

SEMI-ANNUAL REPORT

TA RAINBOW INCOME FUND 13

For the 6 months ended
30 April 2023



TA INVESTMENT
A MEMBER OF THE TA GROUP

199501011387 (340588-T)

TA Rainbow Income Fund 13

(For the financial period ended 30 April 2023)

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TA Rainbow Income Fund 13

(For the financial period ended 30 April 2023)

Key Performance Data

Since the
Fund Launch
06/07/22 to 30/04/23

PORTFOLIO COMPOSITION (% OF NAV)

Fixed Income Instruments (ZNIDs and Bond)	86.27
Structured Product	5.63
Cash (Net of Liabilities)	8.10
Total Investment	100.00

Total Net Asset Value (RM'000)	52,481
Units In Circulation (Units '000)	52,260
Net Asset Value Per Unit (RM)	1.0042
Total Expense Ratio (TER) (%)	0.05
Portfolio Turnover Ratio (PTR) (times)	0.74

UNIT PRICES

NAV Per Unit (RM)	1.0042
Highest NAV Per Unit for the Period (RM)	1.0045
Lowest NAV Per Unit for the Period (RM)	0.9645

TOTAL RETURN (%)

Capital Return	0.40
Income Return	-
Total Return of Fund	0.40
Total Return of the Benchmark	2.20

AVERAGE TOTAL RETURN (%)

	Fund	Benchmark
Period		
Since Inception (06/07/2022 to 30/04/2023)	0.49	2.70

ANNUAL TOTAL RETURN (%)

	Fund	Benchmark
Period		
Since Inception (06/07/2022 to 30/04/2023)	0.40	2.20

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.

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

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

N^1 = NAV on the end of the period

N^2 = NAV on the beginning of the period

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

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

N^3 = Number of periods per year

N^4 = Total number of periods

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

TA Rainbow Income Fund 13

(For the financial period ended 30 April 2023)

Manager's Report

TA Rainbow Income Fund 13

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)
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 financial period under review. For the period since its inception up to 28 April 2023, the Fund had a total return of 0.40%, underperforming the benchmark which had a performance of 2.20%.</p> <p>The Fund invested in structured products linked to the performance of the following underlying assets:</p> <ul style="list-style-type: none">• DWS Concept Kaldemorgen-LC [DWSKALC LX]• Allianz US Short Duration High Income Bond [AUSSDAM LX]• S&P 500 Daily Risk Control 10% USD Total Return Index [SPXT10UT] <p>TA Rainbow Income Fund 13's first observation date is on 30th August 2023.</p>

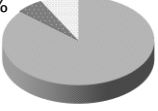
TA Rainbow Income Fund 13

(For the financial period ended 30 April 2023)

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	30/04/23	06/07/22	% Change	
	NAV/unit (RM)	1.0042	1.0000	0.42
	Total NAV (RM'000)	52,481	-	-
	Income Distribution (%)	Capital Return # (%)	Total Return (%)	
	-	0.40	0.40	
	# Capital Return components:			
	❖ Fixed Income Instruments (ZNIDs and Bond)			
	❖ Derivative			
	❖ Cash			
Performance Chart				
	<p>Source: Lipper Investment Management Past performance is not necessarily indicative of future performance.</p>			
Distribution/Unit Split	None were declared for the period under review 30 April 2022.			

TA Rainbow Income Fund 13

(For the financial period ended 30 April 2023)

Asset Allocation	30/04/23	06/07/22
	<div style="display: flex; justify-content: space-around;"> <div style="text-align: center;"> <p>Structured Product 5.63%</p>  <p>Fixed Income Instruments (ZNIDs and Bond) 86.27%</p> </div> <div style="text-align: center;"> <p>Cash (Net of Liabilities) 8.10%</p> </div> </div> <p>The Fund was primarily invested in Fixed Income Instruments (ZNIDs and Bond, 86.27%), Structured Product issued by BNP Paribas S.A. (5.63%) and the remainder in Cash (Net of Liabilities).</p>	Not Available
Top Investment	As at 30/04/23	% NAV
	Fixed Income Instruments (ZNIDs and Bond)	86.27
	Structured Product	5.63
	As at 06/07/22	% NAV
	Nil	Nil

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

TA Rainbow Income Fund 13

(For the financial period ended 30 April 2023)

Market Review

The period under review as of April 2023 proved to be challenging for equities, as markets grappled with the United States (US) Federal Reserve's (Fed) hawkish stance in a monetary tightening cycle spanning the globe. Continued geopolitical uncertainties over the Russia-Ukraine conflict, elevated tensions between the US and China, as well as the further outbreaks of the Coronavirus Disease of 2019 (COVID-19) in China impacted market sentiments, while global inflation rates continued to rise unabated.

China's loosening of its COVID-19 restrictions in December 2022 which included removal of testing requirements, earlier than the March 2023 to April 2023 timeline widely anticipated by market participants led to a relatively strong start for markets in 2023 with increased expectations of peaking interest rates, while inflationary pressures showed some signs of subsiding as per the latest economic data released from the US. The volatile market saw all three of the Fund's underlying assets retracing earlier gains and closing below the strike level / initial price.

DWS Concept Kaldemorgen-LC

As of 28 April 2023, net equity exposure remained almost unchanged at around 40%. The allocation was balanced across the Information technology (IT), Cyclical, Defensive and Infrastructure sectors. In terms of the bond segment, the allocation to US government bonds persisted due to the increased yield and as a means of diversification. With regards to the US dollar, we increased the positioning again to just under 25% after the significant devaluation since the fall of 2022. Gold, other currencies and other alternative strategies remained unchanged, apart from changes in market value.

(Source: DWS Concept Kaldemorgen LC as of 28 April 2023)

Allianz US Short Duration High Income Bond

The fund concentrates on high-yielding US bonds with short duration. The aim is to attain above average income at below average volatility. At least 70 % of fund assets have to be invested in high-yielding securities (upon purchase). Non-USD currency exposure exceeding 20 % of fund assets is to be hedged against US-Dollars. Sustainability aspects are taken into account by the fund management.

(Source: Allianz Global Investors GmbH, as of 28 April 2023)

S&P 500 Daily Risk Control 10% USD Total Return Index

The index relied 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 10% volatility target.

(Source: S&P Global, as of 28 April 2023)

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(For the financial period ended 30 April 2023)

Economic Outlook

Recent trends in US inflation data that showed easing numbers bode well for the economy and market. The May 2023 hike in interest rate to 5% brought US interest rates to a 16-year high, but already in line with inflation. With parity achieved, we see an imminent end to this interest rate hike cycle. The case in support of a market recovery is slowly building up, but first, the authorities or government must stamp out other associated issues such as bank losses, shrinking liquidity, and economic slowdown that arose as a result of the rapid rise in interest rates. The market likely just needs time for all economic activities to catch up and adapt to the current interest rate level.

Market Outlook And Investment Strategy

For the Fixed Income portion, after Bank Negara Malaysia's (BNM) latest Overnight Policy Rate (OPR) hike to 3.00% at the May 2023 Monetary Policy Committee (MPC) meeting, upside risks remain for domestic inflation and the OPR, due to the prospect of a removal of government subsidies in the second half of 2023. As current bond yields are pricing in the OPR of 3.00%, it presents an unfavorable near-term risk-return profile. However, for time horizons above 12 months, the rising recession risk indicates that current bond yields still provide value and capital gains potential for long-term investors. In the meanwhile, headline and UST-driven market volatility can provide trading and attractive market entry opportunities.

In terms of MYR corporate bonds, we expect credit spreads to narrow, and onshore appetite for corporate bonds supply to remain strong in the second quarter of 2023. We recommend gradually extending duration through 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 weakening macroeconomic prospect.

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 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.

TA Rainbow Income Fund 13

(For the financial period ended 30 April 2023)

TRUSTEE'S REPORT TO THE UNIT HOLDERS OF TA RAINBOW INCOME FUND 13 ("Fund")

We have acted as Trustee of the Fund for the financial period from 06 July 2022 (date of launch) to 30 April 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 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.

For and on behalf of
CIMB Commerce Trustee Berhad

Datin Ezreen Eliza binti Zulkiplee
Chief Executive Officer

Kuala Lumpur, Malaysia
23 June 2023

TA Rainbow Income Fund 13

(For the financial period ended 30 April 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 unaudited financial statements set out on pages 11 to 30, are drawn up in accordance with Malaysian Financial Reporting Standard ("MFRS") 134 Interim Financial Reporting so as to give a true and fair view of the financial position of TA RAINBOW INCOME FUND 13 as at 30 April 2023 and of its unaudited financial performance and unaudited cash flows for the financial period then ended.

On behalf of the Manager,

CHOO SWEE KEE

MOHAMMED A'REEFF BIN ABDUL KHALID

Kuala Lumpur, Malaysia
23 June 2023

TA Rainbow Income Fund 13

(For the financial period ended 30 April 2023)

UNAUDITED STATEMENT OF COMPREHENSIVE INCOME FOR THE FINANCIAL PERIOD FROM 06 JULY 2022 (DATE OF LAUNCH) TO 30 APRIL 2023

		06.07.2022 to 30.04.2023 RM
	Note	
INCOME		
Interest income		1,399,965
Other income		1,185
Net loss on:		
-financial assets at fair value through profit or loss ("FVTPL")	7	<u>(1,156,451)</u>
		<u>244,699</u>
EXPENSES		
Trustee's fee	4	15,595
Auditors' remuneration		6,000
Tax agent's fee		2,160
Administrative fees and expenses		<u>644</u>
		<u>24,399</u>
Net income before tax		220,300
Less: Income tax expense	6	<u>-</u>
Net income after tax, representing total comprehensive income for the financial period		<u>220,300</u>
Net income after tax is made up of the following:		
Net realised income		1,196,831
Net unrealised loss		<u>(976,531)</u>
		<u>220,300</u>

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

TA Rainbow Income Fund 13

(For the financial period ended 30 April 2023)

UNAUDITED STATEMENT OF FINANCIAL POSITION AS AT 30 APRIL 2023

	Note	30.04.2023 RM
ASSETS		
Investments	7	48,227,771
Deposit with a financial institution		3,787,186
Interest receivable		451,924
Cash at bank		25,495
TOTAL ASSETS		52,492,376
LIABILITIES		
Amount due to Trustee		3,364
Other payables and accruals		8,160
TOTAL LIABILITIES		11,524
EQUITY		
Unitholders' capital	9(a)	52,260,552
Retained earnings	9(b),(c)	220,300
NET ASSET VALUE ("NAV")		52,480,852
ATTRIBUTABLE TO UNITHOLDERS		52,480,852
TOTAL EQUITY AND LIABILITIES		52,492,376
NUMBER OF UNITS IN CIRCULATION	9(a)	52,259,774
NAV PER UNIT		1.0042

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

TA Rainbow Income Fund 13

(For the financial period ended 30 April 2023)

UNAUDITED STATEMENT OF CHANGES IN NET ASSET VALUE FOR THE FINANCIAL PERIOD FROM 06 JULY 2022 (DATE OF LAUNCH) TO 30 APRIL 2023

	Unitholders' capital Note 9(a) RM	Retained earnings Note 9(b) and (c) RM	Total NAV RM
At 06 July 2022	-	-	-
Total comprehensive income for the period	-	220,300	220,300
Creation of units	55,737,293	-	55,737,293
Cancellation of units	(3,476,741)	-	(3,476,741)
At 30 April 2023	<u>52,260,552</u>	<u>220,300</u>	<u>52,480,852</u>

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

TA Rainbow Income Fund 13

(For the financial period ended 30 April 2023)

UNAUDITED STATEMENT OF CASH FLOWS FOR THE FINANCIAL PERIOD FROM 06 JULY 2022 (DATE OF LAUNCH) TO 30 APRIL 2023

	06.07.2022 to 30.04.2023 RM
CASH FLOWS FROM OPERATING AND INVESTING ACTIVITIES	
Proceed from sales from investments	-
Purchase of investments	(49,384,222)
Interest received	948,041
Other income received	1,185
Trustee's fee paid	(12,231)
Payments for other fees and expenses	(644)
Net cash used in operating and investing activities	<u>(48,447,871)</u>
CASH FLOWS FROM FINANCING ACTIVITIES	
Cash received from units created	55,737,293
Cash paid for units cancelled	(3,476,741)
Net cash generated from financing activities	<u>52,260,552</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	3,812,681
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE FINANCIAL PERIOD	<u>-</u>
CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL PERIOD	<u><u>3,812,681</u></u>
CASH AND CASH EQUIVALENTS COMPRISE:	
Cash at bank	25,495
Deposit with financial institution	3,787,186
Cash and cash equivalents	<u><u>3,812,681</u></u>

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

TA Rainbow Income Fund 13

(For the financial period ended 30 April 2023)

NOTES TO THE UNAUDITED FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD FROM 06 JULY 2022 (DATE OF LAUNCH) TO 30 APRIL 2023

1. THE FUND, THE MANAGER AND THEIR PRINCIPAL ACTIVITIES

TA Rainbow Income Fund 13 ("the Fund") was constituted pursuant to the execution of a Deed of Trust ("the Deed") dated 07 June 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 06 July 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. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of Preparation

(a) Statement of Compliance

The financial statements of the Fund have been prepared in accordance with Malaysian Financial Reporting Standards ("MFRS") and International Financial Reporting Standards ("IFRS"), collectively known as the "Standards".

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

MFRSs, interpretations and amendments effective for annual periods beginning on or after 1 January 2022

- Amendments to MFRS 1, *First-time Adoption of Malaysian Financial Reporting Standards (Annual Improvements to MFRS Standards 2018–2020)*

TA Rainbow Income Fund 13

(For the financial period ended 30 April 2023)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTD.)

2.1 Basis of Preparation (contd.)

(a) Statement of Compliance (contd.)

MFRSs, interpretations and amendments effective for annual periods beginning on or after 1 January 2022 (contd.)

- Amendments to MFRS 3, *Business Combinations – Reference to the Conceptual Framework*
- Amendments to MFRS 9, *Financial Instruments (Annual Improvements to MFRS Standards 2018–2020)*
- Amendments to Illustrative Examples accompanying MFRS 16, *Leases (Annual Improvements to MFRS Standards 2018–2020)*
- Amendments to MFRS 116, *Property, Plant and Equipment – Proceeds before Intended Use*
- Amendments to MFRS 137, *Provisions, Contingent Liabilities and Contingent Assets – Onerous Contracts – Cost of Fulfilling a Contract*
- Amendments to MFRS 141, *Agriculture (Annual Improvements to MFRS Standards 2018–2020)*

MFRSs, interpretations and amendments effective for annual periods beginning on or after 1 January 2023

- MFRS 17, *Insurance Contracts*
- Amendments to MFRS17, *Insurance Contracts – Initial application of MFRS 17 and MFRS 9 – Comparative Information*
- Amendments to MFRS 101, *Presentation of Financial Statements – Classification of Liabilities as Current or Non-current and Disclosures of Accounting Policies*
- Amendments to MFRS 108, *Accounting Policies, Changes in Accounting Estimates and Errors – Definition of Accounting Estimates*
- Amendments to MFRS 112, *Income Taxes – Deferred Tax related to Assets and Liabilities arising from a Single Transaction*

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 July 2022 for those amendments that are effective for annual periods beginning on or after 1 January 2022, except for amendments to MFRS 1, MFRS 3, MFRS 16, MFRS 116, MFRS 137 and MFRS 141 which are not applicable to the Fund.

TA Rainbow Income Fund 13

(For the financial period ended 30 April 2023)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTD.)

2.1 Basis of Preparation (contd.)

(a) Statement of Compliance (contd.)

The Fund plans to adopt the abovementioned accounting standards, interpretations and amendments: (contd.)

- from the annual period beginning on 1 July 2023 for those amendments that are effective for annual periods beginning on or after 1 January 2023, except for MFRS 17 and amendments to MFRS 17 which are not applicable to the

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

(b) Basis of measurement

The financial statements of the Fund have been prepared on a historical basis unless otherwise indicated in Note 2.2.

(c) Functional and presentation currency

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

2.2 Significant Accounting Policies

The accounting policies set out below have been applied consistently to the periods presented in these financial statements, unless otherwise stated.

(a) Financial Instruments

(i) Recognition and initial measurement

A financial asset (unless it is a trade receivable without significant financing component) or a financial liability is recognised in the statement of financial position when, and only when, the Fund becomes a party to the contractual provisions of the instrument.

A financial asset (unless it is a trade receivable without significant financing component) or a financial liability is initially measured at fair value plus or minus, for an item not at fair value through profit or loss, transaction costs that are directly attributable to its acquisition or issuance. A trade receivable without a significant financing component is initially measured at the transaction price.

TA Rainbow Income Fund 13

(For the financial period ended 30 April 2023)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTD.)

2.2 Significant Accounting Policies (contd.)

(a) Financial Instruments (contd.)

(ii) Financial instrument categories and subsequent measurement

Financial assets

The Fund determines the classification of its financial assets at initial recognition, and the categories include financial assets at FVTPL and amortised cost.

(a) Amortised cost

Amortised cost category comprises financial assets that are held within a business model whose objective is to hold assets to collect contractual cash flows and its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. The financial assets are not designated as fair value through profit or loss. Subsequent to initial recognition, these financial assets are measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

Interest income is recognised by applying effective interest rate to the gross carrying amount except for credit impaired financial assets (see Note 2.2(b)) where the effective interest rate is applied to the amortised cost.

(b) Fair value through profit or loss

All financial assets not measured at amortised cost or fair value through other comprehensive income are measured at fair value through profit or loss. This includes derivative financial assets (except for a derivative that is a designated and effective hedging instrument).

On initial recognition, the Fund may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at fair value through other comprehensive income as at fair value through profit or loss if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

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.

TA Rainbow Income Fund 13

(For the financial period ended 30 April 2023)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTD.)

2.2 Significant Accounting Policies (contd.)

(a) Financial Instruments (contd.)

(ii) Financial instrument categories and subsequent measurement (contd.)

Financial assets (contd.)

(b) Fair value through profit or loss (contd.)

All financial assets, except for those measured at fair value through profit or loss are subject to impairment assessment (see Note 2.2(b)).

Financial Liabilities

Amortised cost

Financial liabilities not categorised as fair value through profit or loss are subsequently measured at amortised cost using the effective interest method.

Interest expense and foreign exchange gains and losses are recognised in the profit or loss. Any gains or losses on derecognition are also recognised in the profit or loss.

(iii) Derecognition

A financial asset is derecognised when the asset is disposed and the contractual right to receive cash flows from the asset has expired. On derecognition of a financial asset, the difference between the carrying amount and the sum of the consideration received is recognised in profit or loss.

A financial liability or part of it is derecognised when, and only when, the obligation specified in the contract is discharged, cancelled or expires. A financial liability is also derecognised when its terms are modified and the cash flows of the modified liability are substantially different, in which case, a new financial liability based on modified terms is recognised at fair value. On derecognition of a financial liability, the difference between the carrying amount of the financial liability extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

(iv) Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the financial statement when there is a legally enforceable right to set off the recognised amounts and there is an intention either to settle them on a net basis or to realise the asset and liability simultaneously.

TA Rainbow Income Fund 13

(For the financial period ended 30 April 2023)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTD.)

2.2 Significant Accounting Policies (contd.)

(b) Impairment

Financial assets

The Fund recognises loss allowances for expected credit losses on financial assets measured at amortised cost.

The Fund measures loss allowances at an amount equal to lifetime expected credit loss, except for debt securities, if any, that are determined to have low credit risk at the reporting date, cash and bank balance and other debt securities for which credit risk has not increased significantly since initial recognition, which are measured at 12-month expected credit loss.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating expected credit loss, the Fund considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Fund's historical experience and informed credit assessment and including forward-looking information, where available.

Lifetime expected credit losses are the expected credit losses that result from all possible default events over the expected life of the asset, while 12-month expected credit losses are the portion of expected credit losses that result from default events that are possible within the 12 months after the reporting date. The maximum period considered when estimating expected credit losses is the maximum contractual period over which the Fund is exposed to credit risk.

An impairment loss in respect of financial assets measured at amortised cost is recognised in profit or loss and the carrying amount of the asset is reduced through the use of an allowance account.

The gross carrying amount of a financial asset is written off (either partially or fully) to the extent that there is no realistic prospect of recovery. This is generally the case when the Fund determines that the obligor does not have assets or sources of income that could generate sufficient cash flows to pay the amounts subject to the write-off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Fund's procedures for recovery of amounts due.

TA Rainbow Income Fund 13

(For the financial period ended 30 April 2023)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTD.)

2.2 Significant Accounting Policies (contd.)

(c) Classification of Realised and Unrealised Gains and Losses

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

The realised gain/(loss) on sale investments is measured as the difference between the net disposal proceeds and the carrying amount of the investments. The carrying amount for determining the realised gain/(loss) on sale of investments is based on the weighted average cost method.

(d) Foreign Currency Transactions

Transactions in foreign currencies are translated to the functional currency of the Fund at exchange rates at the dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies at the end of the reporting period are retranslated to the functional currency at the exchange rate at that date.

Non-monetary assets and liabilities denominated in foreign currencies are not retranslated at the end of the reporting date except for those that are measured at fair value are retranslated to the functional currency at the exchange rate at the date that the fair value was determined.

Foreign currency differences arising on retranslation are recognised in profit or loss, except for differences arising on the retranslation of equity instrument where they are measured at fair value through other comprehensive income or a financial instrument designated as a hedge of currency risk, which are recognised in other comprehensive income.

(e) Unitholders' Capital

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

Distribution equalisation represents the average distributable amount included in the creation and cancellation prices of units. This amount is either refunded to unitholders by way of distribution and/or adjusted accordingly when units are cancelled.

(f) Distribution

Distribution is at the discretion of the Fund. A distribution to the Fund's unitholders is made from realised gains or realised income as at the point of time of distribution declaration, except where distribution is sourced out of distribution equalisation which is accounted for as a deduction from unitholders' capital. A proposed distribution is recognised as a liability in the period in which it is approved.

TA Rainbow Income Fund 13

(For the financial period ended 30 April 2023)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTD.)

2.2 Significant Accounting Policies (contd.)

(g) Cash and Cash Equivalents

Cash and cash equivalents comprise cash at banks and short-term deposits with financial institutions that are readily convertible to known amount of cash which have an insignificant risk of changes in fair value with original maturities of more than three months or less, and are used by the Fund in the management of its short-term commitments.

(h) 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.

(i) Income Tax

Current tax assets or liabilities position as at reporting date are measured at the net amount expected to be recovered from or paid to the tax authorities. The tax rates and tax laws used to compute the tax expense for the financial period are those that are enacted or substantively enacted by the reporting date.

Current taxes are recognised in profit or loss except to the extent that the tax relates to items recognised outside profit or loss, either in other comprehensive income or directly in equity.

Deferred tax is provided for, using the liability method, on taxable temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts in the financial statements. In principle, deferred tax liabilities are recognised for all taxable temporary differences and deferred tax assets are recognised for all deductible temporary differences to the extent that it is probable that future taxable profits will be available against which the unutilised tax incentives can be utilised.

(j) Segment Reporting

For management purposes, the Fund is managed under two main portfolios, namely "unquoted structured products and unquoted bonds" and "unquoted Zero-coupon Negotiable Instruments of Deposits ("ZNIIDs") and money market instruments". Each segment engages in separate investing activities and 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 each investment segment.

TA Rainbow Income Fund 13

(For the financial period ended 30 April 2023)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTD.)

2.2 Significant Accounting Policies (contd.)

(k) 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. MANAGER'S FEE

No manager's fee is imposed on this Fund.

4. 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 RM6,000 per annum calculated and accrued daily (excluding foreign custodian fees and charges).

5. 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.

6. INCOME TAX EXPENSE

Domestic income tax is calculated at the Malaysian statutory tax rate of 24% of the estimated assessable profit for the financial period. 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.

TA Rainbow Income Fund 13

(For the financial period ended 30 April 2023)

6. INCOME TAX EXPENSE (CONTD.)

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:

	06.07.2022
	to
	30.04.2023
	RM
Net income before tax	<u>220,300</u>
Taxation at Malaysian statutory rate of 24%	52,872
Effects of interest and other income not subject to tax	(336,276)
Effects of loss and expenses not deductible for tax purposes	281,964
Restriction on tax deductible expenses for unit trust funds	<u>1,440</u>
Income tax expense for the financial period	<u>-</u>

7. INVESTMENTS

	30.04.2023
	RM
Financial assets at FVTPL:	
Unquoted structured product outside Malaysia	2,954,171
Unquoted Zero-coupon Negotiable Instrument of Deposit ("ZNID") in Malaysia	-
Unquoted bond in Malaysia	<u>45,273,600</u>
	<u>48,227,771</u>
Net loss on financial assets at FVTPL comprises:	
Net realised loss	(179,920)
Net unrealised loss on changes in fair value	<u>(976,531)</u>
	<u>(1,156,451)</u>

TA Rainbow Income Fund 13

(For the financial period ended 30 April 2023)

7. INVESTMENTS (CONTD.)

Financial assets at FVTPL as at 30 April 2023 are as detailed below:

(a) Unquoted structured products outside Malaysia

Issuer Name	Quantity	Cost RM	Fair Value RM	% of NAV %
BNP Paribas 1Y USD Warrant Basket of Funds and Index	3,000	1,785,183	722,654	1.38
BNP Paribas 2Y USD Warrant Basket of Funds and Index	3,000	1,177,575	1,233,904	2.35
BNP Paribas 3Y USD Warrant Basket of Funds and Index	3,000	1,070,034	997,613	1.90
Total unquoted structured products outside outside Malaysia	9,000	4,032,792	2,954,171	5.63

(b) Unquoted bond in Malaysia

Issuer Bank	Quantity Units	Cost RM	Fair Value RM	% of NAV %
Benih Restu IMTN 4.62% 05/06/2025	5,000,000	5,061,951	5,071,950	9.66
BGSM MGMT IMTN 4.920% 29/08/2025 - Issue No.13	5,000,000	5,093,405	5,104,250	9.73
CAGAMAS IMTN 3.920% 29/04/2025	5,000,000	5,008,905	5,019,000	9.56
FPSB IMTN 3.90% 17/12/2024	5,000,000	4,973,588	4,980,700	9.49
Genm Capital MTN 3651D 4.90% 22/08/2025	5,000,000	5,016,384	5,046,300	9.62
GLT 12 IMTN 3.550% 12/08/2025	5,000,000	4,879,823	4,932,800	9.40
KLK IMTN 4.580% 12/08/2025 - IMTN 1	5,000,000	5,071,504	5,063,950	9.65
MAHB IMTN 3.790% 25/04/2025	5,000,000	4,992,465	4,984,950	9.50

TA Rainbow Income Fund 13

(For the financial period ended 30 April 2023)

7. INVESTMENTS (CONTD.)

(b) Unquoted bond in Malaysia

Issuer Bank	Quantity Units	Cost RM	Fair Value RM	% of NAV %
Public MTN 2557D 4.60 % 09/04/2025	5,000,000	5,069,432	5,069,700	9.66
Total Unquoted Bond In Malaysia	45,000,000	45,167,457	45,273,600	86.27
TOTAL FINANCIAL ASSETS AT FVTPL	45,009,000	49,200,249	48,227,771	91.90
EXCESS OF COST OVER FAIR VALUE			(972,478)	

8. DEPOSIT WITH A FINANCIAL INSTITUTION

	30.04.2023 RM
Placement with a licensed bank	3,787,186

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:

	WAEPR (% p.a.) 30.04.2023	Average Remaining Maturity (Days) 30.04.2023
Short-term placement	2.70	2

TA Rainbow Income Fund 13

(For the financial period ended 30 April 2023)

9. NET ASSET VALUE ATTRIBUTABLE TO UNITHOLDERS

	Note	30.04.2023 RM
Unitholders' capital	(a)	52,260,552
Retained earnings		
- Realised reserve	(b)	1,196,831
- Unrealised loss	(c)	(976,531)
		<u>52,480,852</u>

(a) Unitholders' capital

	30.04.2023	
	No of units	RM
At beginning of the financial period	-	-
Creation of units	55,737,293	55,737,293
Cancellation of units	(3,477,519)	(3,476,741)
At end of the financial period	<u>52,259,774</u>	<u>52,260,552</u>

(b) Realised reserve

	30.04.2023 RM
At beginning of the financial period	-
Net realised income for the financial period	1,196,831
At end of the financial period	<u>1,196,831</u>

(c) Unrealised loss

	30.04.2023 RM
At beginning of the financial period	-
Net unrealised loss for the financial period	(976,531)
At end of the financial period	<u>(976,531)</u>

TA Rainbow Income Fund 13

(For the financial period ended 30 April 2023)

10. TOTAL EXPENSE AND PORTFOLIO TURNOVER RATIOS

(a) Total Expense Ratio

The total expense ratio for the financial period ended 30 April 2023 is 0.05%. 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 30 April 2023 is 0.74. 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.

11. TRANSACTIONS WITH INVESTMENT BANKS/BROKERS

Details of transactions with the investment banks/brokers during the financial period are as follows:

Name of investment banks/brokers	Value of trade RM	Percentage to total value of trade %
RHB Bank Bhd	30,255,247	43.37
CIMB Bank Bhd	20,271,388	29.06
Hong Leong Bank Bhd	15,194,161	21.78
BNP Paribas	4,032,792	5.78
	<u>69,753,588</u>	<u>100.00</u>

12. 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 potential annual returns over the Medium-Term of the underlying collective investment scheme investing in investment instruments. There have been no changes in reportable segments in the current financial period.

TA Rainbow Income Fund 13

(For the financial period ended 30 April 2023)

13. 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 13

(For the financial period ended 30 April 2023)

13. 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.

14. COMPARATIVE FIGURES

The financial statements are for the financial period from 06 July 2022 (date of launch) to 30 April 2023. There are no comparative figures as this is the Fund's first set of financial statements

15. UNAUDITED ACCOUNT

The financial accounts for the financial period ended 30 April 2023 are unaudited.

TA Rainbow Income Fund 13

(For the financial period ended 30 April 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 / 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 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 13

(For the financial period ended 30 April 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
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: 06-288 2687
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 Centrepoin 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