

ANNUAL REPORT

TA INFLATION MULTI-ASSET FUND

For the first financial period from
19 September 2022 (Date of Launch)
to 31 December 2023



TA INVESTMENT
A MEMBER OF THE TA GROUP

199501011387 (340588-T)

TA Inflation Multi-Asset Fund

(For the financial period ended 31 December 2023)

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TA Inflation Multi-Asset Fund

(For the financial period ended 31 December 2023)

Key Performance Data

Since the
Fund Launch
19/09/22 to 31/12/23

PORTFOLIO COMPOSITION (% OF NAV)

Collective Investment Scheme	97.00
Cash (Net of Liabilities)	3.00
Total Investment	100.00

USD Class

Total Net Asset Value (USD'000)	27
Units In Circulation (Units '000)	25
Net Asset Value Per Unit (USD)	1.0621

MYR Class

Total Net Asset Value (USD'000)	77
Units In Circulation (Units '000)	342
Net Asset Value Per Unit (MYR)	1.0340

AUD Hedged Class

Total Net Asset Value (USD'000)	46
Units In Circulation (Units '000)	73
Net Asset Value Per Unit (AUD)	0.9326

SGD Hedged Class

Total Net Asset Value (USD'000)	1
Units In Circulation (Units '000)	1
Net Asset Value Per Unit (SGD)	0.9871

GBP Hedged Class

Total Net Asset Value (USD'000)	1
Units In Circulation (Units '000)	1
Net Asset Value Per Unit (GBP)	0.9427

MYR Hedged Class

Total Net Asset Value (USD'000)	98
Units In Circulation (Units '000)	474
Net Asset Value Per Unit (MYR)	0.9464

RMB Hedged Class

Total Net Asset Value (USD'000)	6
Units In Circulation (Units '000)	39
Net Asset Value Per Unit (RMB)	1.0493

EUR Hedged Class

Total Net Asset Value (USD'000)	1
Units In Circulation (Units '000)	1
Net Asset Value Per Unit (EUR)	0.9457

TA Inflation Multi-Asset Fund

(For the financial period ended 31 December 2023)

Since the
Fund Launch
19/09/22 to 31/12/23

Total Expense Ratio (TER) (%)	4.05
Portfolio Turnover Ratio (PTR) (times)	0.90

UNIT PRICES

USD Class

NAV Per Unit (USD)	1.0621
Highest NAV Per Unit for the Period (USD)	1.0771
Lowest NAV Per Unit for the Period (USD)	0.9921

MYR Class

NAV Per Unit (MYR)	1.0340
Highest NAV Per Unit for the Period (MYR)	1.0571
Lowest NAV Per Unit for the Period (MYR)	0.9603

AUD Hedged Class

NAV Per Unit (AUD)	0.9326
Highest NAV Per Unit for the Period (AUD)	1.0076
Lowest NAV Per Unit for the Period (AUD)	0.8786

SGD Hedged Class

NAV Per Unit (SGD)	0.9871
Highest NAV Per Unit for the Period (SGD)	1.0164
Lowest NAV Per Unit for the Period (SGD)	0.9608

GBP Hedged Class

NAV Per Unit (GBP)	0.9427
Highest NAV Per Unit for the Period (GBP)	1.0124
Lowest NAV Per Unit for the Period (GBP)	0.9033

MYR Hedged Class

NAV Per Unit (MYR)	0.9464
Highest NAV Per Unit for the Period (MYR)	1.0139
Lowest NAV Per Unit for the Period (MYR)	0.8938

RMB Hedged Class

NAV Per Unit (RMB)	1.0493
Highest NAV Per Unit for the Period (RMB)	1.0659
Lowest NAV Per Unit for the Period (RMB)	0.9837

EUR Hedged Class

NAV Per Unit (EUR)	0.9457
Highest NAV Per Unit for the Period (EUR)	1.0161
Lowest NAV Per Unit for the Period (EUR)	0.9176

TA Inflation Multi-Asset Fund

(For the financial period ended 31 December 2023)

**Since the
Fund Launch
19/09/22 to 31/12/23**

TOTAL RETURN (%)

USD Class

Capital Return	6.21
Income Return	-
Total Return of the Fund	6.21
Total Return of the Benchmark	4.96

MYR Class

Capital Return	3.40
Income Return	-
Total Return of the Fund	3.40
Total Return of the Benchmark	4.96

AUD Hedged Class

Capital Return	-6.74
Income Return	-
Total Return of the Fund	-6.74
Total Return of the Benchmark	4.96

SGD Hedged Class

Capital Return	-1.29
Income Return	-
Total Return of the Fund	-1.29
Total Return of the Benchmark	4.96

GBP Hedged Class

Capital Return	-5.73
Income Return	-
Total Return of the Fund	-5.73
Total Return of the Benchmark	4.96

MYR Hedged Class

Capital Return	-5.36
Income Return	-
Total Return of the Fund	-5.36
Total Return of the Benchmark	4.96

RMB Hedged Class

Capital Return	4.93
Income Return	-
Total Return of the Fund	4.93
Total Return of the Benchmark	4.96

EUR Hedged Class

Capital Return	-5.43
Income Return	-
Total Return of the Fund	-5.43
Total Return of the Benchmark	4.96

TA Inflation Multi-Asset Fund

(For the financial period ended 31 December 2023)

AVERAGE TOTAL RETURN (%)

	Fund	Benchmark
USD Class		
Period		
Since Inception (19/09/2022 to 31/12/2023)	4.81	3.85
MYR Class		
Period		
Since Inception (19/09/2022 to 31/12/2023)	2.64	3.85
AUD Hedged Class		
Period		
Since Inception (19/09/2022 to 31/12/2023)	-5.30	3.85
SGD Hedged Class		
Period		
Since Inception (19/09/2022 to 31/12/2023)	-1.01	3.85
GBP Hedged Class		
Period		
Since Inception (19/09/2022 to 31/12/2023)	-4.50	3.85
MYR Hedged Class		
Period		
Since Inception (19/09/2022 to 31/12/2023)	-4.21	3.85
RMB Hedged Class		
Period		
Since Inception (19/09/2022 to 31/12/2023)	3.82	3.85
EUR Hedged Class		
Period		
Since Inception (19/09/2022 to 31/12/2023)	-4.26	3.85

ANNUAL TOTAL RETURN (%)

	Fund	Benchmark
USD Class		
Period		
Since Inception (19/09/2022 to 31/12/2023)	6.21	4.96
MYR Class		
Period		
Since Inception (19/09/2022 to 31/12/2023)	3.40	4.96
AUD Hedged Class		
Period		
Since Inception (19/09/2022 to 31/12/2023)	-6.74	4.96
SGD Hedged Class		
Period		
Since Inception (19/09/2022 to 31/12/2023)	-1.29	4.96

TA Inflation Multi-Asset Fund

(For the financial period ended 31 December 2023)

ANNUAL TOTAL RETURN (%)

	Fund	Benchmark
GBP Hedged Class		
Period		
Since Inception (19/09/2022 to 31/12/2023)	-5.73	4.96
MYR Hedged Class		
Period		
Since Inception (19/09/2022 to 31/12/2023)	-5.36	4.96
RMB Hedged Class		
Period		
Since Inception (19/09/2022 to 31/12/2023)	4.93	4.96
EUR Hedged Class		
Period		
Since Inception (19/09/2022 to 31/12/2023)	-5.43	4.96

Source: Lipper for Investment Management

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

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

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

N¹ = NAV on the end of the period

N² = NAV on the beginning of the period

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

$$\text{** Annual Total Return} = (1 + \text{Cumulative Return})^{N^3 / N^4} - 1$$

N³ = Number of periods per year

N⁴ = Total number of periods

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

TA Inflation Multi-Asset Fund

(For the financial period ended 31 December 2023)

Manager's Report

TA Inflation Multi-Asset Fund

Fund Category/Type	Feeder Fund (Multi-Asset) / Growth
Fund Objective	<p>The Fund aims to achieve capital preservation over time by investing in a collective investment scheme which predominantly invest in a diversified portfolio of inflation-related assets.</p> <p><i>Any material change to the Fund's investment objective would require Unit Holders' approval.</i></p>
Performance Benchmark	The Fund adheres to the benchmark of the Target Fund for performance comparison. The benchmark of the Target Fund may be found on key investor information document ("KIID") or prospectus of the Target Fund which is available on www.pimco.com
Base Currency	US Dollar (USD)
Fund's Distribution Policy	Subject to availability of income, distribution is incidental.
Fund's Performance and Investment Strategies Employed	<p>The Fund was managed within its investment objective over the financial period under review since its launch from 19 September 2022 up to 31 December 2023.</p> <p><u>USD Class</u></p> <p>Over the financial period under review, the USD Class had a total return of 6.21%, outperforming the benchmark which had a return of 4.96% in USD terms.</p> <p><u>MYR Class</u></p> <p>Over the financial period under review, the MYR Class had a total return of 3.40%, underperforming the benchmark which had a return of 4.96% in USD terms.</p> <p><u>AUD Hedged Class</u></p> <p>Over the financial period under review, the AUD Hedged Class had a total return of -6.74%, underperforming the benchmark which had a return of 4.96% in USD terms.</p> <p><u>SGD Hedged Class</u></p> <p>Over the financial period under review, the SGD Hedged Class</p>

TA Inflation Multi-Asset Fund

(For the financial period ended 31 December 2023)

had a total return of -1.29%, underperforming the benchmark which had a return of 4.96% in USD terms.

GBP Hedged Class

Over the financial period under review, the GBP Hedged Class had a total return of -5.73%, underperforming the benchmark which had a return of 4.96% in USD terms.

MYR Hedged Class

Over the financial period under review, the MYR Hedged Class had a total return of -5.36%, underperforming the benchmark which had a return of 4.96% in USD terms.

RMB Hedged Class

Over the financial period under review, the RMB Hedged Class had a total return of 4.93%, slightly underperforming the benchmark which had a return of 4.96% in USD terms.

EUR Hedged Class

Over the financial period under review, the EUR Hedged Class had a total return of -5.43%, underperforming the benchmark which had a return of 4.96% in USD terms.

Securities Lending/ Repurchase Transaction

The Fund has not undertaken any securities lending or repurchase transaction (collectively referred to as "securities financing transactions").

Cross Trade

There is no cross trades transaction during the financial period under review.

Analysis of Fund's Performance

	31/12/23	19/09/22	% Change
USD Class			
NAV/unit (USD)	1.0621	1.0000	6.21
Total NAV (USD'000)	27	-	-
MYR Class			
NAV/unit (RM)	1.0340	1.0000	3.40
Total NAV (USD'000)	77	-	-
AUD Hedged Class			
NAV/unit (AUD)	0.9326	1.0000	-6.74

TA Inflation Multi-Asset Fund

(For the financial period ended 31 December 2023)

Total NAV (USD'000)	46	-	-
SGD Hedged Class			
NAV/unit (SGD)	0.9871	1.0000	-1.29
Total NAV (USD'000)	1	-	-
GBP Hedged Class			
NAV/unit (GBP)	0.9427	1.0000	-5.73
Total NAV (USD'000)	1	-	-
MYR Hedged Class			
NAV/unit (RM)	0.9464	1.0000	-5.36
Total NAV (USD'000)	98	-	-
RMB Hedged Class			
NAV/unit (RMB)	1.0493	1.0000	4.93
Total NAV (USD'000)	6	-	-
EUR Hedged Class			
NAV/unit (EUR)	0.9457	1.0000	-5.43
Total NAV (USD'000)	1	-	-
	Income Distribution (%)	Capital Return # (%)	Total Return (%)
USD Class	-	6.21	6.21
MYR Class	-	3.40	3.40
AUD Hedged Class	-	-6.74	-6.74
SGD Hedged Class	-	-1.29	-1.29
GBP Hedged Class	-	-5.73	-5.73

TA Inflation Multi-Asset Fund

(For the financial period ended 31 December 2023)

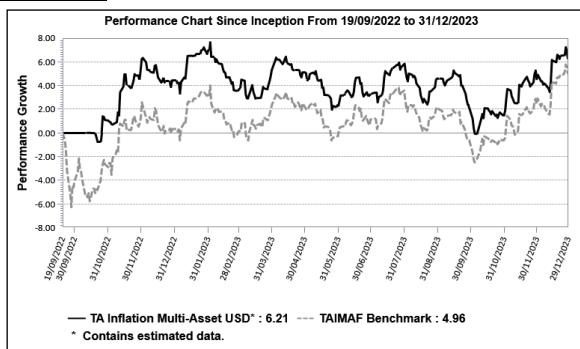
MYR Hedged Class	-	-5.36	-5.36
RMB Hedged Class	-	4.93	4.93
EUR Hedged Class	-	-5.43	-5.43

Capital Return components:

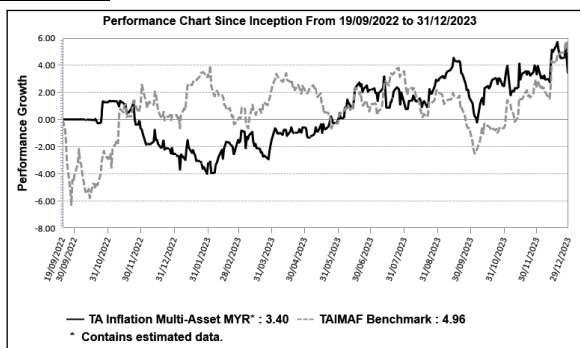
- ❖ Collective Investment Scheme
- ❖ Cash and cash equivalent

Performance Chart

USD Class



MYR Class

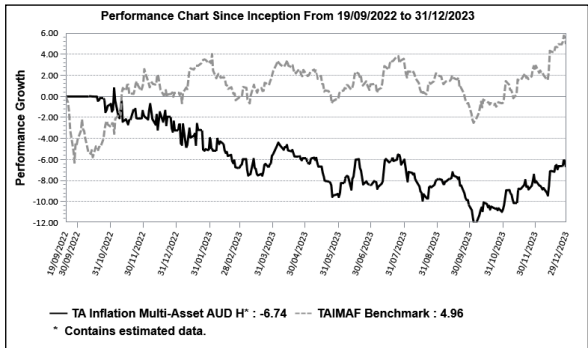


Source: Lipper Investment Management
 Past performance is not necessarily indicative of future performance.

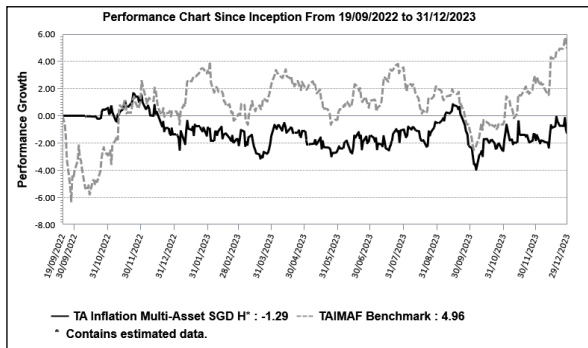
TA Inflation Multi-Asset Fund

(For the financial period ended 31 December 2023)

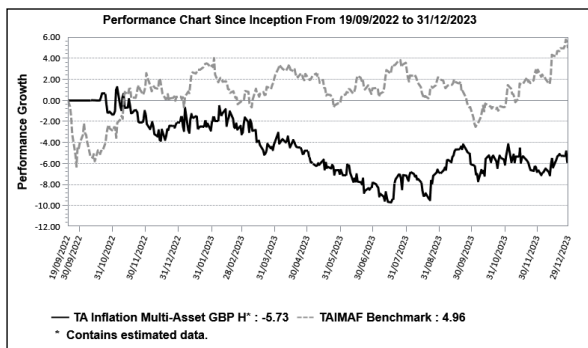
AUD Hedged Class



SGD Hedged Class



GBP Hedged Class

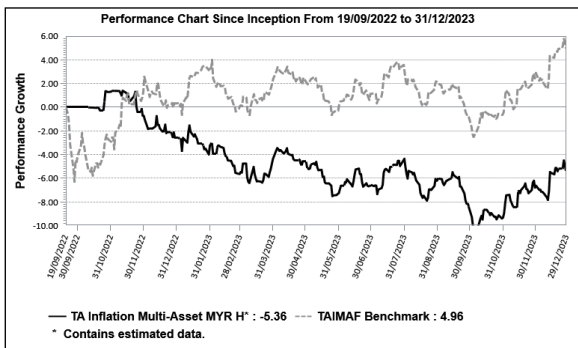


Source: Lipper Investment Management
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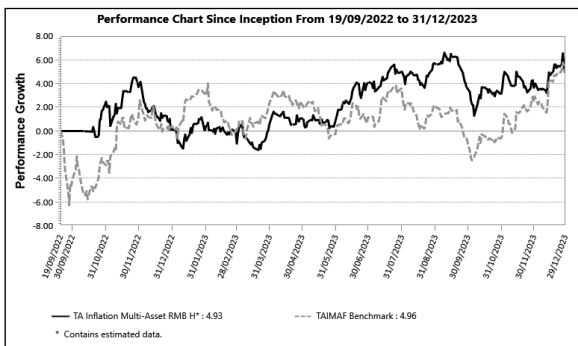
TA Inflation Multi-Asset Fund

(For the financial period ended 31 December 2023)

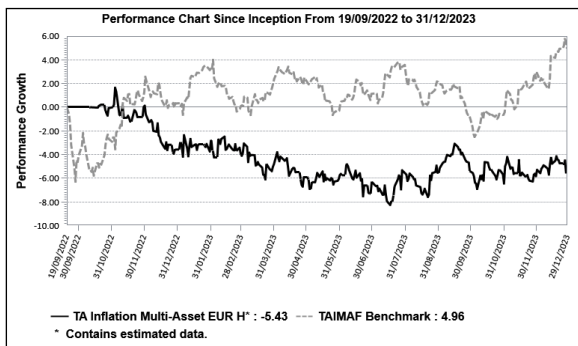
MYR Hedged Class



RMB Hedged Class



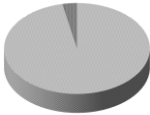
EUR Hedged Class



Source: Lipper Investment Management
 Past performance is not necessarily indicative of future performance.


TA Inflation Multi-Asset Fund

(For the financial period ended 31 December 2023)

Distribution/Unit Split	None were declared for the financial period under review 31 December 2023.		
Asset Allocation	31/12/23	19/09/22	
	<p>Cash (Net of Liabilities) 3.00%</p>  <p>Collective Investment Scheme 97.00%</p> <p>The Fund was primarily invested in a Collective Investment Scheme (97.00%) with the remainder in Cash (Net of Liabilities, 3.00%), as of 31 December 2023.</p>	Not Applicable	
Collective Investment Scheme		31/12/23 % NAV	19/09/22 % NAV
	PIMCO Funds: Global Investors Services plc – Inflation Multi-Asset Fund	97.00	Nil
Target Fund Top Holdings	As at 31/12/23	% NAV	
	FNMA TBA 4.0% OCT 30YR	4.90	
	U S TREASURY INFLATE PROT BD	4.70	
	JAPANESE GOVT BOND (ILB) #24	4.40	
	U S TREASURY INFLATE PROT BD	4.30	
	U S TREASURY INFLATE PROT BD	4.20	
	SPANISH GOVT BD I/L	4.20	
	ITALIAN BTP BOND I/L	4.00	
	U S TREASURY INFLATE PROT BD	3.80	
	FNMA TBA 4.5% OCT 30YR	2.90	
	U S TREASURY INFLATE PROT BD	2.70	
	As at 19/09/22	% NAV	
	Nil	Nil	

TA Inflation Multi-Asset Fund

(For the financial period ended 31 December 2023)

 Source: PIMCO

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

TA Inflation Multi-Asset Fund

(For the financial period ended 31 December 2023)

Market Review

After a very challenging year for fixed income markets in 2022 where interest rates and credit spreads sold off in tandem, 2023 offered fixed income investors a more supportive market environment overall, despite several bouts of volatility throughout the year of 2023. Government bond yields generally ended 2023 lower and credit spreads tightened. This was especially true in the last quarter of 2023, as benign inflation prints increased investors' confidence in a soft landing, and brought forward the expected timing of future rate cuts by central banks, resulting in a strong rally across asset classes to end the year.

Coming into the beginning of 2023, many analysts were calling for a global recession given the rapid increase in rates, and the consensus view was that risk assets would struggle in a slower growth and higher yield environment. Nevertheless, the global economy remained quite resilient and most equity markets experienced stellar returns. Over the course of 2023, central bank policy and inflation remained a primary focus area for investors, amid the potential end of the rate hike cycle and receding inflation. Other major market drivers included the United States' (US) regional bank crisis, UBS's acquisition of Credit Suisse, Fitch's downgrade of the US government's credit rating, and the emergence of Artificial Intelligence (AI).

On monetary policy, central banks largely continued the theme of 2022 where controlling inflation remained the priority over the risk of reducing economic growth. The US Federal Reserve (Fed) continued its monetary policy tightening with the upper end of the Fed Funds target range moving from 4.50% to 5.50% over the first half of 2023. More recently, the Fed has indicated that rates have likely peaked, communicating that cuts are on the cards in 2024 given inflation continues to moderate. Having been behind the Fed in raising rates, the European Central Bank (ECB) hiked its deposit rate from 2.00% to 4.00%. Other central banks across Canada, Australia, New Zealand, and the United Kingdom (UK) also raised rates. One outlier in developed markets was the Bank of Japan (BoJ), which kept its key policy rate unchanged and further loosened its yield curve control policy.

In developed market sovereign bonds, yields rose in the first three quarters of the year as the economy remained resilient, and central banks were hawkish as inflation stayed elevated. However, there was a strong rally in the last quarter of 2023 as yields fell to end a volatile year. Over 2023 as a whole, 10-year US Treasury (UST) yields were flat, while 10-year German Bund and UK gilt yields rallied -54 basis points (bps) and -13bps, respectively. As the narrative shifted, fixed income had a roller coaster year, with the 10-year UST yield reaching a 16-year peak in October 2023 as fears rose of rates being higher for longer. However, November 2023 saw one of the bond market's largest ever rallies, as the Bloomberg Global Aggregate had its best month since the Global Financial Crisis (GFC) of 2008.

Risk assets ended the year of 2023 strongly, bouncing back from a downbeat 2022, with the S&P 500 and MSCI World up +26.29% and +24.42%, respectively. The NASDAQ ended the year up +55.13%. As an outlier, China equities suffered as the Hang Seng Index ended the year of 2023 down -10.46%. Credit spreads broadly tightened across corporates, securitized and emerging markets. Within investment grade credit, US and European spreads tightened -28bps and -23bps, respectively. Within high yield credit, US and European spreads tightened -146bps and -113bps, respectively. In Foreign Exchange (FX) markets, the Dollar Index declined -2.11%, falling slightly from its highs of 2022.

TA Inflation Multi-Asset Fund

(For the financial period ended 31 December 2023)

Certain Emerging Markets (EM) currencies benefitted from commodity-related gains, whilst the Japanese yen continued its relative weakness.

(Source: PIMCO, as of December 2023)

Economic Outlook

The steepest interest-rate-hiking cycle in decades has set global economic activity on a course that remains difficult to map, making it especially important to respect risks and to look to build portfolios capable of performing well in a variety of conditions.

After major economies showed surprising resilience in 2023, we anticipate a downshift toward stagnation or mild contraction in 2024. The standout strength of the US is likely to fade over our six- to 12-month cyclical horizon. Countries with more rate-sensitive markets will likely slow more markedly.

With inflation easing, Developed Market (DM) central banks have likely reached the end of their hiking cycles. That has shifted attention to the timing and pace of eventual rate cuts.

Historically, central banks do not tend to cut rates ahead of downturns, instead easing only after recessionary conditions appear and then delivering more cuts than markets anticipate. In the longer term, we continue to expect neutral policy rates to decline to levels similar to, or slightly above, those seen before the pandemic. Echoing comments by Fed Chair Jerome Powell, we believe upside risks around inflation and downside risks to growth have become more symmetrical. However, recession risks remain elevated, in our view, due to stagnant supply and demand growth across DM. After a rally across many financial markets in late 2023, riskier assets appear priced for an economic soft landing and may be underestimating both upside and downside risks.

With attractive valuations and yields still near 15-year highs, fixed income markets can offer an array of opportunities with the potential to weather multiple macroeconomic scenarios.

In credit markets, we continue to favor US agency mortgage-backed securities (MBS) and other high quality assets backed by collateral, which offer both attractive yields and downside resiliency. The trend of banks stepping away from certain types of lending will likely persist and afford opportunities in asset-based and specialty finance in private markets.

We also see unusually appealing opportunities globally, that have the potential to outperform US bonds based on greater downside economic risks. We are focused on more liquid DM markets given attractive yields, but will also look to find value in emerging market (EM) debt.

The bond market rally in late 2023 highlighted how investors may achieve attractive total return in high quality, medium-term bonds – through the combination of yield and price appreciation – without taking on greater interest rate risk in long-dated bonds.

(Source: PIMCO, as of December 2023)

TA Inflation Multi-Asset Fund

(For the financial period ended 31 December 2023)

Market Outlook and Investment Strategy

Outlook: Headline inflation is moderating, but inflation likely to remain above DM central bank targets, especially in the US.

- Our inflation forecast calls for moderating inflation across goods categories, including energy and food, although we also forecast stickier services prices (rents and other services inflation, which tend to be sensitive to wages). In the US specifically, we think inflation (core and headline) are likely to remain above the Fed's target in 2024.
- **We have a positive outlook for commodities based on supply constraints, the transition to a net-zero economy, and their historical correlation with inflation.**
 - Commodities have tended to benefit from their extremely tight link with both inflation and inflation surprises.
 - Over the longer term, the net-zero transition and deglobalization could add to upside inflationary risks. Transitioning to a net-zero economy will be commodity-intensive, providing support for prices.
 - Demand side – As growth and travel normalize, we expect gasoline and jet fuel to be the primary beneficiaries, supporting demand despite global manufacturing- and trade-related headwinds.
 - Supply side – On the supply side, one of the biggest structural changes stems from slowing growth in US shale production, with reinvestment rates the lowest in 30 years.
 - Over the longer term, current levels of capital investment in energy are insufficient to meet the energy-transition challenge and global demand growth.

Positioning: In the face of market volatility, the positioning within the portfolio is defensive relative to the benchmark with an underweight to commodities and a focus on high-quality assets such as global inflation-linked bonds.

- In terms of overall duration, the portfolio maintains an overweight to duration overall, sourced via US interest rates.
- We maintain an overweight to overall US duration given sentiment that Central Banks have reached the peak in their current rate hiking cycles, with rate cuts expected to commence in mid-to-late 2024, if not earlier.
- Maintain overweight to US breakevens as markets continue to price in a quick fall in inflation, while we believe the decline in inflation may be more gradual and uneven. Maintain underweight in Eurozone breakevens as expectations are currently trading at rich levels relative to the US. We maintain an overweight to Japanese breakevens as forward inflation is priced below expectations.

TA Inflation Multi-Asset Fund

(For the financial period ended 31 December 2023)

- Maintain an underweight to Eurozone interest rates. Maintain 10s30s curve steeper exposure to Eurozone duration given more attractive levels and less resilient European economy.
- Maintain neutral positioning in Japanese nominal interest rates.
- Maintains a neutral allocation to Real Estate Investment Trusts (REITs) versus the benchmark (focus in on security selection), while we express an underweight to broad based commodities.
- Commodity exposure includes an allocation to carbon emission allowances (California Carbon Allowances – “CCA”) for enhanced diversification and risk-adjusted returns.
- Seek alpha opportunities via FX Carry strategy (relative value, favoring high carry DM and liquid EM currencies).
- Moved from underweight to a neutral position in gold relative to the gold sleeve, though still maintain an underweight at the portfolio level. We view gold as a long duration real asset, and despite valuations still appearing rich relative to real yields, recent catalysts that have supported prices (i.e. central bank buying) could continue in the near-term.

(Source: PIMCO, as of December 2023)

Soft Commission

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

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 period under review.

TA Inflation Multi-Asset Fund

(For the financial period ended 31 December 2023)

TRUSTEE'S REPORT

TO THE UNIT HOLDERS OF TA INFLATION MULTI-ASSET FUND ("Fund")

We have acted as Trustee of the Fund for the financial period from 19 September 2022 (date of launch) to 31 December 2023 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: 28 February 2024

TA Inflation Multi-Asset Fund

(For the financial period ended 31 December 2023)

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 24 to 46, are drawn up so as to give a true and fair view of the financial position of TA INFLATION MULTI-ASSET FUND as at 31 December 2023 and of its financial performance and cash flows for the financial year ended on that date 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: 28 February 2024

TA Inflation Multi-Asset Fund

(For the financial period ended 31 December 2023)

INDEPENDENT AUDITORS' REPORT TO THE UNITHOLDERS OF TA INFLATION MULTI-ASSET FUND

(Incorporated in Malaysia)

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of TA Inflation Multi-Asset Fund (hereinafter referred to as "the Fund"), which comprise the statement of financial position as at 31 December 2023, and the statement of comprehensive income, statement of changes in net asset value and statement of cash flows for the financial period since 19 September 2022 (date of launch) to 31 December 2023, and notes to the financial statements, including material accounting policy information, as set out on pages 24 to 46.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Fund as at 31 December 2023, and of its financial performance and cash flows for the financial period since 19 September 2022 (date of launch) to 31 December 2023 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 Inflation Multi-Asset Fund

(For the financial period ended 31 December 2023)

INDEPENDENT AUDITORS' REPORT TO THE UNITHOLDERS OF TA INFLATION MULTI-ASSET FUND (Incorporated in Malaysia) **(Continued)**

Responsibilities of the Manager and Trustee for the Financial Statements

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.

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 Inflation Multi-Asset Fund

(For the financial period ended 31 December 2023)

INDEPENDENT AUDITORS' REPORT

TO THE UNITHOLDERS OF TA INFLATION MULTI-ASSET FUND

(Incorporated in Malaysia)

(Continued)

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: 28 February 2024

Chan Kah Mun

Approval Number: 03350/01/2026 J

Chartered Accountant

TA Inflation Multi-Asset Fund

(For the financial period ended 31 December 2023)

STATEMENT OF COMPREHENSIVE INCOME FOR THE FINANCIAL PERIOD FROM 19 SEPTEMBER 2022 (DATE OF LAUNCH) TO 31 DECEMBER 2023

		19.09.2022 to 31.12.2023 USD
	Note	
INCOME		
Interest income		448
Net income on financial assets at fair value through profit or loss ("FVTPL")	7	<u>5,252</u>
		<u>5,700</u>
EXPENSES		
Manager's fee	4	4,056
Trustee's fee	5	2,197
Auditors' remuneration		2,620
Tax agent's fee		706
Administrative fees and expenses		<u>2,066</u>
		<u>11,645</u>
Net loss before tax		(5,945)
Income tax expense	6	<u>-</u>
Net loss after tax, representing total comprehensive loss for the financial period		<u>(5,945)</u>
Net loss after tax is made up of the following:		
Net realised loss	10(b)	(32,026)
Net unrealised income	10(c)	<u>26,081</u>
		<u>(5,945)</u>

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

TA Inflation Multi-Asset Fund

(For the financial period ended 31 December 2023)

STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2023

	Note	31.12.2023 USD
ASSETS		
Investments	7	248,899
Derivative financial assets	8	5,133
Amount due from the Manager	9	155
Cash at bank		8,522
TOTAL ASSETS		262,709
LIABILITIES		
Amount due to the Manager	9	361
Amount due to Trustee		2,066
Other payables and accruals		3,693
TOTAL LIABILITIES		6,120
NET ASSET VALUE ("NAV")		
Unitholder's capital	10(a)	262,534
Accumulated losses		(5,945)
NAV ATTRIBUTABLE TO UNITHOLDERS		256,589
TOTAL NAV AND LIABILITIES		
		262,709
REPRESENTED BY:		
NAV OF OUTSTANDING UNITS		
USD Class		26,822
MYR Class		77,136
AUD Hedged Class		46,235
SGD Hedged Class		747
EUR Hedged Class		1,045
GBP Hedged Class		1,198
MYR Hedged Class		97,682
RMB Hedged Class		5,724
NAV OF THE FUND		256,589

TA Inflation Multi-Asset Fund

(For the financial period ended 31 December 2023)

STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2023 (CONTD.)

	Note	31.12.2023 USD
NUMBER OF UNITS IN CIRCULATION	10(d)	
USD Class		25,253
MYR Class		342,400
AUD Hedged Class		72,865
SGD Hedged Class		1,000
EUR Hedged Class		1,000
GBP Hedged Class		1,000
MYR Hedged Class		473,758
RMB Hedged Class		<u>38,800</u>
NAV PER UNIT IN USD		
USD Class		1.0621
MYR Class		0.2253
AUD Hedged Class		0.6345
SGD Hedged Class		0.7473
EUR Hedged Class		1.0448
GBP Hedged Class		1.1977
MYR Hedged Class		0.2062
RMB Hedged Class		<u>0.1475</u>
NAV PER UNIT IN CURRENCY OF RESPECTIVE CURRENCIES		
USD Class		1.0621
MYR Class		1.0340
AUD Hedged Class		0.9326
SGD Hedged Class		0.9871
EUR Hedged Class		0.9457
GBP Hedged Class		0.9427
MYR Hedged Class		0.9464
RMB Hedged Class		<u>1.0493</u>

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

TA Inflation Multi-Asset Fund

(For the financial period ended 31 December 2023)

STATEMENT OF CHANGES IN NET ASSET VALUE FOR THE FINANCIAL PERIOD FROM 19 SEPTEMBER 2022 (DATE OF LAUNCH) TO 31 DECEMBER 2023

	Unitholders' capital Note 10(a) USD	Accumulated losses Note 10(b) and (c) USD	Total NAV USD
At 19 September 2022 (Date of launch)	-	-	-
Creation of units	464,913	-	464,913
Cancellation of units	(202,379)	-	(202,379)
Total comprehensive income for the financial period	-	(5,945)	(5,945)
At 31 December 2023	<u>262,534</u>	<u>(5,945)</u>	<u>256,589</u>

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

TA Inflation Multi-Asset Fund

(For the financial period ended 31 December 2023)

STATEMENT OF CASH FLOWS

FOR THE FINANCIAL PERIOD FROM 19 SEPTEMBER 2022 (DATE OF LAUNCH)
TO 31 DECEMBER 2023

	19.09.2022 to 31.12.2023 USD
CASH FLOWS FROM OPERATING AND INVESTING ACTIVITIES	
Proceed from sale of investments	119,502
Purchase of investments	(368,282)
Interest received	448
Manager's fee paid	(3,695)
Trustee's fee paid	(131)
Payments for other fees and expenses	(1,699)
Net cash generated used in operating and investing activities	<u>(253,857)</u>
CASH FLOWS GENERATED FROM FINANCING ACTIVITIES	
Cash received from units created	464,758
Cash paid for units cancelled	(202,379)
Net cash generated from financing activities	<u>262,379</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	8,522
CASH AND CASH EQUIVALENTS AT DATE OF LAUNCH	<u>-</u>
CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL PERIOD	<u>8,522</u>
CASH AND CASH EQUIVALENTS COMPRISE:	
Cash at bank	<u>8,522</u>

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

TA Inflation Multi-Asset Fund

(For the financial period ended 31 December 2023)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL PERIOD FROM 19 SEPTEMBER 2022 (DATE OF LAUNCH) TO 31 DECEMBER 2023

1. THE FUND, THE MANAGER AND THEIR PRINCIPAL ACTIVITIES

TA Inflation Multi-Asset Fund ("the Fund") was constituted pursuant to the execution of a Deed of Trust ("the Deed") dated 06 September 2022 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 19 September 2022 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 28 February 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 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 framework that have been issued by the Malaysian Accounting Standards Board ("MASB") but have not been adopted by the Fund:

TA Inflation Multi-Asset Fund

(For the financial period ended 31 December 2023)

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 January 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 January 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 Inflation Multi-Asset Fund

(For the financial period ended 31 December 2023)

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 1.80% 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 Inflation Multi-Asset Fund

(For the financial period ended 31 December 2023)

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 year. 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 loss before tax at the statutory income tax rate to income tax expense at the effective income tax rate of the Fund is as follows:

	19.09.2022 to 31.12.2023 USD
Net loss before tax	<u>(5,945)</u>
Taxation at Malaysian statutory rate of 24%	(1,427)
Effects of income not subject to tax	(1,368)
Effects of expenses not deductible for tax purposes	1,193
Restriction on tax deductible expenses for unit trust funds	<u>1,602</u>
Income tax expense for the financial period	<u>-</u>

7. INVESTMENTS

	31.12.2023 USD
Financial assets at FVTPL:	
Collective investment scheme outside Malaysia	<u>248,899</u>
	31.12.2023 USD
Net income on financial assets at FVTPL comprises:	
Net realised loss on disposals	(20,829)
Net unrealised gain on changes in fair value	13,230
Net unrealised gain on foreign exchange	7,718
Net unrealised gain on forward currency contracts	<u>5,133</u>
	<u>5,252</u>

TA Inflation Multi-Asset Fund

(For the financial period ended 31 December 2023)

7. INVESTMENTS (CONTD.)

Financial assets at FVTPL as at 31 December 2023 are as detailed below:

Collective investment scheme outside Malaysia

Name of Collective Investment Scheme	Quantity Unit	Cost USD	Fair Value USD	% of NAV %
PIMCO Funds: Global Investors Series plc - Inflation Multi-Asset Fund	21,093	235,669	248,899	97.00
Total collective investment scheme outside Malaysia	21,093	235,669	248,899	97.00
EXCESS OF FAIR VALUE OVER COST			13,230	

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 forward currency contract outstanding. The notional principal amount of the outstanding forward currency contract amounted to USD 145,000. The forward currency contract 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. AMOUNT DUE TO/FROM THE MANAGER

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

Amount due from the Manager relates to amount receivable from the Manager arising from creation of units of USD 155 at the end of the financial period. Amount due to the Manager relates to the amount payable to the Manager arising from the accruals for Manager's fee of USD 361 at the end of the financial period.

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

TA Inflation Multi-Asset Fund

(For the financial period ended 31 December 2023)

10. NET ASSET VALUE ATTRIBUTABLE TO UNITHOLDERS

	Note	31.12.2023 USD
Unitholders' capital	(a)	262,534
Accumulated losses		
- Realised losses	(b)	(32,026)
- Unrealised income	(c)	26,081
		<u>256,589</u>

(a) Unitholders' capital

	31.12.2023 USD
At beginning of the financial period	-
Creation of units	464,913
Cancellation of units	<u>(202,379)</u>
At end of the financial period	<u>262,534</u>

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

(b) Realised losses

	31.12.2023 USD
At beginning of the financial period	-
Net realised loss for the financial period	<u>(32,026)</u>
At end of the financial period	<u>(32,026)</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.

(c) Unrealised gain

	31.12.2023 USD
At beginning of the financial period	-
Net unrealised gain for the financial period	<u>26,081</u>
At end of the financial period	<u>26,081</u>

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

TA Inflation Multi-Asset Fund

(For the financial period ended 31 December 2023)

10. NET ASSET VALUE ATTRIBUTABLE TO UNITHOLDERS (CONTD.)

(d) Units in circulation

	Units on 19.09.2022	Creation of units	Cancellation of units	Units on 31.12.2023
USD Class	-	25,253	-	25,253
MYR Class	-	977,455	(635,055)	342,400
AUD Hedged Class	-	85,603	(12,738)	72,865
SGD Hedged Class	-	1,000	-	1,000
EUR Hedged Class	-	1,000	-	1,000
GBP Hedged Class	-	1,000	-	1,000
MYR Hedged Class	-	745,508	(271,750)	473,758
RMB Hedged Class	-	38,800	-	38,800

11. TRANSACTIONS WITH BROKER

Details of transactions with broker during the financial period are as follows:

Name of Broker	19.09.2022 to	31.12.2023
	Value of trade USD	Percentage to total value of trade %
Pimco Global Advisors (Ireland) Limited	516,155	100.0

There is no brokerage fee paid to the dealer.

12. TOTAL EXPENSE AND PORTFOLIO TURNOVER RATIOS

(a) Total Expense Ratio

The total expense ratio for the financial period ended 31 December 2023 was 4.05%. 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 December 2023 was 0.90 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.

TA Inflation Multi-Asset Fund

(For the financial period ended 31 December 2023)

13. 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 segment information is presented below:

	Collective investment scheme portfolio USD	Money market instruments portfolio USD	Total USD
31.12.2023			
Interest income	-	448	448
Net income on financial assets at FVTPL	<u>5,252</u>	<u>-</u>	<u>5,252</u>
Total segment operating income for the financial period	<u>5,252</u>	<u>448</u>	<u>5,700</u>
Investments	<u>248,899</u>	<u>-</u>	<u>248,899</u>
Total segment assets	<u>248,899</u>	<u>-</u>	<u>248,899</u>
Total segment liabilities	<u>-</u>	<u>-</u>	<u>-</u>

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

TA Inflation Multi-Asset Fund

(For the financial period ended 31 December 2023)

13. 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 loss:

	31.12.2023
	USD
Net reportable segment operating income	5,700
Expenses	(11,645)
Net loss before tax	(5,945)
Income tax expense	-
Net loss after tax	(5,945)

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:

	31.12.2023
	USD
Total segment assets	248,899
Derivative financial assets	5,133
Amount due from the Manager	155
Cash at bank	8,522
Total assets of the Fund	262,709
Total segment liabilities	-
Amount due to the Manager	361
Amount due to Trustee	2,066
Other payables and accruals	3,693
Total liabilities of the Fund	6,120

TA Inflation Multi-Asset Fund

(For the financial period ended 31 December 2023)

14. 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 FVTPL USD	Financial assets at amortised cost USD	Financial liabilities at amortised cost USD	Total USD
31.12.2023				
Assets				
Investments	248,899	-	-	248,899
Derivative financial assets	5,133	-	-	5,133
Amount due from the Manager	-	155	-	155
Cash at bank	-	8,522	-	8,522
Total financial assets	<u>254,032</u>	<u>8,677</u>	<u>-</u>	<u>262,709</u>
Liabilities				
Amount due to the Manager	-	-	361	361
Amount due to Trustee	-	-	2,066	2,066
Other payables and accruals	-	-	3,693	3,693
Total financial liabilities	<u>-</u>	<u>-</u>	<u>6,120</u>	<u>6,120</u>
Income, expenses, gains and losses				
Interest income	-	448	-	448
Net income on financial assets at FVTPL	<u>5,252</u>	<u>-</u>	<u>-</u>	<u>5,252</u>

TA Inflation Multi-Asset Fund

(For the financial period ended 31 December 2023)

14. FINANCIAL INSTRUMENTS (CONTD.)

(b) Financial instruments that are carried at fair value

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

Collective investment scheme

Fair value are 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:

- 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).

31.12.2023	Level 1 USD	Level 2 USD	Level 3 USD	Total USD
Financial assets at FVTPL:				
Collective investment scheme outside Malaysia	-	248,899	-	248,899
Derivative financial assets	-	5,133	-	5,133

TA Inflation Multi-Asset Fund

(For the financial period ended 31 December 2023)

15. 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 Guidelines on Unlisted Capital Market Products under the Lodge and Launch Framework.

(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.

(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.

TA Inflation Multi-Asset Fund

(For the financial period ended 31 December 2023)

15. FINANCIAL RISKS AND MANAGEMENT OBJECTIVES AND POLICIES (CONTD.)

(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. 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 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
31.12.2023		
Collective investment scheme		
outside Malaysia	+5.0	12,445

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.

TA Inflation Multi-Asset Fund

(For the financial period ended 31 December 2023)

15. FINANCIAL RISKS AND MANAGEMENT OBJECTIVES AND POLICIES (CONTD.)

(f) Market risk (contd.)

(i) Equity price risk (contd.)

Equity price risk sensitivity (contd.)

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

	31.12.2023	
	USD	% of NAV
Ireland	248,899	97.00

(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	Change in	Effect on	Effect on
	rate	currency	income	NAV
	USD	rate	USD	USD
		%		
31.12.2023				
AUD/USD	0.6804	+5.0	107	107
EUR/USD	1.1048	+5.0	54	54
GBP/USD	1.2705	+5.0	63	63
MYR/USD	0.2179	+5.0	133	133
SGD/USD	0.7571	+5.0	37	37

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

TA Inflation Multi-Asset Fund

(For the financial period ended 31 December 2023)

15. 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.

	31.12.2023	
	USD	% of NAV
AUD	2,147	0.84%
EUR	1,085	0.42%
GBP	1,251	0.49%
MYR	2,667	1.04%
SGD	738	0.29%

(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 Inflation Multi-Asset Fund

(For the financial period ended 31 December 2023)

15. FINANCIAL RISKS AND MANAGEMENT OBJECTIVES AND POLICIES (CONTD.)

(g) Credit risk (contd.)

Credit quality of financial assets

31.12.2023	Rating by Rating Agency in Malaysia		
	P1/A+ USD	Unrated USD	Total USD
Short-term credit rating of financial assets not at FVTPL			
Derivative financial assets	-	5,133	5,133
Amount due from the Manager	-	155	155
Cash at bank	8,522	-	8,522
	<u>8,522</u>	<u>5,288</u>	<u>13,810</u>

(h) Liquidity risk

Liquidity risk exists when particular investments are difficult to purchase or sell. Also, illiquid securities may become harder to value especially in changing markets. The Target Fund's investments in illiquid securities may reduce the returns of the Target Fund because it may be unable to sell the illiquid securities at an advantageous time or price which could prevent the Target Fund from taking advantage of other investment opportunities. The Target Fund with principal investment strategies that involve foreign securities, derivatives or securities with substantial market and/or credit risk tend to have the greatest exposure to liquidity risk.

Additionally, the market for certain investments may become illiquid under adverse market or economic conditions independent of any specific adverse changes in the conditions of a particular issuer. Bond markets have consistently grown over the past three decades while the capacity for traditional dealer counterparties to engage in fixed income trading has not kept pace and in some cases has decreased. As a result, dealer inventories of corporate bonds, which provide a core indication of the ability of financial intermediaries to "make markets," are at or near historic lows in relation to market size. Because market makers provide stability to a market through their intermediary services, the significant reduction in dealer inventories could potentially lead to decreased liquidity and increased volatility in the fixed income markets. Such issues may be exacerbated during periods of economic uncertainty.

TA Inflation Multi-Asset Fund

(For the financial period ended 31 December 2023)

15. FINANCIAL RISKS AND MANAGEMENT OBJECTIVES AND POLICIES (CONTD.)

(h) Liquidity risk (contd.)

In such cases, the Target Fund, due to limitations on investments in illiquid securities and the difficulty in purchasing and selling such securities or instruments, may be unable to achieve its desired level of exposure to a certain sector. To the extent that the Target Fund's principal investment strategies involve securities of companies with smaller market capitalizations, foreign securities, illiquid sectors of fixed income securities, or securities with substantial market and/or credit risk, the Target Fund will tend to have the greatest exposure to liquidity risk. Further, fixed income securities with longer durations until maturity face heightened levels of liquidity risk as compared to fixed income securities with shorter durations until maturity. Finally, liquidity risk also refers to the risk of unusually high redemption requests or other unusual market conditions that may make it difficult for the Target Fund to fully honour redemption requests within the allowable time period. Meeting such redemption requests could require a Fund to sell securities at reduced prices or under unfavourable conditions, which would reduce the value of the Target Fund. It may also be the case that other market participants may be attempting to liquidate fixed income holdings at the same time as the Target Fund, causing increased supply in the market and contributing to liquidity risk and downward pricing pressure.

31.12.2023	Less than 1 month USD	Total USD
Assets		
Investments	248,899	248,899
Other assets	13,810	13,810
	<hr/> 262,709	<hr/> 262,709
Liabilities		
Other liabilities	6,120	6,120
	<hr/> 6,120	<hr/> 6,120
Net assets value attributable to unitholders	<hr/> 256,589	<hr/> 256,589
Liquidity gap	<hr/> -	<hr/> -

(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.

TA Inflation Multi-Asset Fund

(For the financial period ended 31 December 2023)

15. FINANCIAL RISKS AND MANAGEMENT OBJECTIVES AND POLICIES (CONTD.)

(h) Liquidity risk (contd.)

(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.

16. 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 31 December 2023.

17. COMPARATIVE FIGURES

The financial statements are for the financial period from 19 September 2022 (date of launch) to 31 December 2023. There are no comparative figures as this is the Fund's first set of financial statements.

TA Inflation Multi-Asset Fund

(For the financial period ended 31 December 2023)

Corporate Information

Manager	TA Investment Management Berhad (340588-T)
Registered Office	34th Floor, Menara TA One 22 Jalan P. Ramlee 50250 Kuala Lumpur
Board of Directors	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)
Investment Committee Members	Kaladher A/L Govindan (Non-Independent) Dato' Tay Kian Chuan (Independent) Ngiam Kee Tong (Independent)
Trustee of the Fund	CIMB Commerce Trustee Berhad Level 13, Menara CIMB Jalan Stesen Sentral 2 Kuala Lumpur Sentral 50470 Kuala Lumpur
Auditor of the Manager and the Fund	KPMG PLT Chartered Accountants Level 10, KPMG Tower 8 First Avenue, Bandar Utama 47800 Petaling Jaya Selangor
Banker	Malayan Banking Bhd Ground Floor, Wisma Genting Jalan Sultan Ismail 50250 Kuala Lumpur
Secretaries	Khoo Poh Kim @ Kimmy (LS0010314)

TA Inflation Multi-Asset Fund

(For the financial period ended 31 December 2023)

Corporate Information (cont'd)

Management Staff	Wong Mien Chief Executive Officer	Tee Ling Ling Chief Marketing Officer
	Ch'ng Soon Kim Compliance Officer	Alicia Khor Head of Operations
Investment Team	Choo Swee Kee Chief Investment Officer	John Ng Jiunn Yuan Head of Fixed Income
	Lam Chee Mun Fund Manager	Wong Shyh Yik Fund Manager
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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: 05-350 0399
Johor Bahru Business Centre	37-01, Jalan Molek 1/29 Taman Molek 81100 Johor Bahru Johor Tel: 07-3611 781

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