

# SEMI-ANNUAL REPORT

## TA RAINBOW INCOME FUND 15

For the 6 months ended  
30 June 2024



TA INVESTMENT

A MEMBER OF THE TA GROUP

199501011387 (340588-T)

**TA Rainbow Income Fund 15**  
(For the financial period ended 30 June 2024)

**Contents**

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Contents	1
Key Performance Data	2
Manager's Report	4
Market Review	7
Market Outlook And Investment Strategy	9
Soft Commission	9
State Of Affairs Of The Fund	9
Trustee's Report	10
Statement By The Manager	11
Unaudited Statement Of Comprehensive Income	12
Unaudited Statement Of Financial Position	13
Unaudited Statement Of Changes In Net Asset Value	14
Unaudited Statement Of Cash Flows	15
Notes To The Unaudited Financial Statements	16
Corporate Information	27

# TA Rainbow Income Fund 15

(For the financial period ended 30 June 2024)

## Key Performance Data

	6 months ended 30/06/2024	Since the Fund Launch 22/08/22 to 30/06/23
<b>PORTFOLIO COMPOSITION (% OF NAV)</b>		
Fixed Income Instruments (ZNIDs and Bond)	85.43	87.10
Structured Product	6.90	7.41
Cash (Net of Liabilities)	7.67	5.49
<b>Total Investment</b>	<b>100.00</b>	<b>100.00</b>

Total Net Asset Value (RM'000)	35,030	34,061
Units In Circulation (Units '000)	32,516	32,904
Net Asset Value Per Unit (RM)	1.0773	1.0351
Total Expense Ratio (TER) (%)	0.05	0.07
Portfolio Turnover Ratio (PTR) (times)	Nil	0.56

\* The current financial period under review is from 1 February 2024 to 30 June 2024, thus the TER & PTR are not comparable with the previous financial period.

### UNIT PRICES

NAV Per Unit (RM)	1.0773	1.0351
Highest NAV Per Unit for the Period (RM)	1.0851	1.0369
Lowest NAV Per Unit for the Period (RM)	1.0292	0.9759

### TOTAL RETURN (%)

Capital Return	4.27	3.51
Income Return	-	-
Total Return of Fund	4.27	3.51
Total Return of the Benchmark	1.37	2.41

### AVERAGE TOTAL RETURN (%)

	Fund	Benchmark
<b>Period</b>		
1 Year (30/06/2023 - 30/06/2024)	5.95	2.94
Since Inception (22/08/2022 to 30/06/2024)	5.09	2.88

### ANNUAL TOTAL RETURN (%)

	Fund	Benchmark
<b>Period</b>		
30/06/2023 - 30/06/2024	5.95	2.94
Since Inception (22/08/2022 to 30/06/2023)	3.51	2.41

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.

## TA Rainbow Income Fund 15

(For the financial period ended 30 June 2024)

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

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

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

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

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

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

$N^3$  = Number of periods per year

$N^4$  = Total number of periods

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

# TA Rainbow Income Fund 15

(For the financial period ended 30 June 2024)

## Manager's Report

### TA Rainbow Income Fund 15

<b>Fund Category/Type</b>	Fixed Income (Close-ended) / Income
<b>Fund Objective</b>	<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 <b>neither a capital guaranteed nor a capital protected fund</b>. The capital will be preserved by investments in Fixed Income Instruments. <b>Consequently, the return of capital is SUBJECT TO the credit and default risk and currency risk associated with the investments in Fixed Income Instruments.</b></i></p>
<b>Performance Benchmark</b>	Maybank 12 months fixed deposit rate as at the Commencement Date of the Fund.
<b>Tenure</b>	3 Years (Close-ended)
<b>Maturity Date</b>	17 October 2025
<b>Fund's Distribution Policy</b>	Subject to the availability of income, distribution will be made once a year.
<b>Fund's Performance and Investment Strategies Employed</b>	<p>The Fund was managed within its investment objective for the financial period under review up to 30 June 2024.</p> <p>Over the financial period under review, the Fund had a total return of 4.27%, outperforming the benchmark which had a performance of 1.37%.</p> <p>The Fund 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"> <li>• Man AHL Target Risk Fund – EUR [GMATDEA ID]</li> <li>• BNP Paribas Multi-Asset Diversified Vol 8 USD FX Hedged Feature Index [BNPID8UF]</li> <li>• S&amp;P 500 Sector Rotator Daily RC2 6% Excess Return (USD) Index [SPXSRT6E]</li> </ul>

# TA Rainbow Income Fund 15

(For the financial period ended 30 June 2024)

## 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

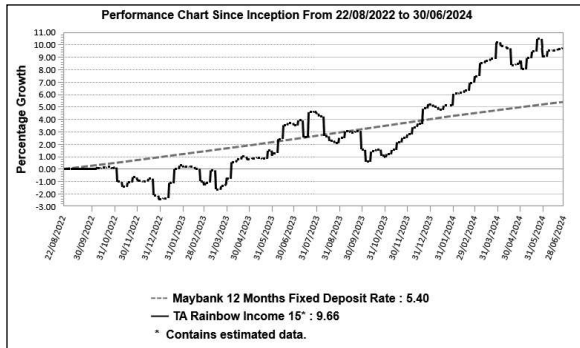
	30/06/24	31/12/23	% Change
NAV/unit (RM)	1.0773	1.0332	4.27
Total NAV (RM'000)	35,030	33,747	3.80

Income Return (%)	Capital Return # (%)	Total Return (%)
-	4.27	4.27

# Capital Return components:

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

## Performance Chart



Source: Lipper Investment Management

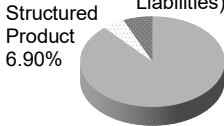
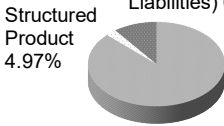
Past performance is not necessarily indicative of future performance.

## Distribution/Unit Split

None were declared for the financial period under review 30 June 2024.

# TA Rainbow Income Fund 15

(For the financial period ended 30 June 2024)

Asset Allocation	30/06/24		31/12/23	
		Cash (Net of Liabilities) 7.67%		Cash (Net of Liabilities) 6.61%
	Structured Product 6.90%	Structured Product 4.97%	Fixed Income Instruments (ZNIDs and Bond) 85.43%	Fixed Income Instruments (ZNIDs and Bond) 88.42%
	The Fund was primarily invested in Fixed Income Instruments (85.43%), Structured Product issued by BNP Paribas S.A. (6.90%), and the remainder in Money Market/Cash (7.67%).			
Top Investment	As at 30/06/24		% NAV	
	Fixed Income Instruments (ZNIDs and Bond)		85.43	
	Structured Product		6.90	
	As at 31/12/23		% NAV	
	Fixed Income Instruments (ZNIDs and Bond)		88.42	
	Structured Product		4.97	

*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 15

(For the financial period ended 30 June 2024)

## Market Review

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2024 started off well with the United States (US) market once again leading the way to its new highs. As the rising interest rate cycle reached its peak and with no new geopolitical crisis surfacing, investors' confidence seemed to be slowly returning. The year continued its positive momentum in February 2024, with both the US and Japan markets leading new highs. In March 2024, despite the on-going wars and sanctions around the world, as well as the resultant economic uncertainties, the global equity market continued to charge forward to record new highs, on what we believe was a lack of investment options. While consumer demand for goods had been tepid at best, most businesses continued to expand or invest with the intention of countering the risk of sanctions or government restrictions.

In April 2024, the resiliency in US markets thus far was commendable, despite the absence of interest rate cuts and after a multi-year of bull run. Better than expected employment and Gross Domestic Product (GDP) growth numbers had been supporting the equity market. Although US inflation numbers had been stubbornly high at over 3% level, it remained a far cry from the almost 7% level during the pandemic period. In May 2024, volatility continued to roil the equity market as investors warily sought more returns from those markets that were already charting at record high levels or had appreciated substantially.

The strong run in the equity market continued in June 2024 with equity indices charting record highs again for key global stock markets. Key events such as the recent general elections in France and United Kingdom (UK), the upcoming US presidential election, the cooling of US labour market and slowing economic growth globally as well as the softening in consumer spending seemed to have little impact on the market sentiment. Nonetheless, inflation and interest rates remained the key factors in influencing the market direction.

At the June 2024 Federal Open Market Committee (FOMC) meeting, which concluded right after the release of Consumer Price Index (CPI) data, the Federal Reserve (Fed) kept the policy rate unchanged as expected by market participants. The Fed officials' latest projection showed only one 25 basis points (bps) rate cut in 2024 (compared to three in the previous projection); but four 25bps rate cuts in 2025 (previously three). Despite the reduced number of expected rate cuts in 2024, the favourable CPI data, accompanied by below-consensus Producer Price Index (PPI) data released after the FOMC meeting, boosted optimism in the bond market through the middle of the month. At the same time, futures market continued to price in two rate cuts in 2024.

Outside of the US, key developments or updates in other major economies included: European Central Bank (ECB) cut policy rate by 25bps at its June 2024 meeting, citing progress in the fight against inflation; Bank of England kept its policy rate unchanged, while hinting at possibility of rate cuts in the coming months; meanwhile in the UK, unemployment rate increased unexpectedly to 4.4% in the three months through April 2024; in China, CPI rose 0.3% year-on-year (y-o-y) in May 2024, unchanged from April 2024; in Japan, wholesale inflation, as measured by corporate goods price index (CGPI) rose 2.4% y-o-y in May 2024.



# TA Rainbow Income Fund 15

(For the financial period ended 30 June 2024)

A review of the underlying assets is as follows:

## **Man AHL Target Risk Fund – EUR**

Expectations of rate cuts from central banks became more of a reality in June 2024, with the ECB delivering its first since the pandemic. Equities were bifurcated; US indices rose, once again powered by the technology sector, with Nvidia and Microsoft playing tag for the moniker of world's largest company. European indices, however, were hit by the news of a snap legislative election called by President Macron in France.

Performance was positive with gains from bonds and equities offsetting losses in credit and inflation-sensitive assets.

Bonds were the top performing asset class with longer-dated US treasuries driving gains, as May 2024's CPI release showed the slowest monthly core CPI since August 2021. Gains were checked by losses from French 10-year bonds as the political furore led to a notable sell-off across French assets.

Stocks compounded gains with US indices extending their run of strong performance. Asian indices, notably the Korean Kospi and Nikkei, further added, while European indices struggled. Although negative overall, there was a similar divergence within credit, as European Investment Grade (IG) and High Yield Credit Default Swaps (HY CDS) indices underperformed their US counterparts.

Inflation-sensitive assets dipped into the red as losses from commodities outweighed gains from US and UK inflation-linked bonds.

Exposure edged up over the month as the correlation and commodity volatility overlays fully disengaged, while the momentum overlay reduced its de-gear signal in bonds.

(Source: MAN AHL as of June 2024)

## **BNP Paribas Multi-Asset Diversified Vol 8 USD FX Hedged Feature Index [BNPID8UF]**

The index aims to offer high returns with lower volatility through a wide universe of assets with a stringent risk control mechanism. It features a quantitative and dynamic allocation considering each asset's performance, volatility, and correlation. It has a daily weight allocation to offer high reactivity in any market condition.

The index strategy is a broadly diversified investment universe of 10 underlyings which covers a wide range of risky and defensive assets among equities, government bonds, and commodities. The allocation is determined according to an algorithm developed by BNP Paribas.

(Source: BNP Paribas S.A. as of June 2024)

# TA Rainbow Income Fund 15

(For the financial period ended 30 June 2024)

## **S&P 500 Sector Rotator Daily RC2 6% Excess Return (USD) Index [SPXSRT6E]**

The index relies on the S&P 500 High Momentum Value Sector Rotation, which is designed to measure the performance of S&P 500 sectors with attractive valuations with a momentum overlay, as the underlying strategy. The Risk Control 2 volatility targeting overlay uses mathematical algorithms between the index and the S&P 10-Year U.S. Treasury Note Futures Index to dynamically rebalance the strategy to control the index risk profile at a predefined volatility target of 6%. The index is rebalanced daily.

(Source: S&P Dow Jones Indices, as of June 2024)

## **Market Outlook And Investment Strategy**

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On the fixed income portion, we maintain the view of limited upside risk to Overnight Policy Rate (OPR) (consensus estimate: no change at 3.00% in 2024), given Bank Negara Malaysia (BNM)'s comment at its previous Monetary Policy Committee (MPC) 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 the current market valuation of government bonds fair, and would prefer entry at more attractive levels amidst market volatility. 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.

In terms of Ringgit Malaysia corporate bonds, we expect the pipeline for primary corporate bond issuances to remain robust with strong demand seen in the market. We reiterate our recommendation for 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.

## **Soft Commission**

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

## **State Of Affairs Of The Fund**

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

# TA Rainbow Income Fund 15

(For the financial period ended 30 June 2024)

## TRUSTEE'S REPORT

### TO THE UNIT HOLDERS OF TA RAINBOW INCOME FUND 15 ("Fund")

We have acted as Trustee of the Fund for the financial period ended 30 June 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.

For and on behalf of

**CIMB Commerce Trustee Berhad**

**Datin Ezreen Eliza binti Zulkiplee**

Chief Executive Officer

Kuala Lumpur, Malaysia

23 August 2024

# TA Rainbow Income Fund 15

(For the financial period ended 30 June 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 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 15 as at 30 June 2024 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 August 2024

# TA Rainbow Income Fund 15

(For the financial period ended 30 June 2024)

## UNAUDITED STATEMENT OF COMPREHENSIVE INCOME FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2024

		01.01.2024 to 30.06.2024 RM	22.08.2022 to 30.06.2023 RM
	Note		
<b>INCOME</b>			
Interest income		708,832	867,073
Other income		4,591	4,469
Net income on:			
-financial assets at fair value through profit or loss ("FVTPL")	8	742,410	309,481
		<u>1,455,833</u>	<u>1,181,023</u>
<b>EXPENSES</b>			
Trustee's fee	5	6,869	10,438
Auditors' remuneration		5,100	6,570
Tax agent's fee		2,170	3,320
Administrative fees and expenses		4,292	204
		<u>18,431</u>	<u>20,532</u>
Net income before tax		1,437,402	1,160,491
Less: Income tax expense	7	(1,101)	-
Net income after tax, representing total comprehensive income for the financial period		<u>1,436,301</u>	<u>1,160,491</u>
Net income after tax is made up of the following:			
Net realised income		694,906	845,475
Net unrealised income		741,395	315,016
		<u>1,436,301</u>	<u>1,160,491</u>

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

# TA Rainbow Income Fund 15

(For the financial period ended 30 June 2024)

## UNAUDITED STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2024

	Note	30.06.2024 RM	31.12.2023 RM
<b>ASSETS</b>			
Investments	8	32,343,724	31,517,246
Deposit with a financial institution	9	2,332,093	1,869,478
Interest receivable		245,417	249,966
Cash at bank		120,386	124,145
<b>TOTAL ASSETS</b>		<b>35,041,620</b>	<b>33,760,835</b>
<b>LIABILITIES</b>			
Amount due to Manager		-	-
Amount due to Trustee		1,070	1,059
Other payables and accruals		10,746	13,250
<b>TOTAL LIABILITIES</b>		<b>11,816</b>	<b>14,309</b>
<b>EQUITY</b>			
Unitholders' capital	10(a)	32,498,566	32,651,589
Retained earnings	10(b),(c)	2,531,238	1,094,937
<b>NET ASSET VALUE ("NAV")</b>			
<b>ATTRIBUTABLE TO UNITHOLDERS</b>		<b>35,029,804</b>	<b>33,746,526</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>35,041,620</b>	<b>33,760,835</b>
<b>NUMBER OF UNITS IN CIRCULATION</b>	10(a)	<b>32,516,111</b>	<b>32,661,742</b>
<b>NAV PER UNIT</b>		<b>1.0773</b>	<b>1.0332</b>

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

# TA Rainbow Income Fund 15

(For the financial period ended 30 June 2024)

## UNAUDITED STATEMENT OF CHANGES IN NET ASSET VALUE FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2024

	<b>Unitholders' capital Note 10(a) RM</b>	<b>Retained earnings Note 10(b) and (c) RM</b>	<b>Total NAV RM</b>
At 22 August 2022	-	-	-
Total comprehensive income for the period	-	1,160,491	1,160,491
Creation of units	33,079,703	-	33,079,703
Cancellation of units	(179,449)	-	(179,449)
At 30 June 2023	<u>32,900,254</u>	<u>1,160,491</u>	<u>34,060,745</u>
At 01 January 2024	32,651,589	1,094,937	33,746,526
Total comprehensive income for the period	-	1,436,301	1,436,301
Creation of units	-	-	-
Cancellation of units	(153,023)	-	(153,023)
At 30 June 2024	<u>32,498,566</u>	<u>2,531,238</u>	<u>35,029,804</u>

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

# TA Rainbow Income Fund 15

(For the financial period ended 30 June 2024)

## UNAUDITED STATEMENT OF CASH FLOWS FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2024

	01.01.2024 to 30.06.2024 RM	22.08.2022 to 30.06.2023 RM
<b>CASH FLOWS FROM OPERATING AND INVESTING ACTIVITIES</b>		
Proceed from sales from investments	1,015	114,517
Purchase of investments	(85,083)	(83,055,055)
Interest received	713,381	1,044,479
Other income received	4,591	2,840
Trustee's fee paid	(6,858)	(15,082)
Payments for other fees and expenses	(14,292)	(640)
Tax paid	(875)	-
Net cash from/(used in) operating and investing activities	<u>611,879</u>	<u>(81,908,941)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Cash received from units created	-	86,255,039
Cash paid for units cancelled	(153,023)	(233,212)
Net cash (used in)/generated from financing activities	<u>(153,023)</u>	<u>86,021,827</u>
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	458,856	4,112,886
<b>CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE FINANCIAL PERIOD</b>	<u>1,993,623</u>	<u>-</u>
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL PERIOD</b>	<u>2,452,479</u>	<u>4,112,886</u>
<b>CASH AND CASH EQUIVALENTS COMPRISE:</b>		
Cash at bank	120,386	123,623
Deposit with financial institution	<u>2,332,093</u>	<u>1,539,056</u>
Cash and cash equivalents	<u>2,452,479</u>	<u>1,662,679</u>

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



# TA Rainbow Income Fund 15

(For the financial period ended 30 June 2024)

## NOTES TO THE UNAUDITED FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2024

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

TA Rainbow Income Fund 15 ("the Fund") was constituted pursuant to the execution of a Deed of Trust ("the Deed") dated 01 July 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 22 August 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 Malaysian Financial Reporting Standards ("MFRSs") and IFRS Accounting Standards, as issued by the International Accounting Standards Board ("IFRS Accounting Standards"), collectively known as the "Standards" and the Guidelines on Unit Trust Funds.

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 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*

# TA Rainbow Income Fund 15

(For the financial period ended 30 June 2024)

## 2. BASIS OF PREPARATION (CONTD.)

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

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

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

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

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

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

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

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

### (b) Basis of measurement

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

### (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.

# TA Rainbow Income Fund 15

(For the financial period ended 30 June 2024)

## 2. BASIS OF PREPARATION (CONTD.)

### (d) Significant Accounting Estimates and Judgments (contd.)

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

## 3. MATERIAL ACCOUNTING POLICIES

### (a) Material accounting policies information

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

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

### (b) Income recognition

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

Interest income is recognised using the effective interest rate method.

## 4. MANAGER'S FEE

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% 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.

# TA Rainbow Income Fund 15

(For the financial period ended 30 June 2024)

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

	01.01.2024 to 30.06.2024 RM	22.08.2022 to 30.06.2023 RM
Net income before tax	1,437,402	1,160,491
Taxation at Malaysian statutory rate of 24%	344,976	278,518
Effects of interest and other income not subject to tax	(348,298)	(209,170)
Effects of loss and expenses not deductible for tax purposes	3,199	(70,925)
Restriction on tax deductible expenses for unit trust funds	1,224	1,577
Income tax expense for the financial period	1,101	-

## 8. INVESTMENTS

	30.06.2024 RM	31.12.2023 RM
Financial assets at FVTPL:		
Unquoted structured products outside Malaysia	2,417,374	1,677,146
Unquoted Zero-coupon Negotiable Instrument of Deposit ("ZNID") in Malaysia	4,743,600	4,653,700
Unquoted bonds in Malaysia	25,182,750	25,186,400
	32,343,724	31,517,246
Net income on financial assets at FVTPL comprises:		
Net realised income/(loss)	1,015	(249,805)
Net unrealised income on changes in fair value	741,395	228,672
	742,410	(21,133)

# TA Rainbow Income Fund 15

(For the financial period ended 30 June 2024)

## 8. INVESTMENTS (CONTD.)

Financial assets at FVTPL as at 30 June 2024 are as detailed below:

### (a) Unquoted structured products outside Malaysia

Issuer Name	Quantity	Cost RM	Fair Value RM	% of NAV %
BNP Paribas 2Y USD Warrant Basket of Funds and Index	2,952	870,940	1,270,886	3.63
BNP Paribas 3Y USD Warrant Basket of Funds and Index	2,952	800,324	1,146,488	3.27
<b>Total unquoted structured products outside outside Malaysia</b>	<b>5,904</b>	<b>1,671,264</b>	<b>2,417,374</b>	<b>6.90</b>

### (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 (17/10/2025)	5,000,000	4,747,500	4,743,600	13.54
<b>Total unquoted ZNIDs in Malaysia</b>	<b>5,000,000</b>	<b>4,747,500</b>	<b>4,743,600</b>	<b>13.54</b>

# TA Rainbow Income Fund 15

(For the financial period ended 30 June 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	5,000,000	5,012,023	5,042,300	14.39
Danum IMTN 4.02% 30/06/2025 - Tranche 13	5,000,000	4,988,465	5,019,200	14.33
FPSB IMTN 5.05% 05/09/2025	5,000,000	5,010,878	5,062,400	14.45
GENM Capital MTN 3651D 4.90% 22/08/2025	5,000,000	5,006,352	5,035,950	14.38
UEMS IMTN 4.25% 19/09/2025 - Issue No.15	5,000,000	4,935,788	5,022,900	14.34
<b>Total Unquoted Bond In Malaysia</b>	<b>25,000,000</b>	<b>24,953,506</b>	<b>25,182,750</b>	<b>71.89</b>
<b>TOTAL FINANCIAL ASSETS AT FVTPL</b>	<b>30,005,904</b>	<b>31,372,270</b>	<b>32,343,724</b>	<b>92.33</b>
<b>EXCESS OF COST OVER FAIR VALUE</b>			<b>971,454</b>	

## 9. DEPOSIT WITH A FINANCIAL INSTITUTION

	30.06.2024 RM	31.12.2023 RM
Placement with a licensed bank	2,332,093	1,869,478

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.)		Average Remaining Maturity (Days)	
	30.06.2024	31.12.2023	30.06.2024	31.12.2023
Short-term placement	2.90	2.90	1	2

# TA Rainbow Income Fund 15

(For the financial period ended 30 June 2024)

## 10. NET ASSET VALUE ATTRIBUTABLE TO UNITHOLDERS

	Note	30.06.2024 RM	31.12.2023 RM
Unitholders' capital	(a)	32,498,566	32,651,589
Retained earnings			
- Realised reserve	(b)	1,561,171	866,265
- Unrealised income	(c)	970,067	228,672
		<u>35,029,804</u>	<u>33,746,526</u>

### (a) Unitholders' capital

	30.06.2024		31.12.2023	
	No of units	RM	No of units	RM
At beginning of the financial period/year	32,661,742	32,651,589	-	-
Creation of units	-	-	33,079,703	33,079,703
Cancellation of units	(145,631)	(153,023)	(417,961)	(425,463)
Distribution equalisation	-	-	-	(2,651)
At end of the financial period/year	<u>32,516,111</u>	<u>32,498,566</u>	<u>32,661,742</u>	<u>32,651,589</u>

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.

### (b) Realised reserve

	30.06.2024 RM	31.12.2023 RM
At beginning of the financial period	866,265	-
Distribution out of realised reserve	-	(593,913)
Net realised income for the financial period	<u>694,906</u>	<u>1,460,178</u>
At end of the financial period	<u>1,561,171</u>	<u>866,265</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.

# TA Rainbow Income Fund 15

(For the financial period ended 30 June 2024)

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

### (c) Unrealised income

	30.06.2024 RM	31.12.2023 RM
At beginning of the financial period/year	228,672	-
Net unrealised income for the financial period/year	741,395	228,672
At end of the financial period/year	970,067	228,672

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

## 11. TOTAL EXPENSE AND PORTFOLIO TURNOVER RATIOS

### (a) Total Expense Ratio

The total expense ratio for the financial period ended 30 June 2024 is 0.05% (2023 : 0.07%). 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 June 2024 is NIL (2023:0.56 times). 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.

## 12. 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 %
BNP Paribas	24,910	100.00
	24,910	100.00



# TA Rainbow Income Fund 15

(For the financial period ended 30 June 2024)

## 13. 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.

## 14. 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.

# TA Rainbow Income Fund 15

(For the financial period ended 30 June 2024)

## 14. FINANCIAL RISK AND MANAGEMENT OBJECTIVES AND POLICIES (CONTD.)

### (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.

### (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.

# TA Rainbow Income Fund 15

(For the financial period ended 30 June 2024)

## 15. 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 30 June 2023 and 31 December 2023, 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 January 2024 to 30 June 2024 and 22 August 2022 (date of launch) to 30 June 2023 respectively.

## 16. UNAUDITED ACCOUNT

The financial accounts for the financial period ended 30 June 2024 are unaudited.

# TA Rainbow Income Fund 15

(For the financial period ended 30 June 2024)

## Corporate Information

<b>Manager</b>	TA Investment Management Berhad (340588-T)
<b>Registered Office</b>	34th Floor, Menara TA One 22 Jalan P. Ramlee 50250 Kuala Lumpur
<b>Board of Directors</b>	En. Mohammed A'reeff Bin Abdul Khalid (Non-Independent / 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)
<b>Investment Committee Members</b>	Kaladher A/L Govindan (Non-Independent) Dato' Tay Kian Chuan (Independent) Ngiam Kee Tong (Independent)
<b>Trustee of the Fund</b>	CIMB Commerce Trustee Berhad (Registration Number: 199401027349 (313031-A)) Level 13, Menara CIMB Jalan Stesen Sentral 2 Kuala Lumpur Sentral 50470 Kuala Lumpur
<b>Auditor of the Manager and the Fund</b>	KPMG PLT Chartered Accountants Level 10, KPMG Tower 8 First Avenue, Bandar Utama 47800 Petaling Jaya Selangor
<b>Banker</b>	Malayan Banking Bhd Ground Floor, Wisma Genting Jalan Sultan Ismail 50250 Kuala Lumpur
<b>Secretaries</b>	Khoo Poh Kim @ Kimmy (LS0010314)

# TA Rainbow Income Fund 15

(For the financial period ended 30 June 2024)

## Corporate Information (cont'd)

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

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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