought fit, the following special resolution:- THAT the name 'Federation of Malaysian Unit Trust Managers' be changed to 'Federation of Malaysian Investment Managers' and that the Council be authorised to do all that is necessary to effect this change of name including, if necessary, effecting amendments to the Memorandum and Articles of Association.		
Resolution No. 6 To consider and to pass, if thought fit, the following special resolution:- THAT the fees and subscriptions payable under the Articles of Association be restructured and that the Council be authorised to do all that is necessary to effect this restructuring including, if necessary, effecting amendments to the Memorandum and Articles of Association.		

Resolutions	For	Against
<p>Resolution No. 7</p> <p>To consider and to pass, if thought fit, the following special resolution:-</p> <p>THAT subject to FMUTM obtaining the relevant approvals and consents from the Securities Commission, the Minister charged with the responsibility for companies, and other relevant authorities, if any, the Articles of Association of FMUTM be amended as follows:</p> <p>ARTICLE 16(3)</p> <p>The following shall be inserted after the end of the present Article 16(3):</p> <p>“Notwithstanding anything contained in these Articles, the Council may waive the annual subscription payable by a member if there are less than three (3) months between the date that member is admitted as a member of the Federation and the date the annual subscription is next payable year.”</p>		
<p>Resolution No. 8</p> <p>To elect Council Members of FMUTM to hold office until the Annual General Meeting of 2006.</p>		
<p>Resolution No. 9</p> <p>To deal with any other ordinary business for which due notice shall have been received.</p>		

*Please indicate with an “x” in the spaces provided how you wish your vote to be cast.
If you do not do so, the Proxy will vote or abstain from voting at his discretion.

Signed on this _____ day of _____ 2004.

Signature

Note:

The instrument appointing a proxy must be deposited with the Secretary at the Registered Office of the Federation at RDL Corporate Services Sdn Bhd, 18th Floor, Wisma Sime Darby, Jalan Raja Laut, 50350 Kuala Lumpur (Tel No: 03-26949999 Fax No: 03-26927942) not later than 5 p.m. on 21 May 2004.

OUR VALUES

PROFESSIONALISM
INTEGRITY
CONSISTENCY

These values are important to the growth and image of the unit trust industry.