

# ANNUAL REPORT

## TA ALTERNATIVE ABSOLUTE RETURN FUND

For the first financial period  
from 3 July 2023 (Date of Launch)  
to 31 March 2024



TA INVESTMENT

A MEMBER OF THE TA GROUP

199501011387 (340588-T)

# TA Alternative Absolute Return Fund

(For the financial year ended 31 March 2024)

## Contents

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Contents	1
Key Performance Data	2
Manager's Report	6
Market Review	12
Economic Outlook	12
Market Outlook And Investment Strategy	12
Soft Commission	13
State Of Affairs Of The Fund	13
Trustee's Report	14
Statement By The Manager	15
Independent Auditors' Report	16
Statement Of Comprehensive Income	19
Statement Of Financial Position	20
Statement Of Changes In Net Asset Value	22
Statement Of Cash Flows	23
Notes To The Financial Statements	24
Corporate Information	43

# TA Alternative Absolute Return Fund

(For the financial year ended 31 March 2024)

## Key Performance Data

Since the  
Fund Launch  
03/07/23 to 31/03/24

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### PORTFOLIO COMPOSITION (% OF NAV)

Collective Investment Scheme	96.34
Cash (Net of Liabilities)	3.66
<b>Total Investment</b>	<b>100.00</b>

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#### USD Class

Total Net Asset Value (USD'000)	1
Units In Circulation (Units '000)	1
Net Asset Value Per Unit (USD)	1.0469

#### MYR Class

Total Net Asset Value (USD'000)	3,028
Units In Circulation (Units '000)	13,128
Net Asset Value Per Unit (MYR)	1.0891

#### AUD Hedged Class

Total Net Asset Value (USD'000)	73
Units In Circulation (Units '000)	105
Net Asset Value Per Unit (AUD)	1.0713

#### SGD Hedged Class

Total Net Asset Value (USD'000)	10
Units In Circulation (Units '000)	14
Net Asset Value Per Unit (SGD)	1.0344

#### MYR Hedged Class

Total Net Asset Value (USD'000)	6,783
Units In Circulation (Units '000)	30,990
Net Asset Value Per Unit (MYR)	1.0337

Total Expense Ratio (TER) (%)	0.98
Portfolio Turnover Ratio (PTR) (times)	0.79

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### UNIT PRICES

#### USD Class

NAV Per Unit (USD)	1.0469
Highest NAV Per Unit for the Period (USD)	1.0471
Lowest NAV Per Unit for the Period (USD)	0.9701

# TA Alternative Absolute Return Fund

(For the financial year ended 31 March 2024)

Since the  
Fund Launch  
03/07/23 to 31/03/24

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## UNIT PRICES

### MYR Class

NAV Per Unit (MYR)	1.0891
Highest NAV Per Unit for the Period (MYR)	1.0917
Lowest NAV Per Unit for the Period (MYR)	0.9892

### AUD Hedged Class

NAV Per Unit (AUD)	1.0713
Highest NAV Per Unit for the Period (AUD)	1.0731
Lowest NAV Per Unit for the Period (AUD)	0.9980

### SGD Hedged Class

NAV Per Unit (SGD)	1.0344
Highest NAV Per Unit for the Period (SGD)	1.0555
Lowest NAV Per Unit for the Period (SGD)	0.9625

### MYR Hedged Class

NAV Per Unit (MYR)	1.0337
Highest NAV Per Unit for the Period (MYR)	1.0340
Lowest NAV Per Unit for the Period (MYR)	0.9608

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## TOTAL RETURN (%)

### USD Class

Capital Return	4.69
Income Return	-
Total Return of Fund	4.69

### MYR Class

Capital Return	8.91
Income Return	-
Total Return of Fund	8.91

### AUD Hedged Class

Capital Return	7.13
Income Return	-
Total Return of Fund	7.13

### SGD Hedged Class

Capital Return	3.44
Income Return	-
Total Return of Fund	3.44

### MYR Hedged Class

Capital Return	3.37
Income Return	-
Total Return of Fund	3.37

# TA Alternative Absolute Return Fund

(For the financial year ended 31 March 2024)

Since the  
Fund Launch  
03/07/23 to 31/03/24

## AVERAGE TOTAL RETURN (%)

	Fund
<b>USD Class</b>	
<b>Period</b>	
Since the Fund's launch (03/07/2023 to 31/03/2024)	6.34
<b>MYR Class</b>	
<b>Period</b>	
Since the Fund's launch (03/07/2023 to 31/03/2024)	12.14
<b>AUD Hedged Class</b>	
<b>Period</b>	
Since the Fund's launch (03/07/2023 to 31/03/2024)	9.68
<b>SGD Hedged Class</b>	
<b>Period</b>	
Since the Fund's launch (03/07/2023 to 31/03/2024)	4.64
<b>MYR Hedged Class</b>	
<b>Period</b>	
Since the Fund's launch (03/07/2023 to 31/03/2024)	4.55

## ANNUAL TOTAL RETURN (%)

	Fund
<b>USD Class</b>	
<b>Period</b>	
Since the Fund's launch (03/07/2023 to 31/03/2024)	4.69
<b>MYR Class</b>	
<b>Period</b>	
Since the Fund's launch (03/07/2023 to 31/03/2024)	8.91
<b>AUD Hedged Class</b>	
<b>Period</b>	
Since the Fund's launch (03/07/2023 to 31/03/2024)	7.13
<b>SGD Hedged Class</b>	
<b>Period</b>	
Since the Fund's launch (03/07/2023 to 31/03/2024)	3.44
<b>MYR Hedged Class</b>	
<b>Period</b>	
Since the Fund's launch (03/07/2023 to 31/03/2024)	3.37

Source: Lipper for Investment Management

^ The Fund adheres to the benchmark of the Target Fund for performance comparison. The Target Fund is actively managed and not with reference to a benchmark.

Past performance is not necessarily indicative of future performance. Unit prices and investment returns may go down, as well as up.

## TA Alternative Absolute Return Fund

(For the financial year ended 31 March 2024)

**The basis of calculating and assumption made in calculating the returns:**

$$\text{Percentage Growth} = \frac{N^1 - N^2}{N^2} \times 100$$

$N^1$  = NAV on the end of the period

$N^2$  = NAV on the beginning of the period

$$\text{* Average Total Return} = \frac{\text{Total Sub Period Returns}}{\text{Number of Sub Periods}}$$

$$\text{** Annual Total Return} = (1 + \text{Cumulative Return})^{\frac{1}{N^3}} - 1$$

$N^3$  = Number of periods per year

$N^4$  = Total number of periods

Factor in for unit splits and distributions paid out (if any during the period)

# TA Alternative Absolute Return Fund

(For the financial year ended 31 March 2024)

## Manager's Report

### TA Alternative Absolute Return Fund

<b>Fund Category/Type</b>	Feeder Fund (Wholesale)
<b>Fund Objective</b>	<p>The Fund aims to achieve medium to long-term capital appreciation.</p> <p><i>Any material change to the Fund's investment objective would require Unit Holders' approval.</i></p>
<b>Performance Benchmark</b>	<p>The Fund adheres to the benchmark of the Target Fund for performance comparison. The Target Fund is actively managed and not with reference to a benchmark.</p> <p>Any change of the Fund's benchmark will be updated on our website and/or the Fund's product highlights sheet.</p>
<b>Base Currency</b>	US Dollar (USD)
<b>Fund's Distribution Policy</b>	Distribution is incidental and at the Manager's discretion.
<b>Fund's Performance and Investment Strategies Employed</b>	<p>The Fund was managed within its investment objective over the financial period since its inception up to 31 March 2024.</p> <p><b><u>USD Class</u></b></p> <p>Over the financial period under review, the USD Class of the Fund had a total return of 4.69%.</p> <p><b><u>MYR Class</u></b></p> <p>Over the financial period under review, the MYR Class of the Fund had a total return of 8.91%.</p> <p><b><u>AUD Hedged Class</u></b></p> <p>Over the financial period under review, the AUD Hedged Class of the Fund had a total return of 7.13%.</p> <p><b><u>SGD Hedged Class</u></b></p> <p>Over the financial period under review, the SGD Hedged Class of the Fund had a total return of 3.44%.</p> <p><b><u>MYR Hedged Class</u></b></p> <p>Over the financial period under review, the MYR Hedged Class of the Fund had a total return of 3.37%.</p>

# TA Alternative Absolute Return Fund

(For the financial year ended 31 March 2024)

<b>Securities Lending/Repurchase Transaction</b>	The Fund has not undertaken any securities lending or repurchase transaction (collectively referred to as “securities financing transactions”).			
<b>Cross Trade</b>	There is no cross trade transaction during the financial year under review.			
<b>Analysis of Fund's Performance</b>		<b>31/03/24</b>	<b>03/07/23</b>	<b>% Change</b>
	<b>USD Class</b>			
	NAV/unit (USD)	1.0469	1.0000	4.69
	Total NAV (USD'000)	1	-	-
	<b>MYR Class</b>			
	NAV/unit (MYR)	1.0891	1.0000	8.91
	Total NAV (USD'000)	3,028	-	-
	<b>AUD Hedged Class</b>			
	NAV/unit (AUD)	1.0713	1.0000	7.13
	Total NAV (USD'000)	73	-	-
	<b>SGD Hedged Class</b>			
	NAV/unit (SGD)	1.0344	1.0000	3.44
	Total NAV (USD'000)	10	-	-
	<b>MYR Hedged Class</b>			
	NAV/unit (MYR)	1.0337	1.0000	3.37
	Total NAV (USD'000)	6,783	-	-
		<b>Income Return (%)</b>	<b>Capital Return # (%)</b>	<b>Total Return (%)</b>
	<b>USD Class</b>	-	4.69	4.69



# TA Alternative Absolute Return Fund

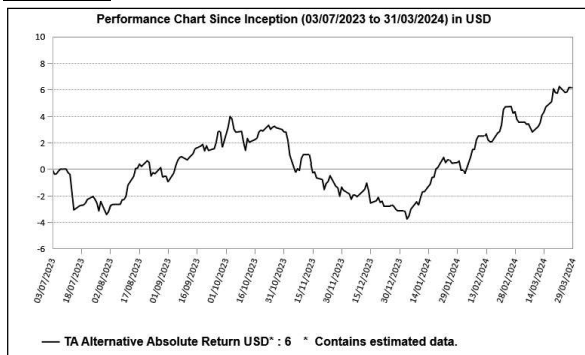
(For the financial year ended 31 March 2024)

<b>MYR Class</b>	-	8.91	8.91
<b>AUD Hedged Class</b>	-	7.13	7.13
<b>SGD Hedged Class</b>	-	3.44	3.44
<b>MYR Hedged Class</b>	-	3.37	3.37

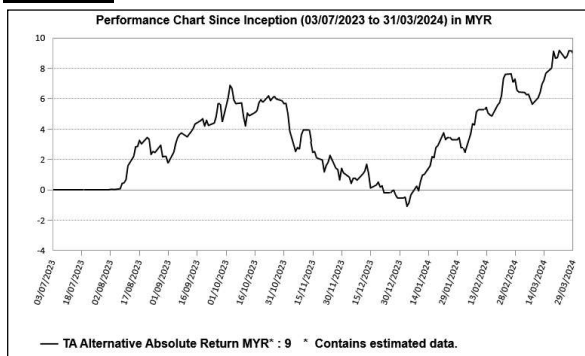
# Capital Return components:

- ❖ Collective Investment Scheme
- ❖ Cash and cash equivalent

## USD Class



## MYR Class



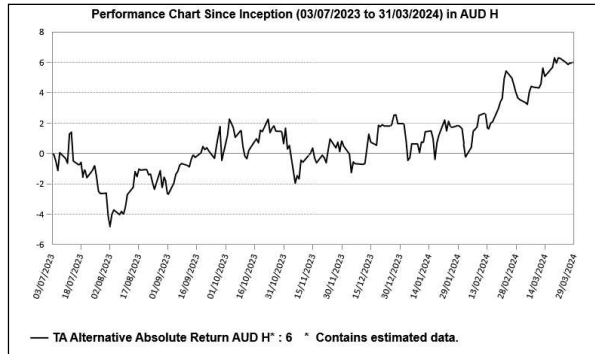
Source: Lipper Investment Management

Past performance is not necessarily indicative of future performance.

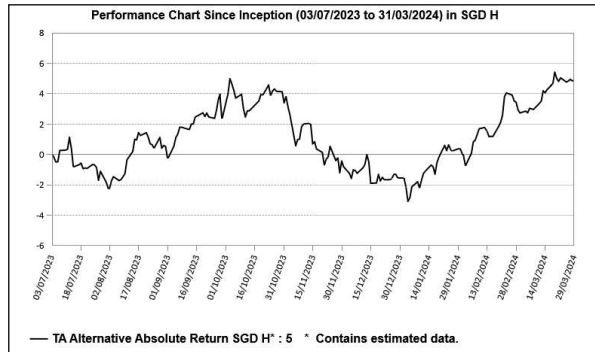
# TA Alternative Absolute Return Fund

(For the financial year ended 31 March 2024)

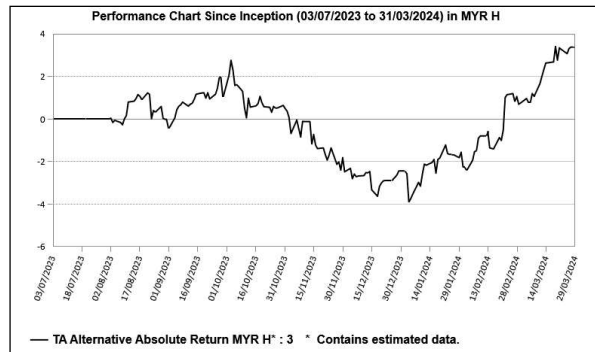
## AUD Hedged Class



## SGD Hedged Class



## MYR Hedged Class

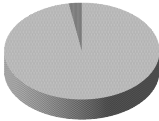


Source: Lipper Investment Management

Past performance is not necessarily indicative of future performance.

# TA Alternative Absolute Return Fund

(For the financial year ended 31 March 2024)

<b>Distribution/Unit Split</b>	None were declared for the financial period under review 31 March 2024.		
<b>Asset Allocation</b>	<b>31/03/24</b>	<b>03/07/23</b>	
	<p>Cash (Net of Liabilities) 3.66%</p>  <p>Collective Investment Scheme 96.34%</p> <p>The Fund was primarily invested in a Collective Investment Scheme (96.34%) with the remainder invested in Cash (Net of Liabilities, "3.66%").</p>	Not Available	
<b>Collective Investment Scheme</b>		<b>31/03/24 % NAV</b>	<b>03/07/23 % NAV</b>
	U ACCESS (IRL) Campbell Absolute Return UCITS	96.34	Nil
<b>Top 5 Long Positions</b>	<b>As at 31/03/2024</b>	<b>Asset Class</b>	<b>Dollar risk*</b>
	Canadian 10 Year Government Bond	Fixed income	0.20
	Long Gilt	Fixed income	0.20
	Osaka Nikkei	Equity	0.10
	Tokyo Price Index	Equity	0.10
	OMX Stock Index	Equity	0.10
	<b>As at 03/07/2023</b>	<b>Asset Class</b>	<b>Dollar risk*</b>
	Nil	Nil	Nil
<b>Top 5 Short Positions</b>	<b>As at 31/03/2024</b>	<b>Asset Class</b>	<b>Dollar risk*</b>
	Australian Dollar	Currency	-0.40

# TA Alternative Absolute Return Fund

(For the financial year ended 31 March 2024)

	Norwegian Krone	Currency	-0.30
	Euro-Bund	Fixed income	-0.20
	German Stock Index	Equity	-0.10
	New Zealand Dollar	Currency	-0.10
	<b>As at 03/07/23</b>	<b>Asset Class</b>	<b>Dollar risk*</b>
	Nil	Nil	Nil
	Source: Campbell & Company Investment Adviser, LLC data as at 28.03.2024		
	* Volatility-normalized measure showing positions in terms of risk per unit of capital.		

Past performance is not necessarily indicative of future performance. Unit prices and investment returns may go down, as well as up.

# TA Alternative Absolute Return Fund

(For the financial year ended 31 March 2024)

## Market Review

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During the period under review, equity markets were on a positive trend which generated strong positive contribution to the Target Fund. Credit was the second strongest contributor in terms of asset class, on the back of positive momentum for credit markets. The dispersion in equity markets were a tailwind for market neutral quant equity, which saw positive Profit and Loss (P&L) over the period. In Fixed Income and currencies, the uncertainty regarding the path and extent of interest rates cuts generated volatility and generated negative contributions for the Target Fund. In terms of strategies, momentum and equity market neutral were positive contributors while short-term and macro were negative. The Target Fund's risk and notional exposure remained relatively steady over the period.

*Source: Union Bancaire Privée (UBP) SA, as of 31 March 2024*

## Economic Outlook

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Markets continue to focus on expectations for rate cuts in 2024 from the United States' (US) Federal Open Markets Committee (FOMC), and have moved from pricing in several cuts to now just a few later in 2024. As of March 2023, global equity markets continue to push higher, with all positive monthly returns to start the year 2024, while bonds took a step back in the first quarter of 2024 after a strong ending to 2023. Our systematic risk management process is enforcing diversification within the portfolio and monitoring many potential risks as we move into the new year

*Source: Union Bancaire Privée (UBP) SA, as of 31 March 2024*

## Market Outlook And Investment Strategy

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Our outlook for 2024 remains optimistic for the strategy as global dispersion, higher volatility levels and ongoing uncertainty have produced opportunities thus far in 2024 and are likely to create more opportunities as the year progresses for the nimbler strategies in the portfolio as well as the relative-value focused models which aim to mitigate directional risks.

As the investment team does not make discretionary calls on the markets, the data however has changed dramatically from projecting a 6+ Federal Reserve (Fed) cut scenario back in the fourth quarter of 2023, to only 2-3 cuts for 2024 as of March 2024. As a result, the euphoric fourth quarter 2023 rally in risk assets has given way to more market turbulence and a very strong US dollar (reflecting higher rates). "Sticky" inflation data has some investors questioning any cuts in 2024.

The portfolio has been persistently short in the fixed income sector through this period. Positions were trimmed slightly at the end of December 2023, but have grown shorter through first quarter 2024. The portfolio also flipped from short to long USD, beginning in early January 2024.

# TA Alternative Absolute Return Fund

(For the financial year ended 31 March 2024)

As we speak, the strategy is positioned for higher-for-longer scenarios. As a reminder, this can change quickly if the macro environment changes.

*Source: Union Bancaire Privée (UBP) SA, as of 31 March 2024*

## Soft Commission

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The Manager retains soft commissions received from brokers only if the goods and services are of demonstrable benefits to the Unitholders as allowed under the Securities Commission's Guidelines on Unit Trust Funds. The soft commission received include research and advisory services which are used to support the investment decision making process and are of demonstrable benefit to the Unitholders of the Fund and there was no churning of trades.

## State Of Affairs Of The Fund

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There has been neither significant changes to the state of affair of the Fund nor any circumstances that materially affect any interests of the Unitholders during the financial period under review.

The First Supplementary Information Memorandum of TA Alternative Absolute Return Fund dated 28 February 2024 ("First Supplementary Information Memorandum") has been issued and must read together with the Information Memorandum of TA Alternative Absolute Return Fund dated 3 July 2023 ("Information Memorandum").

# TA Alternative Absolute Return Fund

(For the financial period ended 31 March 2024)

## TRUSTEE'S REPORT

### TO THE UNIT HOLDERS OF TA ALTERNATIVE ABSOLUTE RETURN FUND ("Fund")

We have acted as Trustee of the Fund for the financial period from 3 July 2023 (date of launch) to 31 March 2024 and we hereby confirm to the best of our knowledge, after having made all reasonable enquiries, **TA Investment Management Berhad** has operated and managed the Fund during the period covered by these financial statements in accordance with the following:

1. Limitations imposed on the investment powers of the management company under the deed, securities laws and the Guidelines on Unlisted Capital Market Products under the Lodge and Launch Framework;
2. Valuation and pricing is carried out in accordance with the deed; and
3. Any creation and cancellation of units are carried out in accordance with the deed and any regulatory requirement.

For and on behalf of  
**CIMB Commerce Trustee Berhad**

**Datin Ezreen Eliza binti Zulkiplee**  
Chief Executive Officer

Kuala Lumpur, Malaysia  
Date: 30 May 2024

# TA Alternative Absolute Return Fund

(For the financial period ended 31 March 2024)

## STATEMENT BY THE MANAGER

We, CHOO SWEE KEE and MOHAMMED A'REEFF BIN ABDUL KHALID, being two of the Directors of TA INVESTMENT MANAGEMENT BERHAD, do hereby state that, in the opinion of the Manager, the accompanying financial statements set out on pages 19 to 42, are drawn up so as to give a true and fair view of the financial position of TA ALTERNATIVE ABSOLUTE RETURN FUND as at 31 March 2024 and of its financial performance and cash flows for the financial period from 3 July 2023 (date of launch) to 31 March 2024 in accordance with Malaysian Financial Reporting Standards and IFRS Accounting Standards.

On behalf of the Manager,

**CHOO SWEE KEE**

**MOHAMMED A'REEFF BIN ABDUL KHALID**

Kuala Lumpur, Malaysia

Date: 30 May 2024



# TA Alternative Absolute Return Fund

(For the financial period ended 31 March 2024)

## **INDEPENDENT AUDITORS' REPORT**

### **TO THE UNITHOLDERS OF TA ALTERNATIVE ABSOLUTE RETURN FUND**

(Incorporated in Malaysia)

## **Report on the Audit of the Financial Statements**

### **Opinion**

We have audited the financial statements of TA Alternative Absolute Return Fund (hereinafter referred to as "the Fund"), which comprise the statement of financial position as at 31 March 2024, and the statement of comprehensive income, statement of changes in net asset value and statement of cash flows for the financial period since 3 July 2023 (date of launch) to 31 March 2024, and notes to the financial statements, including material accounting policy information, as set out on pages 19 to 42.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Fund as at 31 March 2024, and of its financial performance and cash flows for the financial period since 3 July 2023 (date of launch) to 31 March 2024 in accordance with Malaysian Financial Reporting Standards and IFRS Accounting Standards as issued by the International Accounting Standards Board ("IFRS Accounting Standards").

### **Basis for Opinion**

We conducted our audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing. Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of our auditors' report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### *Independence and Other Ethical Responsibilities*

We are independent of the Fund and Manager of the Fund in accordance with the *By-Laws (on Professional Ethics, Conduct and Practice)* of the Malaysian Institute of Accountants ("By-Laws") and the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards)* ("IESBA Code"), and we have fulfilled our other ethical responsibilities in accordance with the By-Laws and the IESBA Code.

### **Information Other than the Financial Statements and Auditors' Report Thereon**

The Manager of the Fund is responsible for the other information. The other information comprises the information included in the Annual Report of the Fund, but does not include the financial statements of the Fund and our auditors' report thereon.

Our opinion on the financial statements of the Fund does not cover the other information and we do not express any form of assurance conclusion thereon.

# TA Alternative Absolute Return Fund

(For the financial period ended 31 March 2024)

## **Information Other than the Financial Statements and Auditors' Report Thereon (Continued)**

In connection with our audit of the financial statements of the Fund, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements of the Fund or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of the other information, we are required to report that fact. We have nothing to report in this regard.

## **Responsibilities of the Manager and Trustee for the Financial Statements**

The Manager of the Fund is responsible for the preparation of financial statements of the Fund that give a true and fair view in accordance with Malaysian Financial Reporting Standards and IFRS Accounting Standards. The Manager is also responsible for such internal control as the Manager determines is necessary to enable the preparation of financial statements of the Fund that are free from material misstatement, whether due to fraud or error. The Trustee is responsible for ensuring that the Manager maintains proper accounting and other records as are necessary to enable true and fair presentation of the financial statements.

In preparing the financial statements of the Fund, the Manager is responsible for assessing the ability of the Fund to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Manager either intends to liquidate the Fund or to cease operations, or have no realistic alternative but to do so.

## **Auditors' Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements of the Fund as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with approved standards on auditing in Malaysia and International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements of the Fund, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

# TA Alternative Absolute Return Fund

(For the financial period ended 31 March 2024)

## Auditors' Responsibilities for the Audit of the Financial Statements (Continued)

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control of the Fund.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Manager.
- Conclude on the appropriateness of the Manager's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Fund to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Fund or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Fund to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements of the Fund, including the disclosures, and whether the financial statements of the Fund represent the underlying transactions and events in a manner that gives a true and fair view.

We communicate with the Manager regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

## Other Matter

This report is made solely to the unitholders of the Fund, as a body, and for no other purpose. We do not assume responsibility to any other person for the content of this report.

### KPMG PLT

(LLP0010081-LCA & AF 0758)  
Chartered Accountants

Petaling Jaya, Selangor

Date: 30 May 2024

### Chan Kah Mun

Approval Number: 03350/01/2026 J  
Chartered Accountant

# TA Alternative Absolute Return Fund

(For the financial period ended 31 March 2024)

## STATEMENT OF COMPREHENSIVE INCOME FOR THE FINANCIAL PERIOD FROM 3 JULY 2023 (DATE OF LAUNCH) TO 31 MARCH 2024

		03.07.2023 to 31.03.2024 USD
	Note	
<b>INCOME</b>		
Interest income		17,988
Net income on financial assets at fair value through profit or loss ("FVTPL")	7	298,701
		<u>316,689</u>
<b>EXPENSES</b>		
Manager's fee	4	61,508
Trustee's fee	5	2,118
Auditors' remuneration		2,610
Tax agent's fee		960
Administrative fees and expenses		1,364
		<u>68,560</u>
Net income before tax		248,129
Income tax expense	6	-
Net income after tax, representing total comprehensive income for the financial period		<u>248,129</u>
Net income after tax is made up of the following:		
Net realised loss	11(b)	(251,372)
Net unrealised income	11(c)	499,501
		<u>248,129</u>

The accompanying notes form an integral part of the financial statements.

# TA Alternative Absolute Return Fund

(For the financial period ended 31 March 2024)

## STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2024

	Note	31.03.2024 USD
<b>ASSETS</b>		
Investments	7	9,533,073
Derivative financial assets	8	14,070
Deposit with a financial institution	9	125,167
Interest receivable		30
Amount due from the Manager	10	39,521
Other receivables		4,298
Cash at bank		330,288
<b>TOTAL ASSETS</b>		<b>10,046,447</b>
<b>LIABILITIES</b>		
Amount due to the Manager	10	147,009
Amount due to Trustee		397
Other payables and accruals		3,950
<b>TOTAL LIABILITIES</b>		<b>151,356</b>
<b>NET ASSET VALUE ("NAV")</b>		
Unitholder's capital	11(a)	9,646,962
Retained earnings		248,129
<b>NAV ATTRIBUTABLE TO UNITHOLDERS</b>		<b>9,895,091</b>
<b>TOTAL NAV AND LIABILITIES</b>		<b>10,046,447</b>
<b>REPRESENTED BY:</b>		
<b>NAV OF OUTSTANDING UNITS</b>		
USD Class		1,047
MYR Class		3,027,553
AUD Hedged Class		72,967
SGD Hedged Class		10,489
MYR Hedged Class		6,783,035
<b>NAV OF THE FUND</b>		<b>9,895,091</b>

# TA Alternative Absolute Return Fund

(For the financial period ended 31 March 2024)

## STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2024 (CONTD.)

	Note	31.03.2024 USD
<b>NUMBER OF UNITS IN CIRCULATION</b>	11(d)	
USD Class		1,000
MYR Class		13,127,590
AUD Hedged Class		104,574
SGD Hedged Class		13,684
MYR Hedged Class		<u>30,989,781</u>
<b>NAV PER UNIT IN USD</b>		
USD Class		1.0469
MYR Class		0.2306
AUD Hedged Class		0.6977
SGD Hedged Class		0.7665
MYR Hedged Class		<u>0.2189</u>
<b>NAV PER UNIT IN CURRENCY OF RESPECTIVE CURRENCIES</b>		
USD Class		1.0469
MYR Class		1.0891
AUD Hedged Class		1.0713
SGD Hedged Class		1.0344
MYR Hedged Class		<u>1.0337</u>

The accompanying notes form an integral part of the financial statements.

# TA Alternative Absolute Return Fund

(For the financial period ended 31 March 2024)

## STATEMENT OF CHANGES IN NET ASSET VALUE FOR THE FINANCIAL PERIOD FROM 3 JULY 2023 (DATE OF LAUNCH) TO 31 MARCH 2024

	Unitholders' capital Note 11(a) USD	Retained earnings Note 11(b) and (c) USD	Total NAV USD
At 3 July 2023 (Date of launch)	-	-	-
Creation of units	11,274,032	-	11,274,032
Cancellation of units	(1,627,070)	-	(1,627,070)
Total comprehensive income for the financial period	-	248,129	248,129
At 31 March 2024	<u>9,646,962</u>	<u>248,129</u>	<u>9,895,091</u>

The accompanying notes form an integral part of the financial statements.

# TA Alternative Absolute Return Fund

(For the financial period ended 31 March 2024)

## STATEMENT OF CASH FLOWS

FOR THE FINANCIAL PERIOD FROM 3 JULY 2023 (DATE OF LAUNCH)  
TO 31 MARCH 2024

03.07.2023  
to  
31.03.2024  
USD

### CASH FLOWS FROM OPERATING AND INVESTING ACTIVITIES

Proceed from sale of investments	767,327
Purchase of investments	(10,015,769)
Interest received	17,958
Manager's fee paid	(45,699)
Trustee's fee paid	(1,721)
Payments for other fees and expenses	(5,282)
Net cash used in operating and investing activities	<u>(9,283,186)</u>

### CASH FLOWS FROM FINANCING ACTIVITIES

Cash received from units created	11,234,511
Cash paid for units cancelled	(1,495,870)
Net cash generated from financing activities	<u>9,738,641</u>

### NET INCREASE IN CASH AND CASH EQUIVALENTS

455,455

### CASH AND CASH EQUIVALENTS AT

DATE OF LAUNCH

-

### CASH AND CASH EQUIVALENTS AT THE

END OF THE FINANCIAL PERIOD

455,455

### CASH AND CASH EQUIVALENTS COMPRISE:

Cash at bank	330,288
Deposit with a financial institution	125,167
Cash and cash equivalents	<u>455,455</u>

The accompanying notes form an integral part of the financial statements.



# TA Alternative Absolute Return Fund

(For the financial period ended 31 March 2024)

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE FINANCIAL PERIOD FROM 3 JULY 2023 (DATE OF LAUNCH) TO 31 MARCH 2024

#### 1. THE FUND, THE MANAGER AND THEIR PRINCIPAL ACTIVITIES

TA Alternative Absolute Return Fund ("the Fund") was constituted pursuant to the execution of a Deed of Trust ("the Deed") dated 19 June 2023 between the Manager, TA Investment Management Berhad and the Trustee, CIMB Commerce Trustee Berhad.

The principal activity of the Fund is to invest in "Permitted Investments" as defined under Clause 17 of the deed, which include collective investment schemes, money market instruments, deposits and derivatives instruments. The Fund commenced its operations on 3 July 2023 and will continue its operations until terminated by the Manager or the Trustee as provided under Clause 25 of the deed.

The Manager, TA Investment Management Berhad, a company incorporated in Malaysia, is a wholly-owned subsidiary of TA Securities Holdings Berhad. Its ultimate holding company is TA Enterprise Berhad. The Manager's principal activities are the establishment and management of unit trust funds and fund management. The Manager is licensed to carry out dealing in securities and fund management activities under the Capital Markets and Services Act 2007.

The financial statements were authorised for issue by the Board of Directors of the Manager in accordance with a resolution on 30 May 2024.

#### 2. BASIS OF PREPARATION

##### (a) Statement of Compliance

The financial statements of the Fund have been prepared in accordance with Malaysian Financial Reporting Standards ("MFRSs") and IFRS Accounting Standards as issued by the International Accounting Standards Board ("IFRS Accounting Standards"), collectively known as the "Standards" and the Guidelines on Unlisted Capital Market Products Under the Lodge and Launch Framework.

The following are accounting standards, amendments and interpretations of the MFRSs that have been issued by the Malaysian Accounting Standards Board ("MASB") but have not been adopted by the Fund:

# TA Alternative Absolute Return Fund

(For the financial period ended 31 March 2024)

## 2. BASIS OF PREPARATION (CONTD.)

### (a) Statement of Compliance (contd.)

#### ***MFRSs, interpretations and amendments effective for annual periods beginning on or after 1 January 2024***

- Amendments to MFRS 16, *Leases - Lease Liability in a Sale and Leaseback*
- Amendments to MFRS 101, *Presentation of Financial Statements - Non-current Liabilities with Covenants and Classification of Liabilities as Current or Non-current*
- Amendments to MFRS 107, *Statement of Cash Flows* and MFRS 7, *Financial Instruments: Disclosures - Supplier Finance Arrangements*

#### ***MFRSs, interpretations and amendments effective for annual periods beginning on or after 1 January 2025***

- Amendments to MFRS 121, *The Effects of Changes in Foreign Exchange Rates – Lack of Exchangeability*

#### ***MFRSs, interpretations and amendments effective for annual periods beginning on or after a date yet to be confirmed***

- Amendments to MFRS 10, *Consolidated Financial Statements* and MFRS 128, *Investments in Associates and Joint Ventures - Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*

The Fund plans to adopt the abovementioned accounting standards, interpretations and amendments:

- From the annual period beginning on 1 April 2024 for those amendments that are effective for annual periods beginning on or after 1 January 2024, except for amendments to MFRS 16 which are not applicable to the Fund.
- From the annual period beginning on 1 April 2025 for those amendments that are effective for annual periods beginning on or after 1 January 2025.

The initial application of the abovementioned accounting standards, interpretations or amendments is not expected to have any material financial impact to the financial statements of the Fund.

### (b) Basis of measurement

The financial statements of the Fund have been prepared on the historical cost basis except for financial assets at fair value through profit or loss ("FVTPL") and derivative assets which are measured at their fair value.

### (c) Functional and presentation currency

The financial statements are presented in US Dollar ("USD"), which is the Fund's functional currency.

# TA Alternative Absolute Return Fund

(For the financial period ended 31 March 2024)

## 2. BASIS OF PREPARATION (CONTD.)

### (d) Significant Accounting Estimates and Judgments

The preparation of the Fund's financial statements requires the Manager to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities at the reporting date. However, uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amount of the asset or liability in the future.

No major judgments have been made by the Manager in applying the Fund's accounting policies. There are no key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities.

## 3. MATERIAL ACCOUNTING POLICIES

### (a) Material accounting policies information

The Fund adopted amendments to MFRS 101, *Presentation of Financial Statements* and MFRS Practice Statement 2 - *Disclosures of Accounting Policies* from 1 January 2023. The amendments require the disclosure of 'material', rather than 'significant', accounting policies. The amendments also provide guidance on the application of materiality to disclosure of accounting policies, assisting entities to provide useful, entity-specific accounting policy information that users need to understand other information in the financial statements.

Although the amendments did not result in any changes to the Fund's accounting policies, it impacted the accounting policy information disclosed in the financial statements. The material accounting policy information is disclosed in the respective notes to the financial statements where relevant.

### (b) Income recognition

Income is recognised to the extent that it is probable that the economic benefits will flow to the Fund and the income can be reliably measured. Income is measured at the fair value of consideration received or receivable.

Interest income is recognised using the effective interest rate method.

## 4. MANAGER'S FEE

The Manager's fee is computed on daily basis at 2.00% per annum of the NAV of the Fund, as agreed by the Trustee and the Manager.

## 5. TRUSTEE'S FEE

Trustee's fee is computed on a daily basis at 0.04% per annum of the NAV of the Fund, subject to minimum of RM10,000 per annum or its equivalent in the base currency, excluding foreign custodian fees and charges.

# TA Alternative Absolute Return Fund

(For the financial period ended 31 March 2024)

## 6. INCOME TAX EXPENSE

Domestic income tax is calculated at the Malaysian statutory tax rate of 24% of the estimated assessable profit for the financial period. Foreign source income will be subject to tax at prevailing rate of 24%.

In accordance with Schedule 6 of the Income Tax Act 1967, interest income earned by the Fund is exempted from Malaysian tax, except for interest paid or credited to a unit trust that is a wholesale fund which is a money market fund.

A reconciliation of income tax expense applicable to net income before tax at the statutory income tax rate to income tax expense at the effective income tax rate of the Fund is as follows:

	<b>03.07.2023 to 31.03.2024 USD</b>
Net income before tax	248,129
Taxation at Malaysian statutory rate of 24%	59,551
Effects of income not subject to tax	(76,005)
Effects of expenses not deductible for tax purposes	1,066
Restriction on tax deductible expenses for unit trust funds	15,388
Income tax expense for the financial period	-

## 7. INVESTMENTS

	<b>31.03.2024 USD</b>
Financial assets at FVTPL:	
Collective investment scheme outside Malaysia	9,533,073
Net income on financial assets at FVTPL comprises:	
Net realised loss on disposals	(200,800)
Net unrealised gain on changes in fair value	501,200
Net unrealised loss on foreign exchange	(15,769)
Net unrealised gain on forward currency contracts	14,070
	298,701

# TA Alternative Absolute Return Fund

(For the financial period ended 31 March 2024)

## 7. INVESTMENTS (CONTD.)

Financial assets at FVTPL as at 31 March 2024 are as detailed below:

### Collective investment scheme outside Malaysia

Name of Collective Investment Scheme	Quantity Unit	Cost USD	Fair Value USD	% of NAV %
U ACCESS (IRL) Campbell Absolute Return UCITS	84,536	9,031,873	9,533,073	96.34
<b>Total collective investment scheme outside Malaysia</b>	<b>84,536</b>	<b>9,031,873</b>	<b>9,533,073</b>	<b>96.34</b>
<b>EXCESS OF FAIR VALUE OVER COST</b>			<b>501,200</b>	

Financial assets categorised as fair value through profit or loss are subsequently measured at their fair value. Net gains or losses, including any interest or dividend income, are recognised in the profit or loss.

## 8. DERIVATIVE FINANCIAL ASSETS

As at the date of statement of financial position, there were four (4) forward currency contracts outstanding. The notional principal amount of the outstanding forward currency contracts amounted to USD7,004,000. The forward currency contracts entered into during the financial period were for hedging against the currency exposure arising from the creation and cancellation of units denominated in foreign currency. The change in the fair value of the forward currency contracts are recognised in the statement of comprehensive income.

## 9. DEPOSIT WITH A FINANCIAL INSTITUTION

**31.03.2024**  
**USD**

Placement with a licensed bank	125,167
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The weighted average effective interest rate ("WAEIR") per annum ("p.a.") and average remaining maturity of deposit with a financial institution as at the reporting date are as follows:

	WAEIR (% p.a.) 31.03.2024	Average Remaining Maturity (Days) 31.03.2024
Short-term placement	2.90	1

# TA Alternative Absolute Return Fund

(For the financial period ended 31 March 2024)

## 10. AMOUNT DUE FROM/TO THE MANAGER

The Manager of the fund is TA Investment Management Berhad which is a related party.

Amount due from the Manager relates to the amount receivable from the Manager arising from creation of units amounting to USD27,008 and rebate of Manager's fee of USD12,513 at the end of the financial period.

Amount due to the Manager relates to the amount payable to the Manager arising from cancellation of units amounting to USD131,200 and accruals for Manager's fee of USD15,809 at the end of the financial period.

The normal credit term for creation/cancellation of units is 10 business days.

## 11. NET ASSET VALUE ATTRIBUTABLE TO UNITHOLDERS

	Note	31.03.2024 USD
Unitholders' capital	(a)	9,646,962
Retained earnings		
- Realised loss	(b)	(251,372)
- Unrealised gain	(c)	499,501
		<u>9,895,091</u>

### (a) Unitholders' capital

	31.03.2024 USD
At beginning of the financial period	-
Creation of units	11,274,032
Cancellation of units	(1,627,070)
At end of the financial period	<u>9,646,962</u>

The unitholders' capital of the Fund is classified as an equity instrument.

### (b) Realised losses

	31.03.2024 USD
At beginning of the financial period	-
Net realised loss for the financial period	(251,372)
At end of the financial period	<u>(251,372)</u>

Realised gains and losses on disposal of financial instruments classified as part of 'net gain/loss on financial instruments at FVTPL' are calculated using weighted average method. They represent the difference between an instrument's initial carrying amount, determined on a weighted average cost basis and disposal amount.

# TA Alternative Absolute Return Fund

(For the financial period ended 31 March 2024)

## 11. NET ASSET VALUE ATTRIBUTABLE TO UNITHOLDERS (CONTD.)

### (c) Unrealised gain

	31.03.2024 USD
At beginning of the financial period	-
Net unrealised gain for the financial period	499,501
At end of the financial period	<u>499,501</u>

Unrealised gains and losses comprise changes in the fair value of financial instruments for the financial period.

### (d) Units in circulation

	Units on 03.07.2023	Creation of units	Cancellation of units	Units on 31.04.2024
USD Class	-	1,000	-	1,000
MYR Class	-	15,913,180	(2,785,590)	13,127,590
AUD Hedged Class	-	117,514	(12,940)	104,574
SGD Hedged Class	-	13,684	-	13,684
MYR Hedged Class	-	35,721,618	(4,731,837)	30,989,781

## 12. TRANSACTIONS WITH BROKER

Details of transactions with broker during the financial period from 3 July 2023 to 31 March 2024 are as follows:

Name of Broker	03.07.2023 to 31.03.2024	
	Value of trade USD	Percentage to total value of trade %
BNY Mellon Fund Services	<u>11,006,871</u>	<u>100.00</u>

There is no brokerage fee paid to the dealer.

# TA Alternative Absolute Return Fund

(For the financial period ended 31 March 2024)

## 13. TOTAL EXPENSE AND PORTFOLIO TURNOVER RATIOS

### (a) Total Expense Ratio

The total expense ratio for the financial period ended 31 March 2024 was 0.98%. This ratio represents total expenses expressed as an annualised percentage of the Fund's average NAV, calculated on a daily basis.

### (b) Portfolio Turnover Ratio

The portfolio turnover ratio for the financial period ended 31 March 2024 was 0.79 times. This ratio represents the average of the total acquisitions and disposals of the Fund for the period over the average NAV of the Fund for the financial period calculated on a daily basis.

## 14. SEGMENT INFORMATION

For management purposes, the Fund is managed by two main segment, namely collective investment scheme portfolio and money market instruments portfolio. The operating results are regularly reviewed by the Investment Manager and Investment Committee. The Investment Committee assumes the role of chief operating decision maker, for performance assessment purposes and to make decisions about resources allocated to the segment.

The Manager and the Investment Committee of the Fund are responsible for allocating resources available to the Fund in accordance with the overall investment strategies as set out in the investment objective and policy. The Fund is managed by two segments:

- A portfolio of collective investment schemes; and
- A portfolio of money market instruments.

The investment objective is to achieve medium to long-term capital appreciation by mainly investing in a collective investment scheme which invests mainly in a collective investment scheme of U Access (IRL) Campbell Absolute Return UCITS. There have been no changes in reportable segments in the current financial year.



# TA Alternative Absolute Return Fund

(For the financial period ended 31 March 2024)

## 14. SEGMENT INFORMATION (CONTD.)

The segment information is presented below:

	Collective investment scheme portfolio USD	Money market instruments portfolio USD	Total USD
<b>Period from 03.07.2023 to 31.03.2024</b>			
Interest income	-	17,988	17,988
Net income on financial assets at FVTPL	298,701	-	298,701
Total segment operating income for the financial period	298,701	17,988	316,689
<b>As at 31 March 2024</b>			
Investments	9,533,073	-	9,533,073
Deposit with a financial institution	-	125,167	125,167
Other assets	4,298	30	4,328
Total segment assets	9,533,073	-	9,662,568
Total segment liabilities	-	-	-

There was no transaction between operating segments during the financial period.

# TA Alternative Absolute Return Fund

(For the financial period ended 31 March 2024)

## 14. SEGMENT INFORMATION (CONTD.)

Expenses of the Fund are not considered part of the performance of any operating segment. The following table provides a reconciliation between the net reportable segment income and operating income:

	<b>31.03.2024</b> <b>USD</b>
Net reportable segment operating income	316,689
Expenses	<u>(68,560)</u>
Net income before tax	248,129
Income tax expense	<u>-</u>
Net income after tax	<u>248,129</u>

In addition, certain assets and liabilities are not considered to be part of the total assets or liabilities of the operating segments. The following table provides a reconciliation between the reportable total segment assets and total segment liabilities and total assets and total liabilities of the Fund:

	<b>31.03.2024</b> <b>USD</b>
Total segment assets	9,662,568
Derivative financial assets	14,070
Amount due from the Manager	39,521
Cash at bank	<u>330,288</u>
Total assets of the Fund	<u>10,046,447</u>
Amount due to the Manager	147,009
Amount due to Trustee	397
Other payables and accruals	<u>3,950</u>
Total liabilities of the Fund	<u>151,356</u>

# TA Alternative Absolute Return Fund

(For the financial period ended 31 March 2024)

## 15. FINANCIAL INSTRUMENTS

### (a) Classification of financial instruments

The Fund's financial assets and financial liabilities are measured on an ongoing basis either at fair value or at amortised cost based on their respective classification. The following table analyses the financial assets and financial liabilities of the Fund in the statement of financial position as at the end of reporting period by the class of financial instrument to which they are assigned, and therefore by the measurement basis.

	Financial assets/ liabilities at FVTPL USD	Financial assets at amortised cost USD	Financial liabilities at amortised cost USD	Total USD
<b>31.03.2024</b>				
<b>Assets</b>				
Investments	9,533,073	-	-	9,533,073
Derivative financial assets	14,070	-	-	14,070
Deposit with a financial institution	-	125,167	-	125,167
Interest receivable	-	30	-	30
Amount due from the Manager	-	39,521	-	39,521
Other receivables	-	4,298	-	4,298
Cash at bank	-	330,288	-	330,288
Total financial assets	<u>9,547,143</u>	<u>499,304</u>	<u>-</u>	<u>10,046,447</u>
<b>Liabilities</b>				
Amount due to the Manager	-	-	147,009	147,009
Amount due to Trustee	-	-	397	397
Other payables and accruals	-	-	3,950	3,950
Total financial liabilities	<u>-</u>	<u>-</u>	<u>151,356</u>	<u>151,356</u>
<b>Income, expenses, gains and losses</b>				
Interest income	-	17,988	-	17,988
Net income on financial assets at FVTPL	<u>298,701</u>	<u>-</u>	<u>-</u>	<u>298,701</u>

# TA Alternative Absolute Return Fund

(For the financial period ended 31 March 2024)

## 15. FINANCIAL INSTRUMENTS (CONTD.)

### (b) Financial instruments that are carried at fair value

The Fund's financial assets at FVTPL are carried at fair value. The fair value of these financial assets were determined as follows:

#### Collective investment scheme

Fair value was determined directly by reference to its published NAV per units on a preceding day basis at the statement of financial position date.

#### Derivative financial assets

The fair value of forward exchange contracts is estimated by discounting the difference between the contractual forward price and the current forward price for the residual maturity of the contract using a risk-free interest rate.

### (c) Financial instruments that are not carried at fair value and whose carrying amounts are reasonable approximation of fair value

The following are classes of financial instruments that are not carried at fair value and whose carrying amounts approximate the fair values due to their short-term nature of the instruments:

- Deposit with a financial institution
- Interest receivable
- Other receivables
- Cash at bank
- Amount due from/(to) the Manager
- Amount due to Trustee
- Other payables and accruals

### (d) Fair value hierarchy

The Fund uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. prices) or indirectly (i.e. derived from prices).

Level 3: Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

# TA Alternative Absolute Return Fund

(For the financial period ended 31 March 2024)

## 15. FINANCIAL INSTRUMENTS (CONTD.)

### (d) Fair value hierarchy (contd.)

31.03.2024	Level 1 USD	Level 2 USD	Level 3 USD	Total USD
<b>Financial assets at FVTPL:</b>				
Collective investment scheme outside Malaysia	-	9,533,073	-	9,533,073
Derivative financial assets	-	14,070	-	14,070

## 16. FINANCIAL RISKS AND MANAGEMENT OBJECTIVES AND POLICIES

### (a) Introduction

The Fund is exposed to various risks including market risk (which includes equity price risk and currency risk), credit risk and liquidity risk. Whilst these are the most important types of financial risks inherent in each type of financial instrument, the Manager and the Trustee would like to highlight that the list does not purport to constitute an exhaustive list of all the risks inherent in an investment in the Fund.

The Fund's objective in managing risks is the creation and protection of unitholders' value. Risk is inherent in the Fund's activities, but it is managed through a process of ongoing identification, measurement and monitoring of risk. Financial risk management is also carried out through sound internal control systems and adherence to the investments restrictions as stipulated in the deed, and the Securities Commission's Guidelines on Unlisted Capital Market Products under the Lodge and Launch Framework and the Capital Markets and Services Act 2007.

### (b) Risk management structure

The Fund's Manager is responsible for identifying and managing risks. The Board of Directors of the Manager is ultimately responsible for the overall risk management approach within the Fund.

### (c) Risk measurement and reporting system

Monitoring and controlling risk mechanism are primarily set up and to be performed based on limits established by the Manager and the Trustee. These limits reflect the investment strategy and market environment of the Fund as well as the level of the risk that the Fund is willing to accept. In addition, the Fund monitors and measures the overall risk bearing capacity in relation to aggregated risk exposures across all risks type and activities.

# TA Alternative Absolute Return Fund

(For the financial period ended 31 March 2024)

## 16. FINANCIAL RISKS AND MANAGEMENT OBJECTIVES AND POLICIES (CONTD.)

### (d) Risk mitigation

The Fund has investment guidelines that set out its overall business strategies, its tolerance for risk and its general risk management philosophy. The Manager also has a Compliance Department to ensure that the Fund complies with the various regulations and guidelines as stipulated in its deed and the Guidelines on Unlisted Capital Market Products under the Lodge and Launch Framework and the Capital Markets and Services Act 2007.

### (e) Excessive risk concentration

Risk concentration indicates the relative exposure of the Fund's performance to developments affecting a particular industry or geographical location. Concentrations of risk arise when a number of financial instruments or contracts are entered into with the same counterparty, or where a number of counterparties are engaged in similar business activities, or activities in the same geographical region, or have similar economic features that would cause their abilities to meet contractual obligations to be similarly affected by changes in economic, political or other conditions. Concentrations of foreign exchange risk may arise if the Fund has a significant net position in a single foreign currency, or aggregate net position in several currencies that tend to move together.

As a Feeder Fund, the Fund relies on the risk management activities undertaken by the Target Fund Manager to avoid or minimise excessive risk concentration.

### (f) Market risk

Market risk is the risk that the fair value or future cash flows of financial instruments will fluctuate due to changes in market variables such as equity prices and foreign exchange rates. The maximum risk resulting from financial instruments equals their fair values at the reporting date.

#### (i) Equity price risk

Equity price risk is the risk of unfavourable changes in the fair values of equities as the result of changes in the level of equity index and the value of individual investments. The equity price risk exposure arises from the Fund's investment in collective investment scheme.

#### Equity price risk sensitivity

Management's best estimate of the effect on the income for the financial period due to a reasonably possible change in price of collective investment scheme, with all other variables held constant is indicated in the table below:

	Change in price %	Effect on income USD
31.03.2024		
Collective investment scheme outside Malaysia	+5.0	476,654

# TA Alternative Absolute Return Fund

(For the financial period ended 31 March 2024)

## 16. FINANCIAL RISKS AND MANAGEMENT OBJECTIVES AND POLICIES (CONTD.)

### (f) Market risk (contd.)

#### (i) Equity price risk (contd.)

##### Equity price risk sensitivity (contd.)

An opposite movement in the price shown above would have resulted in an equivalent, but opposite, impact.

In practice, the actual trading results may differ from the sensitivity analysis above and the difference could be material.

The following table sets out the Fund's exposure to equity price risk based on its place of domicile of the collective investment scheme as at the reporting date:

	31.03.2024	
	USD	% of NAV
Ireland	9,533,073	96.34

#### (ii) Currency risk

Currency risk is the risk that the value of financial instruments will fluctuate due to changes in foreign exchange rate. Accordingly, the value of the Fund's assets may be affected favourably or unfavourably by fluctuations in currency rates and therefore the Fund will be subject to foreign exchange risks.

##### Currency risk sensitivity

The following table indicates the currency to which the Fund has significant currency risk exposure at the end of reporting year on its financial assets. The analysis calculates the effect of a reasonably possible movement of the currency rate against USD on NAV and on income with all other variables held constant.

Exchange rates	Exchange rate USD	Change in currency rate %	Effect on income USD	Effect on NAV USD
31.03.2024				
AUD/USD	0.6513	+5.0	(348)	(348)
MYR/USD	0.2118	+5.0	1,575	1,575
SGD/USD	0.7410	+5.0	33	33

An opposite movement in each of the exchange rates shown above would have resulted in an equivalent, but opposite, impact.

# TA Alternative Absolute Return Fund

(For the financial period ended 31 March 2024)

## 16. FINANCIAL RISKS AND MANAGEMENT OBJECTIVES AND POLICIES (CONTD.)

(f) **Market risk (contd.)**

(ii) **Currency risk (contd.)**

**Currency risk exposure**

The following table sets out the Fund's exposure to foreign currency rates on its financial net assets based on foreign currency net position as at the reporting date.

	31.03.2024	
	USD	% of NAV
AUD	(6,965)	-0.07%
MYR	31,509	0.32%
SGD	666	0.01%

(g) **Credit risk**

Credit risk is the risk that the counterparty to a financial instrument will cause a financial loss for the Fund by failing to discharge its obligation. The Fund is exposed to the risk of credit related losses that can occur as a result of a counterparty or issuer being unable or unwilling to honour its contractual obligations to make timely payment of dividend, principal and proceeds from realisation of investments.

The Manager manages the Fund's credit risk by undertaking credit evaluation and close monitoring of any changes to the issuer/counterparty's credit profile to minimise such risk. It is the Fund's policy to invest with reputable counterparties. The Manager also closely monitors the creditworthiness of the Fund's counterparties (e.g. broker, custodian, bank, etc.) by reviewing their credit profile.

**Financial assets that are either past due or impaired**

There are no financial assets that are either past due or impaired at the end of reporting period.

**Credit risk exposure**

As at end of reporting period, the Fund's maximum exposure to credit risk is represented by the carrying amount of each class of financial assets recognised in the statement of financial position.



# TA Alternative Absolute Return Fund

(For the financial period ended 31 March 2024)

## 16. FINANCIAL RISKS AND MANAGEMENT OBJECTIVES AND POLICIES (CONTD.)

### (g) Credit risk (contd.)

#### Credit quality of financial assets

	Rating by Rating Agency in Malaysia		
31.03.2024	P1 USD	Unrated USD	Total USD
<b>Short-term credit rating of financial assets not at FVTPL</b>			
Deposit with a financial institution	125,167	-	125,167
Interest receivable	30	-	30
Derivative financial assets	-	14,070	14,070
Amount due from the Manager	-	39,521	39,521
Other receivables	-	4,298	4,298
Cash at bank	330,288	-	330,288
	<u>330,288</u>	<u>57,889</u>	<u>513,374</u>

### (h) Liquidity risk

Liquidity risk is defined as the risk that the Fund will encounter difficulty in meeting its obligations associated with financial liabilities that are settled by delivering cash or another financial asset. Exposure to liquidity risk arises because of the possibility that the Fund could be required to pay its liabilities or redeem its units earlier than expected. The Fund is exposed to the risk of cash redemption of its units on a regular basis. Units sold to unitholders by the Manager are redeemable at the unitholder's option based on the Fund's NAV per unit at the time of redemption calculated in accordance with the deed.

It is the Fund's policy that the Manager monitors the Fund's liquidity position on a daily basis. The Fund also manages its obligation to pay for redemption of units when required to do so and its overall liquidity risk by requiring a 3-day notice period before redemption.

The Manager's policy is to always maintain a prudent and sufficient level of liquid assets so as to meet normal operating requirements and expected redemption requests by unitholders.

The following table summarises the maturity profile of the Fund's financial assets and financial liabilities. The table also analyses the maturity profile of the Fund's financial assets against the Fund's contractual commitments to provide an overview of the Fund's liquidity.

# TA Alternative Absolute Return Fund

(For the financial period ended 31 March 2024)

## 16. FINANCIAL RISKS AND MANAGEMENT OBJECTIVES AND POLICIES (CONTD.)

### (h) Liquidity risk (contd.)

	Less than 1 month USD	Total USD
<b>31.03.2024</b>		
<b>Assets</b>		
Investments	9,533,073	9,533,073
Other assets	513,374	513,374
	<u>10,046,447</u>	<u>10,046,447</u>
<b>Liabilities</b>		
Other liabilities	151,356	151,356
	<u>151,356</u>	<u>151,356</u>
Net assets value attributable to unitholders	<u>9,895,091</u>	<u>9,895,091</u>
Liquidity gap	<u>-</u>	<u>-</u>

#### (i) Financial assets

Analysis of financial assets at FVTPL into maturity groupings is based on the expected date on which these assets can be realised. Collective investment schemes categorised as investments and money market instruments categorised as deposit with financial institution have been included in the "Less than 1 month" category on the assumption that these are highly liquid investments which can be realised immediately should all of the Fund's unitholders' capital are required to be redeemed. For other assets, the analysis into maturity grouping is based on the remaining period from the end of the reporting date to the contractual maturity date or if earlier, the expected date on which the assets will be realised.

#### (ii) Financial liabilities

The maturity grouping is based on the remaining period from the end of the reporting date to the contractual maturity date. When a counterparty has a choice of when the amount is to be paid, the liability is allocated to the earliest period in which the Fund can be expected to pay.

#### (iii) Equity

As unitholders can request for redemption on their units by giving the Manager a 3-days notice period, equity is categorised as having a maturity of "Less than 1 month". However, the Fund believes that it would be able to liquidate all its investments should the need arise to satisfy all the redemption requirements of the Fund.

# TA Alternative Absolute Return Fund

(For the financial period ended 31 March 2024)

## 17. CAPITAL MANAGEMENT

The primary objective of the Fund's capital management is to ensure that it maximises unitholder's value by expanding its fund size to benefit from economies of scale and achieving growth in NAV from the performance of its investments.

The Fund manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Fund may issue new or bonus units, make distribution payment, or return capital to unitholder by way of redemption of units.

No changes were made in the objectives, policies or processes during the financial period ended from 3 July 2024 to 31 March 2024.

## 18. COMPARATIVE FIGURES

The financial statements are for the financial period from 3 July 2023 (date of launch) to 31 March 2024. There are no comparative figures as this is the Fund's first set of financial statements.

# TA Alternative Absolute Return Fund

(For the financial year ended 31 March 2024)

## Corporate Information

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<b>Manager</b>	TA Investment Management Berhad (340588-T)
<b>Registered Office</b>	34th Floor, Menara TA One 22 Jalan P. Ramlee 50250 Kuala Lumpur
<b>Board of Directors</b>	En. Mohammed A'reeff Bin Abdul Khalid (Non-Independent / Non-Executive Director) Mr. Choo Swee Kee (Non-Independent / Non-Executive Director) Puan Zainab Binti Ahmad (Non-Independent / Non-Executive Director) Puan Nor Asma Binti Mohamed (Non-Independent / Non-Executive Director) Mr. Chew Chin Guan (Independent / Non-Executive Director) Mr. Ngiam Kee Tong (Independent / Non-Executive Director)
<b>Investment Committee Members</b>	Kaladher A/L Govindan (Non-Independent) Dato' Tay Kian Chuan (Independent) Ngiam Kee Tong (Independent)
<b>Trustee of the Fund</b>	CIMB Commerce Trustee Berhad (Registration Number: 199401027349 (313031-A)) Level 13, Menara CIMB Jalan Stesen Sentral 2 Kuala Lumpur Sentral 50470 Kuala Lumpur
<b>Auditor of the Manager and the Fund</b>	KPMG PLT Chartered Accountants Level 10, KPMG Tower 8 First Avenue, Bandar Utama 47800 Petaling Jaya Selangor
<b>Banker</b>	Malayan Banking Bhd Ground Floor, Wisma Genting Jalan Sultan Ismail 50250 Kuala Lumpur
<b>Secretaries</b>	Khoo Poh Kim @ Kimmy (LS0010314)

# TA Alternative Absolute Return Fund

(For the financial year ended 31 March 2024)

## Corporate Information (cont'd)

<b>Management Staff</b>	<b>Wong Mien</b> Chief Executive Officer	<b>Ch'ng Soon Kim</b> Compliance Officer
	<b>Tee Ling Ling</b> Deputy Chief Executive Officer	<b>Alicia Khor</b> Head of Operations
	<b>Sammi Lim Shuey Shya</b> Head of Product Research & Development	<b>Lee Shi Chuan</b> Head of IUTA
	<b>Ranizaz Bin Mohd Razali</b> Head of Agency	<b>Rachel Lew Yen Peng</b> Head of Corporate & Institutional Business
	<b>Lucy Magdalene Lourdes</b> Head of Customer Service & Communications	
<b>Investment Team</b>	<b>Choo Swee Kee</b> Chief Investment Officer	<b>John Ng Jiunn Yuan</b> Head of Fixed Income
	<b>Vivien Loh Jee Wae</b> Assistant Vice President	<b>Mohammad Hafiz Bin Mahmud</b> Fund Manager
	<b>Lam Chee Mun</b> Fund Manager	
<b>Head Office</b>	23rd Floor, Menara TA One 22 Jalan P. Ramlee 50250 Kuala Lumpur  Toll Free: 1-800-38-7147  Tel: (603) 2031 6603  Fax: (603) 2031 4479  Website: <a href="http://www.tainvest.com.my">http://www.tainvest.com.my</a>  E-mail: <a href="mailto:investor.taim@ta.com.my">investor.taim@ta.com.my</a>	

Head Office	TA Investment Management Berhad 23rd Floor, Menara TA One 22 Jalan P. Ramlee 50250 Kuala Lumpur Tel: 03-2031 6603   Fax: 03-2031 4479
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Penang Business Centre	15-1-8, Bayan Point Medan Kampung Relau 11900 Pulau Pinang Tel: 04-645 9801   Fax: 04-611 9805
Kota Kinabalu Business Centre	Unit 4-1-02, 1st Floor Block 4, Api-Api Centre Jalan Centre Point 88000 Kota Kinabalu, Sabah Tel: 088-268 023   Fax: 088-248 463
Kuching Business Centre	2nd Floor, Lot 13008, SL26, Block 16 KCLD, Gala City Commercial Centre Jalan Tun Jugah, 93350 Kuching, Sarawak Tel: 082-265 979
Miri Business Centre	Lot 1251, 1st Floor Centrepont Commercial Centre (Phase 1) Jalan Melayu 98000 Miri, Sarawak Tel: 085-430 415
Ipoh Business Centre	29A Jalan Niaga Simee Arena Niaga Simee 31400 Ipoh Perak Tel: 05-5455 222
Johor Bahru Business Centre	37-01, Jalan Molek 1/29 Taman Molek 81100 Johor Bahru Johor Tel: 07-3611 781