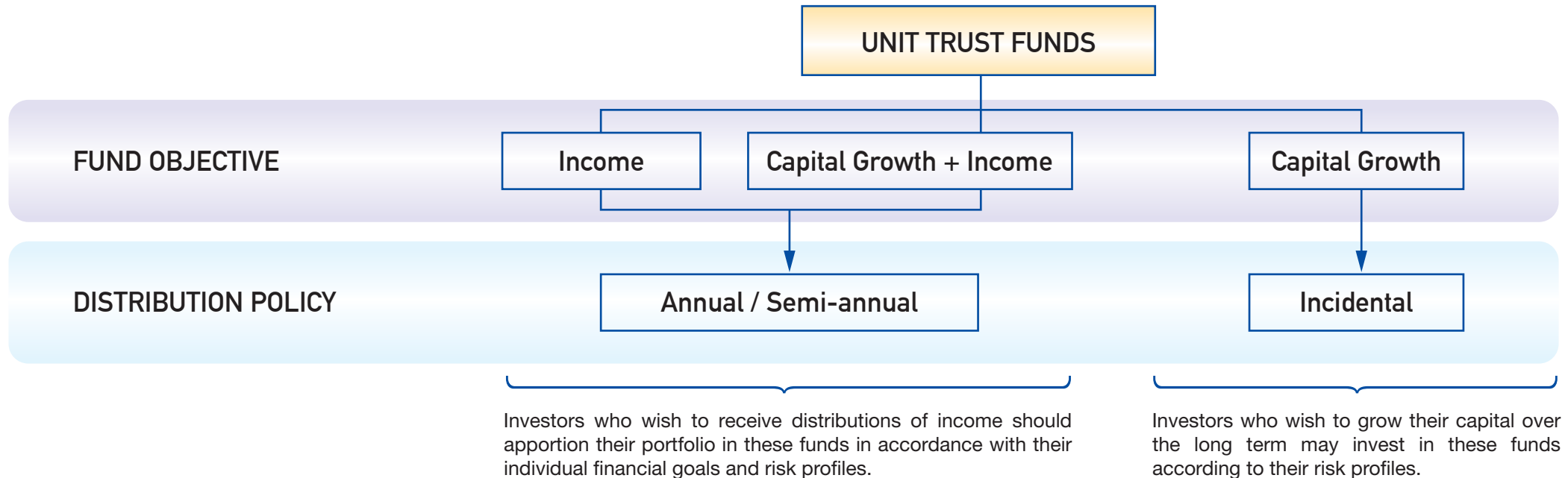


INVEST IN FUNDS THAT MEET YOUR INVESTMENT OBJECTIVES



What is your investment objective?

Before investing, you should consider your investment objectives, whether you are seeking capital growth, regular income, or a combination of both. The key features of the funds, such as the funds' objective and distribution policy should be taken into consideration to ensure that the funds you invest in are aligned with your investment needs and risk profile. For example, a retiree may invest to receive **regular income**, while a young investor may seek **capital growth** to accumulate his/her wealth.



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WHOLLY-OWNED SUBSIDIARY OF PUBLIC BANK
No. 1* in Unit Trust & Private Retirement Scheme



UNDERSTANDING DISTRIBUTION OF INCOME FROM UNIT TRUST FUNDS

How often does a fund declare distributions?

A unit trust fund distributes income to its investors in line with its distribution policy. In general:

Fund Type	Distribution Policy	What Should an Investor Expect?
Fixed Income / Bond Funds	Annual [^]	Distributions are paid on a regular basis, e.g. annually on a best-effort basis.
Equity Funds	Incidental	Distributions of income are optional.
Dividend-focused Equity Funds and Selected Balanced/Mixed Asset Funds	Annual [^] / Semi-annual [^]	Distributions are paid on an annual or semi-annual basis, on a best-effort basis.

[^]Distributions (if any) will be reinvested unless unitholders opt for distributions to be paid out.

Income Distribution of Dividend-focused Equity Funds

Where do dividend-focused equity funds obtain income for distributions?

Income distribution of dividend-focused equity funds is obtained primarily from:

1

Realised Capital Gains from:

- Disposal of the funds' investments that have appreciated in value.

2

Realised Income comprising:

- Dividend income from the fund's equity investments.
- Interest income from the fund's money market investments.

What factors affect the distribution of income for dividend-focused equity funds?

Market Conditions

- Uptrending market - Equity funds have a higher potential to generate a larger quantum of capital gains.
- Downtrending market - Lower capital gains tend to be generated by the funds amid the lower potential for gains.

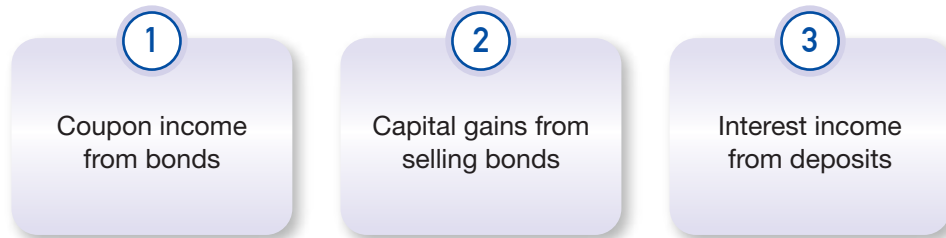
Corporate Earnings

- Improving economic conditions - Funds may receive higher dividends paid out by investee companies due to the latter's stronger corporate earnings.
- Declining economic conditions - Challenging economic conditions may lead to weaker corporate earnings, prompting companies to reduce dividends in order to conserve their cash flows.

Income Distribution of Fixed Income / Bond Funds

Where do fixed income / bond funds obtain income for distributions?

The income for distributions is derived primarily from:



How can fixed income / bond funds pay distributions on a fixed schedule (e.g. annually)?

- Bond issuers (government entities and corporations) are obliged to pay interest/coupon payments at fixed intervals.
- Deposits placed with licensed financial institutions and money market instruments provide stable interest income on a periodic basis.

About Public Mutual

Industry Leader

- No.1[#] in private unit trusts and Private Retirement Scheme (PRS).
- Trusted by 5 million accountholders nationwide.
- Has a wealth of more than 40 years of fund management experience.
- Strong and stable, a wholly-owned subsidiary of Public Bank.

What factors affect the distribution of income for fixed income / bond funds?

Interest Rate Movements

- A rise in interest rates – Generally leads to a fall in bond prices, which could in turn impact capital gains generated by fixed income / bond funds.
- A decline in interest rates - Bond prices appreciate and the funds have the potential to generate a higher quantum of capital gains.

Fund's Total Return = Capital Gain + Distribution of Income

A fund's performance should be evaluated based on its total return instead of solely on its distribution of income.

Important Notes to Investors

1. Investors who require a quantum of regular income should ensure that their portfolios include fixed income/bond funds and/or equity/balanced/mixed asset funds which have the mandate to provide income.
2. The distribution of income from equity/balanced/mixed asset funds with incidental distribution policies is optional.

[#] In terms of total retail fund size managed amongst private unit trust companies and Private Retirement Scheme (PRS) providers in Malaysia. Source: The Edge-Lipper, 18 September 2023.