

KLCS Asset Management Sdn Bhd

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RE: PROPOSED COMPLIANCE GUIDELINES FOR FUND MANAGERS

Our comments:-

Portfolio Turnover

Section 3.12. How to define excessive trading? Some conservative portfolio trades very minimal but some highly speculative portfolio turnover its NAV 2 to 3x.

Section 3.13. appears to be redundant as all turnover or transactions in the portfolio is already reported as required in the section "Reporting to Client Section 3.51".

Cross Trade

Section 3.18. Cross trades to be disclosed to both clients. Is it before execution of the trade or after? Do note that some clients are not in the country and are not contactable so easily.

One of the reason some clients use an asset manager is that they are too busy to be around to monitor the portfolio and they want a detail report only on a monthly basis.

Valuation

Section 3.46. Need to keep a written portfolio valuation daily. Isn't it too much unnecessary work as the portfolio valuation are updated daily on the portfolio management system?

Accuracy of Records

Section 3.48. There is a new SIA ruling that required some custodians to conduct reconciliation of clients' account (Section 47C(10)(d)). If that is the case, the asset manager need not do another reconciliation?