

SEMI-ANNUAL REPORT

TA RAINBOW INCOME FUND 12

For the 6 months ended
31 December 2024



TA INVESTMENT

AN UNWAVERING COMMITMENT

TA Rainbow Income Fund 12

(For the 6 months ended 31 December 2024)

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Key Performance Data

	Financial Period Ended 31/12/2024	Financial Period Ended 31/12/2023	Since the Fund Launch 27/04/22 to 31/12/22
PORTFOLIO COMPOSITION (% OF NAV)			
Fixed Income Instruments (ZNIDs and Bond)	90.98	89.21	91.88
Structured Product	2.77	4.62	2.62
Cash (Net of Liabilities)	6.25	6.17	5.50
Total Investment	100.00	100.00	100.00

Total Net Asset Value (RM'000)	85,610	87,146	83,785
Units In Circulation (Units '000)	80,942	83,822	86,021
Net Asset Value Per Unit (RM)	1.0577	1.0397	0.9740
Total Expense Ratio (TER) (%)*	0.03	0.03	0.04
Portfolio Turnover Ratio (PTR) (times)*	Nil	Nil	0.61

* The TER and PTR for the current financial period has remained consistent with that of the previous financial period.

UNIT PRICES

NAV Per Unit (RM)	1.0577	1.0397	0.9740
Highest NAV Per Unit for the Period (RM)	1.0641	1.0395	1.0072
Lowest NAV Per Unit for the Period (RM)	1.0364	1.0014	0.9541

DISTRIBUTION/UNIT SPLIT

Gross Distribution Per Unit (sen)	2.78	Nil	Nil
Net Distribution Per Unit (sen)	2.78	Nil	Nil
Date of Distribution	04/07/2024	Nil	Nil

TOTAL RETURN (%)

Capital Return	4.80	2.99	-2.61
Income Return	2.80	-	-
Total Return of Fund	7.60	2.99	-2.61
Total Return of the Benchmark	4.27	1.56	1.65

AVERAGE TOTAL RETURN (%)

Period	Fund	Benchmark
1 Year (31/12/2023 - 31/12/2024)	4.48	2.67
Since Inception (27/04/2022 to 31/12/2024)	3.13	2.73

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ANNUAL TOTAL RETURN (%)

Period	Fund	Benchmark
31/12/2023 - 31/12/2024	4.48	2.67
31/12/2022 - 31/12/2023	6.74	3.01
Since Inception (27/04/2022 to 31/12/2022)	-2.61	1.65

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)

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Manager's Report

TA Rainbow Income Fund 12

Fund Category/Type	Fixed Income (Close-ended) / Income
Fund Objective	<p>The Fund aims to provide income* whilst preserving capital** on Maturity Date.</p> <p><i>*The Fund will invest in Derivatives which enable the Fund's performance to be exposed to the performance of the Rainbow Basket for potential annual payouts. Income distribution will be paid to you by way of cash deposit to a bank account held in your own name.</i></p> <p><i>**Investors are advised that this Fund is neither a capital guaranteed nor a capital protected fund. The capital will be preserved by investments in Fixed Income Instruments. Consequently, the return of capital is SUBJECT TO the credit and default risk and currency risk associated with the investments in Fixed Income Instruments.</i></p>
Performance Benchmark	Maybank 12 months fixed deposit rate as at the Commencement Date of the Fund.
Tenure	3 Years (Close-ended)
Maturity Date	23 June 2025
Fund's Distribution Policy	Subject to the availability of income, distribution will be made once a year.
Fund's Performance and Investment Strategies Employed	<p>The Fund was managed within its investment objective for the six months financial period ended 31 December 2024.</p> <p>Over the financial period under review, the Fund delivered a total return of 7.60%, outperforming its benchmark which posted a return of 4.27%.</p> <p>The Fund was invested in structured products issued by BNP Paribas S.A. linked to the performance of the following underlying assets:</p> <ul style="list-style-type: none"> • BlueBay Investment Grade Euro Aggregate Bond Fund – EUR [BBIGEIB LX] • Amiral Gestion Sextant Grand Large [AMSEGLA FP] • S&P 500 Daily Risk Control 5% Excess Return (USD) Index [SPXT5UE]

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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 trade transaction during the financial period under review.

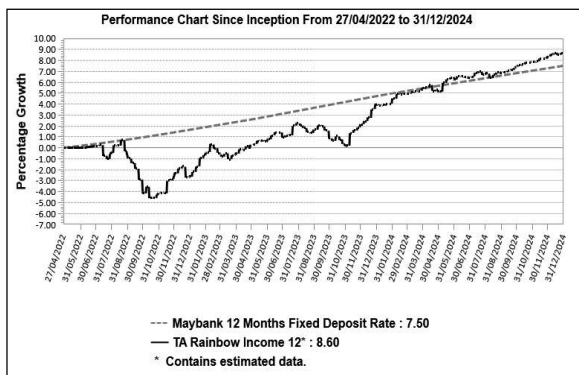
Analysis of Fund's Performance

	31/12/24	30/06/24	% Change
NAV/unit (RM)	1.0577	1.0641	-0.60
Total NAV (RM'000)	85,610	87,452	-2.11
Income Return (%)	Capital Return # (%)	Total Return (%)	
2.80	4.80	7.60	

Capital Return components:

- ❖ Fixed Income Instruments (ZNIDs and Bond)
- ❖ Derivative
- ❖ Cash

Performance Chart

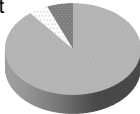
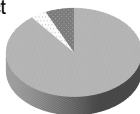


Source: Lipper Investment Management

Past performance is not necessarily indicative of future performance.

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Distribution/Unit Split	During the financial year, the Fund declared a gross distribution of 2.78 sen per unit on 04 July 2024.	
	The effect on NAV arising from the distribution for the financial period ended 31 December 2024 is as follows:	
	Date	04 July 2024
	NAV Before Distribution (RM)	1.0651
Asset Allocation	Gross Distribution (RM)	2.78 sen
	NAV After Distribution (RM)	1.0373
	31/12/24	30/06/24
	<p>Cash (Net of Liabilities) 6.25%</p> <p>Structured Product 2.77%</p>  <p>Fixed Income Instruments (ZNIDs and Bond) 90.98%</p>	<p>Cash (Net of Liabilities) 8.49%</p> <p>Structured Product 2.50%</p>  <p>Fixed Income Instruments (ZNIDs and Bond) 89.01%</p>
The Fund was primarily invested in Fixed Income Instruments (ZNIDs and Bond, "90.98%"), Structured Product (2.77%), and the remainder in Money Market/Cash (Net of Liabilities, "6.25%").		
Top Investment	As at 31/12/24	% NAV
	Fixed Income Instruments (ZNIDs and Bond)	90.98
	Structured Product	2.77
	As at 30/06/24	% NAV
	Fixed Income Instruments (ZNIDs and Bond)	89.01
	Structured Product	2.50

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

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Market Review

At the July 2024 Federal Open Market Committee (FOMC) meeting, which concluded on the last day of the month, the Federal Reserve (Fed) kept the policy rate unchanged as expected by market participants. The monetary policy statement, along with the Fed Chairman's press conference, highlighted the further disinflationary progress seen in recent economic data. They also communicated the central bank's increased attention to the risk of labour market weakness, which was widely interpreted by market participants as a dovish tilt.

Global markets appeared to have buckled under some stresses at the turn of August 2024 with the United States (US) markets causing the significant volatility. The widely expected first interest rate cut in the post-Covid era by the US Fed triggered an unexpected surge in withdrawal of investment funds from the US market. We believe this could be due to the huge unwinding of the US dollar (USD)-Japanese yen (JPY) carry trades and the subsequent massive fund flow movements.

In September 2024, the overall tone of the market appeared to be generally cautious given a series of unexpected global events ranging from the rising Middle East tensions, concern on US economic condition, the impending US Presidential elections to China's aggressive monetary stimulus policy, that will have significant impact on global fund flows and hence the stock market.

Thus far in October 2024, it had been generally a good year for the equity market despite the ongoing geopolitical tensions and uncertainties that the market had to experience. On a 10 months of 2024 (10M2024) year-to-date basis, we saw both the NASDAQ and Dow Jones Index charted a gain of 20.5% and 10.8%, respectively while Sensex (India) recorded 9.9% increase, 16.8% gain for Nikkei 225 as well as 10.1% for our FBM KLCI. Since sitting on some decent returns and with the holiday seasons ahead, it was not surprising that the global equity markets had been in a quiet mode. With this, investors were turning risk off for the rest of the year while awaiting the results of the US presidential election as clarity on the future policy direction under a new US president is crucial before making key investment decisions.

At the November 2024 FOMC meeting, which concluded two days after the US Election, the Fed cut the Fed Funds Rate (FFR) by 25 basis points (bps) to the range of 4.50%-4.75%, marking the second rate reduction in this rate cut cycle. In the FOMC statement, it commented that the risk to its employment and inflation goals are now "roughly in balance", implying the Committee's confidence in the ongoing disinflationary progress.

At the last FOMC meeting of the year in December 2024, the Fed cut the FFR by 25 bps to the range of 4.25%-4.50%, as anticipated. Its officials' forecast of rates path, however, showed only 50 bps of rate cuts expected in 2025 as compared to the previous forecast (in September 2024) of 100 bps. The updated economic forecast revised the 2025 core inflation forecast to 2.5% (from 2.2% previously) and growth to 2.5% (from 2.0%). The policy decision was thus interpreted by the market as a "hawkish cut". In the FOMC statement, the Fed stated that it is attentive to the risks to both its maximum employment and stable inflation mandates amidst an uncertain economic outlook.

(Source: TA Investment Management Berhad, as of 31 December 2024)

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A review of the underlying assets is as follows:

BlueBay Investment Grade Euro Aggregate Bond Fund – EUR

The fund is actively managed and targets better returns than its benchmark, the Bloomberg Euro Aggregate Index, while taking into account Environmental, Social and Governance (“ESG”) considerations.

There are no restrictions on the extent to which the fund's portfolio and performance may deviate from the ones of the benchmark. At least two-thirds of the fund's investments will be in fixed income bonds rated investment grade issued by entities based in European Union countries and the United Kingdom (UK) with a sovereign investment grade rating. Up to one-third of the fund's assets may be denominated in non-European currencies and the UK whose sovereign long term debt rating is investment grade. Up to 15% of the fund's assets may be invested in fixed income bonds rated below investment grade, provided that such bonds are not rated below B-/B3.

(Source: BlueBay Asset Management, as of 31 December 2024)

Amiral Gestion Sextant Grand Large

Sextant Grand Large is a diversified sub portfolio whose exposure to equities may vary from 0 to 100%, depending on the long-term valuation of the equity markets. Equities are then individually selected worldwide without any index reference. The remaining assets are invested in bonds selected on the same basis, and in money market products.

(Source: Amiral Gestion S.A., as of 31 December 2024)

S&P 500 Daily Risk Control 5% Excess Return Index

The index relies on S&P 500 methodology and overlays mathematical algorithms to maintain specific volatility targets. Index exposure is dynamically rebalanced based on observed S&P 500 historic volatility to maintain the 5% volatility target.

(Source: S&P Global, as of 31 December 2024)

Market Outlook And Investment Strategy

We maintain the view of limited upside risk to overnight policy rate (OPR), consensus estimate: no change at 3.00% in 2025, given Bank Negara Malaysia's remarks in the past few Monetary Policy Committee meetings. Meanwhile, the supply-side risk factors on inflation remain with ongoing geopolitical conflicts, as well as planned rollout of the Government's subsidies rationalisation initiatives. We consider current market valuation of government bonds fair, especially for investors with a longer investment horizon, and would prefer entry during times of market weakness. On relative valuation basis, we prefer positioning in the front end and belly of the yield curve. In the meanwhile, headline and US Treasury-driven market volatility continue to provide trading opportunities.

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In terms of Malaysian Ringgit corporate bonds, we expect the pipeline for primary corporate bond issuances to slow down towards year-end, while demand remains resilient. We would recommend short to neutral duration positioning, selective primary issuances participation and/or entry at times of market weakness. We prefer credits with strong balance sheets, proven execution capability, and financial discipline amidst uncertain macroeconomic prospect.

(Source: TA Investment Management Berhad, as of 31 December 2024)

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 financial period under review.

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(For the financial period ended 31 December 2024)

TRUSTEE'S REPORT

TO THE UNIT HOLDERS OF TA RAINBOW INCOME FUND 12 ("Fund")

We have acted as Trustee of the Fund for the financial period ended 31 December 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 Unit Trust Funds;
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.

We are of the opinion that the distribution of income by the Fund is appropriate and reflects the investment objective of the Fund.

For and on behalf of

CIMB Commerce Trustee Berhad

Datin Ezreen Eliza binti Zulkiplee

Chief Executive Officer

Kuala Lumpur, Malaysia

21 February 2025

TA Rainbow Income Fund 12

(For the financial period ended 31 December 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 unaudited financial statements set out on pages 12 to 26, are drawn up so as to give a true and fair view of the financial position of TA RAINBOW INCOME FUND 12 as at 31 December 2024 and of its unaudited financial performance and unaudited cash flows for the financial period ended on that date in accordance with MFRS Accounting Standards as issued by the Malaysian Accounting Standards Board ("MFRS Accounting Standards") and IFRS Accounting Standards as issued by the International Accounting Standards Board ("IFRS Accounting Standards").

On behalf of the Manager,

CHOO SWEE KEE

MOHAMMED A'REEFF BIN ABDUL KHALID

Kuala Lumpur, Malaysia
21 February 2025

TA Rainbow Income Fund 12

(For the financial period ended 31 December 2024)

UNAUDITED STATEMENT OF COMPREHENSIVE INCOME FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2024

		01.07.2024 to 31.12.2024 RM	01.07.2023 to 31.12.2023 RM
	Note		
INCOME			
Interest income		1,578,976	1,460,929
Other income		38,969	65,721
Net income on:			
-financial assets at fair value through profit or loss ("FVTPL")	8	<u>133,657</u>	<u>1,045,909</u>
		<u>1,751,602</u>	<u>2,572,559</u>
EXPENSES			
Trustee's fee	5	17,320	17,227
Auditors' remuneration		5,050	5,250
Tax agent's fee		2,250	1,620
Administrative fees and expenses		<u>741</u>	<u>4,178</u>
		<u>25,361</u>	<u>28,275</u>
Net income before tax		1,726,241	2,544,284
Less: Income tax expense	7	<u>(7,087)</u>	<u>-</u>
Net income after tax, representing total comprehensive income for the financial period		<u>1,719,154</u>	<u>2,544,284</u>
Net income after tax is made up of the following:			
Net realised income		1,583,897	1,592,359
Net unrealised income		<u>135,257</u>	<u>951,925</u>
		<u>1,719,154</u>	<u>2,544,284</u>
Distribution for the financial period:			
Net distribution	10	<u>2,282,042</u>	<u>-</u>
Net distribution per unit (sen)	10	<u>2.78</u>	<u>-</u>

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

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(For the financial period ended 31 December 2024)

UNAUDITED STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2024

	Note	31.12.2024 RM	30.06.2024 RM
ASSETS			
Investments	8	80,257,803	80,026,135
Deposit with a financial institution		4,850,066	4,636,642
Amount due from a stockbroker		-	2,298,196
Interest receivable		513,435	512,727
Cash at bank		17,595	23,491
TOTAL ASSETS		85,638,899	87,497,191
LIABILITIES			
Amount due to the Manager		-	20,670
Amount due to Trustee		2,900	2,678
Tax Payable		4,089	-
Other payables and accruals		21,800	22,533
TOTAL LIABILITIES		28,789	45,881
EQUITY			
Unitholders' capital	11(a)	80,830,272	82,066,670
Retained earnings	11(b),(c)	4,779,838	5,384,640
NET ASSET VALUE ("NAV")			
ATTRIBUTABLE TO UNITHOLDERS		85,610,110	87,451,310
TOTAL EQUITY AND LIABILITIES		85,638,899	87,497,191
NUMBER OF UNITS IN CIRCULATION	11(a)	80,942,275	82,167,850
NAV PER UNIT		1.0577	1.0641

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

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(For the financial period ended 31 December 2024)

UNAUDITED STATEMENT OF CHANGES IN NET ASSET VALUE FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2024

	Unitholders' capital Note 11(a) RM	Retained earnings Note 11(b) and (c) RM	Total NAV RM
At 01 July 2023	85,939,620	803,658	86,743,278
Total comprehensive income for the period	-	2,544,284	2,544,284
Cancellation of units	(2,141,693)	-	(2,141,693)
At 31 December 2023	<u>83,797,927</u>	<u>3,347,942</u>	<u>87,145,869</u>
At 01 July 2024	82,066,670	5,384,640	87,451,310
Total comprehensive income for the period	-	1,719,154	1,719,154
Cancellation of units	(1,278,312)	-	(1,278,312)
Distribution (Note 10)	41,914	(2,323,956)	(2,282,042)
At 31 December 2024	<u>80,830,272</u>	<u>4,779,838</u>	<u>85,610,110</u>

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

TA Rainbow Income Fund 12

(For the financial period ended 31 December 2024)

UNAUDITED STATEMENT OF CASH FLOWS FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2024

	01.07.2024 to 31.12.2024 RM	01.07.2023 to 31.12.2023 RM
CASH FLOWS FROM OPERATING AND INVESTING ACTIVITIES		
Proceed from sales from investments	2,201,785	93,984
Purchase of investments	(1,600)	(25,559)
Interest received	1,578,268	1,440,570
Other income received	38,969	65,721
Trustee's fee paid	(17,098)	(17,337)
Tax paid	(7,087)	-
Payments for other fees and expenses	<u>(4,685)</u>	<u>(14,178)</u>
Net cash generated fom operating and investing activities	<u>3,788,552</u>	<u>1,543,201</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Cash paid for units cancelled	(1,298,982)	(2,190,688)
Cash paid on distribution	<u>(2,282,042)</u>	
Net cash used in financing activities	<u>(3,581,024)</u>	<u>(2,190,688)</u>
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	207,528	(647,487)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE FINANCIAL PERIOD	<u>4,660,133</u>	<u>5,498,259</u>
CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL PERIOD	<u>4,867,661</u>	<u>4,850,772</u>
CASH AND CASH EQUIVALENTS COMPRISE:		
Cash at bank	17,595	21,767
Deposit with financial institution	<u>4,850,066</u>	<u>4,829,005</u>
Cash and cash equivalents	<u>4,867,661</u>	<u>4,850,772</u>

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

TA Rainbow Income Fund 12

(For the financial period ended 31 December 2024)

NOTES TO THE UNAUDITED FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2024

1. THE FUND, THE MANAGER AND THEIR PRINCIPAL ACTIVITIES

TA Rainbow Income Fund 12 ("the Fund") was constituted pursuant to the execution of a Deed of Trust ("the Deed") dated 31 March 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 7 of the deed, which include derivative product, bonds, Negotiable Instrument and money market instruments. The Fund commenced its operations on 27 April 2022 and will continue its operations until terminated by the Trustee as provided under Clause 12 of the deed. The Fund is a close-ended fund maturing on the third (3rd) anniversary of the Commencement Date.

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

2. BASIS OF PREPARATION

(a) Statement of Compliance

The financial statements of the Fund have been prepared in accordance with MFRS Accounting Standards as issued by the Malaysian Accounting Standards Board ("MFRS Accounting Standards") and IFRS Accounting Standards as issued by International Accounting Standards Board ("IFRS Accounting Standards").

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

MFRS Accounting Standards, 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*

MFRS Accounting Standards, 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*

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2. BASIS OF PREPARATION (CONTD.)

(a) Statement of Compliance (contd.)

MFRS Accounting Standards, interpretations and amendments effective for annual periods beginning on or after 1 January 2026

- Amendments to MFRS 9, *Financial Instruments* and MFRS 7, *Financial Instruments: Disclosures – Classification and Measurement of Financial Instruments*

MFRS Accounting Standards, interpretations and amendments effective for annual periods beginning on or after 1 January 2027

- MFRS 18, *Presentation and Disclosure in Financial Statements*
- MFRS 19, *Subsidiaries without Public Accountability: Disclosures*

MFRS Accounting Standards, 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 above mentioned accounting standards, interpretations and amendments:

- from the annual period beginning on 1 July 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 July 2025 for the amendments that are effective for annual periods beginning on or after 1 January 2025.
- from the annual period beginning on 1 July 2026 for those amendments that are effective for annual periods beginning on or after 1 January 2026.
- from the annual period beginning on 1 July 2027 for the accounting standard that is effective for annual periods beginning on or after 1 January 2027, except for MFRS 19 which is not applicable to the Fund.

The initial application of the above mentioned 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") which are measured at their fair value.

TA Rainbow Income Fund 12

(For the financial period ended 31 December 2024)

2. BASIS OF PREPARATION (CONTD.)

(c) Functional and presentation currency

The financial statements are presented in Ringgit Malaysia ("RM"), which is the Fund's functional currency.

(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 June 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.

TA Rainbow Income Fund 12

(For the financial period ended 31 December 2024)

4. MANAGER'S FEE

No manager's fee is imposed on this Fund.

5. TRUSTEE'S FEE

Trustee's fee is computed on a daily basis at 0.04% (2023:0.04%) per annum of the NAV of the Fund, subject to minimum of RM6,000 per annum calculated and accrued daily (excluding foreign custodian fees and charges).

6. REDEMPTION CHARGE (EXIT FEE)

A charge of 3% of the NAV of the Fund for early redemption by unitholders before the Fund's maturity date.

7. 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. Interest and other income derived from sources outside Malaysia are exempted from Malaysian income tax. However, such income may be subject to tax in the country from which they were derived.

In accordance with Schedule 6 of the Income Tax Act 1967, interest income earned by the Fund is exempted from Malaysian tax.

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:

	01.07.2024 to 31.12.2024 RM	01.07.2023 to 31.12.2023 RM
Net income before tax	<u>1,726,241</u>	<u>2,544,284</u>
Taxation at Malaysian statutory rate of 24%	414,298	610,628
Effects of interest and other income not subject to tax	(411,032)	(366,396)
Effects of loss and expenses not deductible for tax purposes	4,875	(245,492)
Restriction on tax deductible expenses for unit trust funds	1,212	1,260
Underprovision prior years	<u>(2,266)</u>	<u>-</u>
Income tax expense for the financial period	<u>7,087</u>	<u>-</u>

TA Rainbow Income Fund 12

(For the financial period ended 31 December 2024)

8. INVESTMENTS

	31.12.2024 RM	30.06.2024 RM
Financial assets at FVTPL:		
Unquoted structured product outside Malaysia	2,369,803	2,185,485
Unquoted Zero-coupon Negotiable Instrument of Deposit ("ZNID") in Malaysia	14,706,900	14,414,250
Unquoted bond in Malaysia	63,181,100	63,426,400
	<u>80,257,803</u>	<u>80,026,135</u>
Net income on financial assets at FVTPL comprises:		
Net realised (loss)/income	(1,600)	345,516
Net unrealised income on changes in fair value	135,257	1,054,010
	<u>133,657</u>	<u>1,399,526</u>

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

(a) Unquoted structured products outside Malaysia

Issuer Name	Quantity	Cost RM	Fair Value RM	% of NAV %
BNP Paribas 3Y USD Warrant Basket of Funds and Index	4,700	1,923,283	2,369,803	2.77
Total unquoted structured products outside outside Malaysia	<u>4,700</u>	<u>1,923,283</u>	<u>2,369,803</u>	<u>2.77</u>

(b) Unquoted Zero-coupon Negotiable Instrument of Deposit ("ZNID") in Malaysia

Issuer Bank	Notional Amount RM	Cost RM	Indicative Value RM	% of NAV %
Hong Leong Bank Bhd (23/06/2025)	15,000,000	14,730,000	14,706,900	17.18
Total unquoted ZNIDs in Malaysia	<u>15,000,000</u>	<u>14,730,000</u>	<u>14,706,900</u>	<u>17.18</u>

TA Rainbow Income Fund 12

(For the financial period ended 31 December 2024)

8. INVESTMENTS (CONTD.)

(c) Unquoted bond in Malaysia

Issuer Bank	Quantity Units	Cost RM	Fair Value RM	% of NAV %
Benih Restu IMTN 4.62% 05/06/2025	10,000,000	10,020,406	10,042,100	11.73
MGS 1/2018 3.882% 14/03/2025	13,000,000	13,009,684	13,016,250	15.20
PASB IMTN (GG) 4.56% 06/06/2025 - Issue No.35	15,000,000	15,046,802	15,076,050	17.61
Public MTN 2557D 4.60 % 09/04/2025	10,000,000	10,016,911	10,025,700	11.71
Toyota Cap MTN 1827D 3.60 % 27/02/2025	5,000,000	4,995,479	4,999,900	5.84
Westsports IMTN 4.43% 01/04/2025	10,000,000	10,013,584	10,021,100	11.71
Total Unquoted Bond In Malaysia	63,000,000	63,102,866	63,181,100	73.80
TOTAL FINANCIAL ASSETS AT FVTPL	78,004,700	79,756,149	80,257,803	93.75
EXCESS OF FAIR VALUE OVER COST			501,654	

9. DEPOSIT WITH A FINANCIAL INSTITUTION

	31.12.2024 RM	30.06.2024 RM
Placement with a licensed bank	4,850,066	4,636,642

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

	WAEIR (% p.a.)		Average Remaining Maturity (Days)	
	31.12.2024	30.06.2024	31.12.2024	30.06.2024
Short-term placement	2.93	3.46	2	42

TA Rainbow Income Fund 12

(For the financial period ended 31 December 2024)

10. DISTRIBUTION

Distribution paid to unitholders during the financial period was as follows:

Declaration Date	Unit In Circulation	Gross Distribution Per Unit (Sen)	Net Distribution Per Unit (Sen)	Distribution Amount (RM)
04.07.2024	82,087,850	2.78	2.78	2,282,042
		2.78	2.78	2,282,042
				31.12.2024
				RM
Interest income				2,719,683
Net realised loss on sale of investment				(333,027)
				<u>2,386,656</u>
Expenses				(62,700)
Distribution out of realised reserve				<u>2,323,956</u>
Distribution equalisation				(41,914)
Distribution for the financial period				<u>2,282,042</u>
Analysed as:				
Cash distribution				2,282,042
Reinvestment of units				-
				<u>2,282,042</u>
<u>Final distribution:</u>				
Gross/Net distribution per unit (sen)				<u>2.78</u>

The distribution was made from the current financial period's realised gains as at the point of time of distribution declaration.

TA Rainbow Income Fund 12

(For the financial period ended 31 December 2024)

11. NET ASSET VALUE ATTRIBUTABLE TO UNITHOLDERS

	Note	31.12.2024 RM	30.06.2024 RM
Unitholders' capital	(a)	80,830,272	82,066,670
Retained earnings			
- Realised reserve	(b)	4,277,619	5,017,678
- Unrealised income	(c)	502,219	366,962
		<u>85,610,110</u>	<u>87,451,310</u>

(a) Unitholders' capital

	31.12.2024		30.06.2024	
	No of units	RM	No of units	RM
At beginning of the financial period/year	82,167,850	82,066,670	85,939,796	85,939,620
Cancellation of units	(1,225,575)	(1,278,312)	(3,771,946)	(3,872,950)
Distribution equalisation	-	41,914	-	-
At end of the financial period/year	<u>80,942,275</u>	<u>80,830,272</u>	<u>82,167,850</u>	<u>82,066,670</u>

(b) Realised reserve

	31.12.2024 RM	30.06.2024 RM
At beginning of the financial period/year	5,017,678	1,490,706
Distribution out of realised reserve (Note 10)	(2,323,956)	-
Net realised income for the financial period/year	<u>1,583,897</u>	<u>3,526,972</u>
At end of the financial period/year	<u>4,277,619</u>	<u>5,017,678</u>

The realised gains and losses on sale of investments are measured as the difference between the net disposal proceeds and the carrying amount of the investments. The carrying amount for determining the realised gains and losses on sale of investments is based on the weighted average cost method.

(c) Unrealised income

	31.12.2024 RM	30.06.2024 RM
At beginning of the financial period/year	366,962	(687,048)
Net unrealised income for the financial period/year	<u>135,257</u>	<u>1,054,010</u>
At end of the financial period/year	<u>502,219</u>	<u>366,962</u>

Unrealised gains and losses comprise changes in the fair value of financial instruments for the period and from reversal of prior period's unrealised gains and losses for financial instruments which were realised (i.e. sold, redeemed or matured) during the financial period.

TA Rainbow Income Fund 12

(For the financial period ended 31 December 2024)

12. TOTAL EXPENSE AND PORTFOLIO TURNOVER RATIOS

(a) Total Expense Ratio

The total expense ratio for the financial period ended 31 December 2024 is 0.03% (2023: 0.03%). This ratio represents total expenses expressed as an annualised percentage of the Fund's average NAV, calculated on a daily basis. Brokerage and other transaction fees on financial assets at FVTPL are trading related and are not classified as expenses.

(b) Portfolio Turnover Ratio

The portfolio turnover ratio for the financial period ended 31 December 2024 is NIL (2023: NIL). This ratio represents the average of the total acquisitions and disposals of the Fund for the financial period over the average NAV of the Fund for the financial period calculated on a daily basis.

13. TRANSACTIONS WITH BROKER OR DEALER

Details of transactions with the brokers or dealer during the financial period are as follows:

Name of brokers/dealer	Percentage	
	Value of trade RM	to total value of trade %
BNP Paribas	37,647	100.00

14. SEGMENT INFORMATION

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 Guidelines of the Fund. The Fund is managed by two segments:

- A portfolio of structured products; and
- A portfolio of fixed income instruments, including ZNID.

The investment objective is to provide income whilst preserving capital on Maturity Date. There have been no changes in reportable segments in the current financial period.

TA Rainbow Income Fund 12

(For the financial period ended 31 December 2024)

15. FINANCIAL RISK AND MANAGEMENT OBJECTIVES AND POLICIES

The Fund is exposed to a variety of financial risks, which include economic risk, special and emerging market risk, credit and settlement risk, liquidity risk, currency risk and repatriation risk. The overall objective of financial risk management is to mitigate capital losses, ensure preservation of value and minimise erosion of capital.

Risk management is carried out through strict adherence to the Manager's internal policies and control procedures and also to the powers and restrictions vested by the regulators as contained in the Securities Commission's Guidelines on Unit Trust Funds ("the Guidelines").

(a) Economic Risk

Prospective investors should be aware that the price of units and the income from their investments may go down or up in response to changes in interest rate, foreign exchange, economic and political conditions and the earnings of corporations making up in the portfolio of the Fund. Economic risk is managed through portfolio diversification and asset allocation and monitoring of investment portfolio by professional fund manager and the investment committee, with the aim to minimise securities exposure in the event of anticipated market weaknesses.

(b) Credit/Default 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 an 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 profit, principal and proceeds from realisation of investments. These credit exposures exist within financing relationships, derivatives and other transactions.

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 enter into financial instruments with reputable counterparties. The Manager also closely monitors the creditworthiness of the Fund's counterparties (e.g. issuer, custodian, bank, etc) by reviewing their credit ratings and credit profile on a regular basis.

(c) Interest Rate Risk

The risk refers to the exposure of the Fund's assets to movements in interest rates. In this regards, the Fund's exposure to the interest rate risk is mainly confined to the fixed income securities prices and deposits placement with financial institutions.

The reason for this is because a high level of interest rates will inevitably effect corporate profits and this will have an impact on the value of equity and the demand for fixed income securities.

TA Rainbow Income Fund 12

(For the financial period ended 31 December 2024)

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

(d) Structured Products Risks

The value of the structured products or options is affected by a number of market factors. Hence, before redeeming or closing out on an investment in the Fund, unitholders should carefully consider the factors such as the value, expected price volatility of the underlying asset or index, the time remaining to maturity, the level of prevailing interest rate, the depth of the market or liquidity of any underlying asset over the underlying index, and change in currency exchange rates and related transaction costs.

It is not possible to predict it and to what extent a secondary market may develop in any over-the-counter (off-exchange) structured products or at what price such structured products will trade in the secondary market or whether such market will be liquid or illiquid. Although the structured product seller has undertaken to trade the structured products in the secondary market, there is no assurance that secondary market prices will reflect fair market value or what unitholders deem to be fair value. Dealing in over-the-counter instruments may involve greater risks than dealing in exchange-traded instruments. The price at which the structured products will trade will be dependent on market conditions, which are beyond the Manager's control.

Market volatility reflects the degree of instability and expected instability of the performance of the underlying asset or index. The level of market volatility is not purely a measurement of the actual volatility, but is largely determined by the prices for instruments which offer investors protection against such market volatility. The prices of these instruments are determined by forces of supply and demand in the structured products markets generally. These forces are, themselves, affected by factors such as actual market volatility, expected volatility, macro economic factors and speculation.

16. COMPARATIVE FIGURES

The current period's figures and comparative figures are presented as follow:

- The Statement of Fund Financial Position and its relevant notes are as at 31 December 2024 and 30 June 2024, respectively.
- The Statement of Comprehensive Income, Statement of Changes in Net Asset Value and Statement of Cash Flows and its relevant notes are for the period from 1 July 2024 to 31 December 2024 and 1 July 2023 to 31 December 2023 respectively.

17. UNAUDITED ACCOUNT

The financial accounts for the financial period ended 31 December 2024 are unaudited.

TA Rainbow Income Fund 12

(For the 6 months ended 31 December 2024)

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 / Executive Director) Mr. Choo Swee Kee (Non-Independent / 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 (Registration Number: 199401027349 (313031-A)) 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 Rainbow Income Fund 12

(For the 6 months ended 31 December 2024)

Corporate Information (cont'd)

Management Staff	Wong Mien Chief Executive Officer	Ch'ng Soon Kim Compliance Officer
	Tee Ling Ling Deputy Chief Executive Officer	Alicia Khor Head of Operations
	Joey Pang Ching Yi Chief Marketing Officer	Lee Shi Chuan Head of IUTA
	Sammi Lim Shuey Shya Head of Product Research & Development	Rachel Lew Yen Peng Head of Corporate & Institutional Business
	Ranizaz Bin Mohd Razali Head of Agency	Nor Yuhana Binti Mohd Kamal Head of Marketing
	Lucy Magdalene Lourdes Head of Customer Service	
Investment Team	Choo Swee Kee Chief Investment Officer	John Ng Jiunn Yuan Head of Fixed Income
	Vivien Loh Jee Wae Assistant Vice President	Mohammad Hafiz Bin Mahmud Fund Manager
	Lam Chee Mun Fund Manager	
Head Office	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: http://www.tainvest.com.my	
	E-mail: investor.taim@ta.com.my	

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
Melaka Business Centre	57A, Jalan Merdeka Taman Melaka Raya 75000 Melaka Tel: 06-2882 687
Penang Business Centre	15-1-8, Bayan Point Medan Kampung Relau 11900 Pulau Pinang Tel: 04-6459 801 Fax: 04-6119 805
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