



SEMI-ANNUAL REPORT

TA RAINBOW INCOME FUND 18

For the financial period ended
31 August 2025

TA Rainbow Income Fund 18

(For the financial period ended 31 August 2025)

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Key Performance Data

	Financial Period Ended 31/08/2025	Financial Period Ended 31/08/2024	Since the Fund Launch 21/11/22 to 31/08/23
PORTFOLIO COMPOSITION (% OF NAV)			
Fixed Income Instruments (Bonds)	52.07	70.84	88.83
Structured Products	0.49	3.63	4.08
Cash (Net of Liabilities)	47.44	25.53	7.09
Total Investment	100.00	100.00	100.00

PERFORMANCE DETAILS

Total Net Asset Value (RM'000)	13,689	13,884	13,568
Units In Circulation (Units '000)	13,150	13,380	13,628
Net Asset Value Per Unit (RM)	1.0407	1.0376	0.9955
Total Expense Ratio (TER) (%) *	0.11	0.09	0.11
Portfolio Turnover Ratio (PTR) (times) **	Nil	0.08	0.57

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

** The PTR for the current financial period has registered a decrease as compared to the previous financial period due to decrease in total transaction value of the Fund.

UNIT PRICES

NAV Per Unit (RM)	1.0407	1.0376	0.9955
Highest NAV Per Unit for the Period (RM)	1.0558	1.0522	1.0173
Lowest NAV Per Unit for the Period (RM)	1.0225	1.0136	0.9753

DISTRIBUTION/UNIT SPLIT

Gross Distribution Per unit (sen)	Nil	Nil	Nil
Net Distribution Per unit (sen)	Nil	Nil	Nil
Date of Distribution	Nil	Nil	Nil

TOTAL RETURN (%)

Capital Return	0.37	2.37	-0.45
Income Return	-	-	-
Total Return of Fund	0.37	2.37	-0.45
Total Return of the Benchmark	1.21	1.33	2.29
- Maybank 12 Months Fixed Deposit Rate			

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AVERAGE TOTAL RETURN (%)

	Fund	Benchmark
Period		
1 Year (01/09/2024 - 31/08/2025)	2.40	2.48
Since Inception (22/11/2022 to 31/08/2025)	2.34	2.76

ANNUAL TOTAL RETURN (%)

	Fund	Benchmark
Period		
01/09/2024 - 31/08/2025	2.40	2.48
01/09/2023 - 31/08/2024	4.61	2.87
Since Inception (22/11/2022 to 31/08/2023)	-0.45	2.31

Source : Morningstar Direct for data of financial period ended 31 August 2025, Lipper for Investment Management for data of financial period ended 31 August 2024 and 31 August 2023.

The starting NAV price of the period is extracted on the next day.

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

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

$\text{Percentage Growth} = \frac{N^1 - N^2}{N^2} \times 100$
<p>N¹ = NAV on the end of the period N² = NAV on the beginning of the period</p>
$* \text{Average Total Return} = \frac{\text{Total Sub Period Returns}}{\text{Number of Sub Periods}}$
$** \text{Annual Total Return} = (1 + \text{Cumulative Return})^{N^3/N^4} - 1$
<p>N³ = Number of periods per year N⁴ = Total number of periods</p>
<p>Factor in for unit split and distribution paid out (if any during the period)</p>

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Manager's Report

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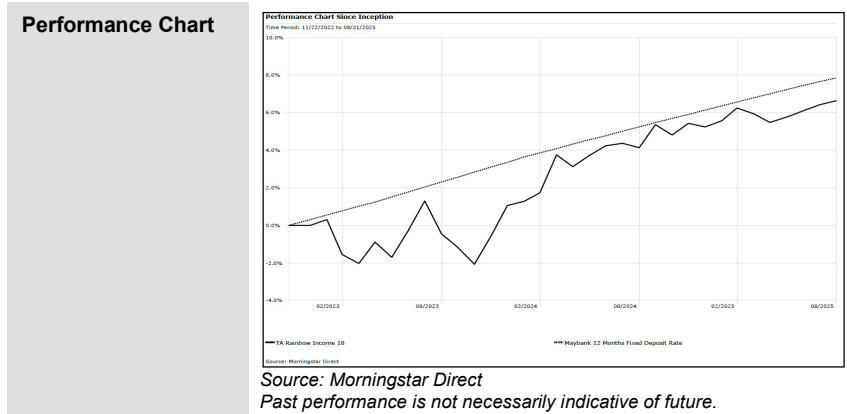
Fund Category/Type	Fixed Income (Close-ended) / Income
Fund Objective	<p>The Fund aims to provide income* whilst preserving capital** on Maturity Date.</p> <p><i>*The Fund will invest in Derivatives which enable the Fund's performance to be exposed to the performance of the Rainbow Basket for potential annual returns. Income distribution will be paid to you by way of cash deposit to a bank account held in your own name.</i></p> <p>**Investors are advised that <i>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 of the Fixed Income Instruments.</i></p>
Performance Benchmark	Maybank 12 months fixed deposit rate as at the Commencement Date of the Fund.
Tenure	3 Years (Close-ended)
Maturity Date	13 January 2026
Fund's Distribution Policy	Subject to the availability of income, distribution will be made once a year.
Fund's Performance and Investment Strategies Employed	<p>The Fund was managed within its investment objective for the six months financial period ended 31 August 2025.</p> <p>Over the financial period under review, the Fund delivered a total return of 0.37%, underperforming its benchmark which posted a return of 1.21%.</p> <p>The Fund is invested in structured products issued by BNP Paribas S.A. that are linked to the performance of the following underlying assets:</p> <ul style="list-style-type: none"> • Man AHL Target Risk Fund – EUR [GMATDEA ID] • BNP Paribas Kinetis Money Markets Atlantic Excess Return USD Index [BPMMMTWU] • S&P 500 Sector Rotator Daily RC2 6% Excess Return (USD) Index [SPXSRT6E] <p>TA Rainbow Income Fund 18's subsequent observation date is on 13 January 2026.</p>

TA Rainbow Income Fund 18

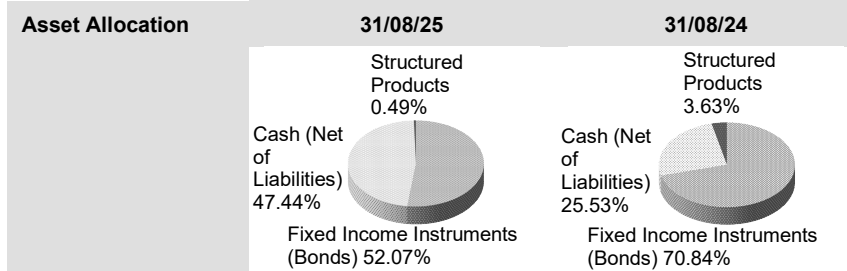
(For the financial period ended 31 August 2025)

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	Income Return (%)	Capital Return # (%)	Total Return (%)
	-	0.37	0.37
	# Capital Return components:		
	❖ Fixed Income Instruments (ZNIDs and Bonds)		
	❖ Structured Products		
	❖ Cash		



Distribution/Unit Split	None were declared for the financial period under review 31 August 2025.
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The Fund was primarily invested in Fixed Income Instruments (52.07%), Structured Products issued by BNP Paribas S.A. (0.49%), with the remainder in Money Market/Cash (Net of Liabilities, "47.44%").

Top Investment	As at 31/08/25	% NAV
	Fixed Income Instruments (Bonds)	52.07
	Structured Products	0.49
	As at 31/08/24	% NAV
	Fixed Income Instruments (Bonds)	70.84
	Structured Products	3.63

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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(For the financial period ended 31 August 2025)

Market Review

In March 2025, the United States (US) Treasuries (UST) market remained volatile as investors tried to digest the mixed economic data and various implications from evolving policy developments. Trading in the UST reflected increased worries among investors on US recession risks alongside higher long-term inflation expectation. Both the Federal Open Market Committee (FOMC) and Bank Negara Malaysia (BNM) held policy rates unchanged at respective monetary policy meeting. Locally, given relatively stable domestic economic and policy backdrop, Malaysian government bonds saw contained volatility and concluded the month in gains. Corporate bond issuances picked up significantly and continued to see robust demand from investors with more deals expected in the months ahead.

Global bond markets experienced a volatile month in April 2025 following “Liberation Day”, where the US President Trump unveiled a comprehensive list of drastic tariffs imposed against US trade partners. Oscillating between the fear of tariff-induced recession and the prospect of rising inflation under the new tariff regime, UST yields experienced whipsaws in the early weeks before trading range bound later in the month. The tariff also prompted investors’ reassessment of BNM’s likely monetary policy path in 2025, triggering a rally in Malaysian government bonds which started pricing in a 25-basis points (bps) rate cut before the year ends. Malaysian Ringgit (RM) corporate bonds continued to see robust demand from investors in the primary issuances during the month.

The month of May 2025 saw a divergence in the performance of UST and Malaysian government bond markets. Already weighed down by the tariff uncertainty, heightened concerns on the US government fiscal sustainability further dampened sentiments in the UST market and pushed yields higher. On the other hand, Malaysian Government Securities (MGS) got a boost from the 100 bps reduction of the Statutory Reserve Requirement (SRR) by BNM, on top of existing rate-cut expectation. Both the Federal Reserve (Fed) and BNM kept their respective policy rate unchanged at this month’s meeting. Meanwhile, total primary issuances of RM corporate bonds were lower amidst macro uncertainty but investors’ demand remained robust.

The month of June 2025 saw a divergence in the performance of UST and Malaysian government bond markets. Economic data releases that pointed to recession/slowdown risks and increased conviction of third quarter of 2025 Fed rate cuts helped drive UST yields down across the curve. On the other hand, MGS traded range-bound before staging a mini rally late in the month following soft inflation data and rising expectation of imminent Overnight Policy Rate (OPR) cut by BNM. Local corporate bonds space continued to see robust investors demand amidst a rebound of primary issuances volume.

The divergence in the performance of UST and Malaysian government bond markets continued in the month of July 2025. The combination of solid economic data, increased fiscal concerns and looming tariffs deadline pushed UST yields up across the curve. On the other hand, MGS started the month on a strong footing and the bullish sentiments remained following BNM’s widely anticipated rate cut. Local corporate bonds space continued to see robust investors demand amidst continued rise of primary issuances volume.

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Both the UST and Malaysian government bonds (MGS/Government Investment Issues (GII)) markets posted gains in the month of August 2025. The UST market benefited mainly from the underwhelming jobs market data and increased rate cuts expectation; while the MGS/GII market experienced a boost from weak gross domestic product (GDP) data and momentum of bullish sentiments, despite consolidation later in the month. Onshore corporate bonds market continued to see robust investors demand with further rise in primary market issuance volume.

(Source: TA Investment Management Berhad, as of 31 August 2025)

A review of the underlying assets is as follows:

Man AHL Target Risk Fund – EUR [GMATDEA ID]

The Fund aims to generate capital growth over the medium to long term by providing dynamic exposure to a range of assets and a return stream with a stable level of volatility regardless of market conditions. The Fund will apply its proprietary quantitative model to adjust the exposure to particular positions and achieve its investment objective. The position sizing (exposure) is based on a systematic algorithm that adjusts the notional amount of each position based on the risk of the Portfolio. The strategy utilises additional systematic overlays to control downside risk. The Fund's exposure to different investments is determined in accordance with formulas used by its computer-based model using various techniques, including 'volatility scaling'. According to this technique, a particular market's volatility is measured; if the market is turbulent and returns are volatile, the Fund's exposure to that market will be reduced. Exposure will be increased where a market is calm.

(Source: Man Group plc, as of 31 August 2025)

BNP Paribas Kinetis Money Markets Atlantic Excess Return USD Index [BPMMMTWU]

The index aims to monetise trends in short-term rates via a synthetic long/short exposure in the 4 first quarterly interbank deposit futures contracts in US dollar (USD) (CME SOFR Futures) and in euro (EUR) (ICE Euribor Futures). The direction and magnitude of the position defined by the trend signal with the target portfolio volatility of 4%.

(Source: BNP Paribas S.A., as of 31 August 2025)

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

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overlay uses mathematical algorithms between the index and the S&P 10-Year US Treasury Note Futures Index to dynamically rebalance the strategy to control the index risk profile at a predefined volatility target of 6%.

(Source: S&P Global, as of 31 August 2025)

Market Outlook And Investment Strategy

We expect the OPR to remain unchanged for the rest of 2025 after the pre-emptive OPR cut by BNM, with potential for further easing in 2026 when the tariffs impact on the domestic economy becomes more pronounced. Following the continued rally in July 2025 and August 2025, we consider current market valuation of government bonds rich, thus would prefer entry during times of market correction. On relative valuation basis, we prefer positioning in long end of the yield curve. In the meanwhile, headline and UST-driven market volatility continue to provide trading opportunities.

In terms of RM corporate bonds, we expect the pipeline for primary corporate bond issuances to remain busy in the coming months, while demand stays resilient. We would recommend short to neutral duration positioning, selective primary issuances participation and/or entry at times of market weakness. We prefer credits with strong balance sheets, proven execution capability and financial discipline amidst macroeconomic and geopolitical uncertainty.

(Source: TA Investment Management Berhad, as of 31 August 2025)

Soft Commission

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

State Of Affairs Of The Fund

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

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TRUSTEE'S REPORT TO THE UNIT HOLDERS OF TA RAINBOW INCOME FUND 18 ("Fund")

We have acted as Trustee of the Fund for the financial period ended 31 August 2025 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

Tok Puan Datin Ezreen Eliza binti Zulkiplee
Chief Executive Officer

Kuala Lumpur, Malaysia
17 October 2025

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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 24, 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 18 as at 31 August 2025 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
17 October 2025

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UNAUDITED STATEMENT OF COMPREHENSIVE INCOME FOR THE FINANCIAL PERIOD ENDED 31 AUGUST 2025

		01.03.2025 to 31.08.2025 RM	01.03.2024 to 31.08.2024 RM
	Note		
INCOME			
Interest income		285,047	291,850
Other income		602	5,724
Net (loss)/income on:			
-financial assets at fair value through profit or loss ("FVTPL")	8	<u>(216,940)</u>	<u>41,735</u>
		<u>68,709</u>	<u>339,309</u>
EXPENSES			
Trustee's fee	5	2,896	2,954
Auditors' remuneration		4,980	4,980
Tax agent's fee		2,250	2,250
Administrative fees and expenses		<u>4,651</u>	<u>2,312</u>
		<u>14,777</u>	<u>12,496</u>
Net income before tax		53,932	326,813
Less: Income tax expense	7	<u>(145)</u>	<u>(830)</u>
Net income after tax, representing total comprehensive income for the financial period		<u>53,787</u>	<u>325,983</u>
Net income after tax is made up of the following:			
Net realised income		270,727	301,438
Net unrealised (loss)/income		<u>(216,940)</u>	<u>24,545</u>
		<u>53,787</u>	<u>325,983</u>

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

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UNAUDITED STATEMENT OF FINANCIAL POSITION AS AT 31 AUGUST 2025

	Note	31.08.2025 RM	29.02.2025 RM
ASSETS			
Investments	8	7,177,412	9,938,061
Deposit with a financial institution		6,345,839	3,509,265
Interest receivable		161,288	208,839
Cash at bank		21,774	19,920
TOTAL ASSETS		<u>13,706,313</u>	<u>13,676,085</u>
LIABILITIES			
Amount due to Manager		1,010	-
Amount due to Trustee		896	500
Other payables and accruals		15,341	19,209
TOTAL LIABILITIES		<u>17,247</u>	<u>19,709</u>
EQUITY			
Unitholders' capital	10(a)	13,137,008	13,158,104
Retained earnings	10(b),(c)	552,058	498,272
NET ASSET VALUE ("NAV")		<u>13,689,066</u>	<u>13,656,376</u>
ATTRIBUTABLE TO UNITHOLDERS		<u>13,689,066</u>	<u>13,656,376</u>
TOTAL EQUITY AND LIABILITIES		<u>13,706,313</u>	<u>13,676,085</u>
NUMBER OF UNITS IN CIRCULATION	10(a)	<u>13,149,864</u>	<u>13,170,252</u>
NAV PER UNIT		<u>1.0407</u>	<u>1.0369</u>

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

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UNAUDITED STATEMENT OF CHANGES IN NET ASSET VALUE FOR THE FINANCIAL PERIOD ENDED 31 AUGUST 2025

	Unitholders' capital Note 10(a) RM	Retained earnings Note 10(b) and (c) RM	Total NAV RM
At 01 March 2024	13,566,664	182,602	13,749,266
Total comprehensive income for the period	-	325,983	325,983
Creation of units	-	-	-
Cancellation of units	(190,806)	-	(190,806)
At 31 August 2024	<u>13,375,858</u>	<u>508,585</u>	<u>13,884,443</u>
At 01 March 2025	13,158,104	498,271	13,656,375
Total comprehensive income for the period	-	53,787	53,787
Creation of units	-	-	-
Cancellation of units	(21,096)	-	(21,096)
At 31 August 2025	<u>13,137,008</u>	<u>552,058</u>	<u>13,689,066</u>

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

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(For the financial period ended 31 August 2025)

UNAUDITED STATEMENT OF CASH FLOWS FOR THE FINANCIAL PERIOD ENDED 31 AUGUST 2025

	01.03.2025	01.03.2024
	to	to
	31.08.2025	31.08.2024
	RM	RM
CASH FLOWS FROM OPERATING AND INVESTING ACTIVITIES		
Proceed from sales from investments	2,543,745	2,352,709
Purchase of investments	-	-
Interest received	332,598	279,421
Manager's fee paid	1,010	-
Other income received	602	5,725
Trustee's fee paid	(2,500)	(2,933)
Payments for other fees and expenses	(15,094)	(16,826)
Tax paid	(836)	(830)
Net cash generated from operating and investing activities	<u>2,859,525</u>	<u>2,617,266</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Cash received from units created	-	-
Cash paid for units cancelled	(21,096)	(190,806)
Net cash used in financing activities	<u>(21,096)</u>	<u>(190,806)</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	2,838,429	2,426,460
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE FINANCIAL PERIOD	<u>3,529,184</u>	<u>1,056,170</u>
CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL PERIOD	<u>6,367,613</u>	<u>3,482,630</u>
CASH AND CASH EQUIVALENTS COMPRISE:		
Cash at bank	21,774	20,149
Deposit with financial institution	6,345,839	3,462,481
Cash and cash equivalents	<u>6,367,613</u>	<u>3,482,630</u>

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

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(For the financial period ended 31 August 2025)

NOTES TO THE UNAUDITED FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD ENDED 31 AUGUST 2025

1. THE FUND, THE MANAGER AND THEIR PRINCIPAL ACTIVITIES

TA Rainbow Income Fund 18 ("the Fund") was constituted pursuant to the execution of a Deed of Trust ("the Deed") dated 13 October 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 21 November 2022 and will continue its operations until terminated by the Trustee as provided under Clause 12 of the deed. The Fund is a close-ended fund maturing on the third (3rd) anniversary of the Commencement Date.

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

2. BASIS OF PREPARATION

(a) Statement of compliance

The financial statements of the Fund have been prepared in accordance with MFRS Accounting Standards as issued by the Malaysian Accounting Standards Board ("MFRS Accounting Standards") and IFRS Accounting Standards as issued by International Accounting Standards Board ("IFRS Accounting Standards") collectively known as the "Standards" and the Guidelines on Unit Trust Funds.

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

MFRS Accounting Standards, interpretations and amendments effective for annual periods beginning on or after 1 January 2025

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

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2. BASIS OF PREPARATION (CONTD.)

(a) Statement of compliance (contd.)

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

- Amendments to MFRS 9, *Financial Instruments* and MFRS 7, *Financial Instruments: Disclosures – Classification and Measurement of Financial Instruments*
 - Amendments to MFRS 1, *First-time Adoption of Malaysian Financial Reporting Standards*
 - Amendments to MFRS 7, *Financial Instruments: Disclosures*
 - Amendments to MFRS 9, *Financial Instruments*
 - Amendments to MFRS 10, *Consolidated Financial Statements*
 - Amendments to MFRS 107, *Statement of Cash Flows*
 - Amendments to MFRS 9, *Financial Instruments* and MFRS 7, *Financial Instruments: Disclosures – Contracts Referencing Nature-dependent Electricity*

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

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

MFRS Accounting Standards, interpretations and amendments effective for annual periods beginning on or after a date yet to be confirmed

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

The Fund plans to apply the above mentioned accounting standards and amendments:

- from the annual period beginning on 1 March 2025 for those amendments that are effective for annual periods beginning on or after 1 January 2025.
- from the annual period beginning on 1 March 2026 for those amendments that are effective for annual periods beginning on or after 1 January 2026, except for Amendments to MFRS 1 and MFRS 10 which are not applicable to the Fund.
- from the annual period beginning on 1 March 2027 for the accounting standard that is effective for annual periods beginning on or after 1 January 2027, except for MFRS 19 which is not applicable to the Fund.

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

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2. BASIS OF PREPARATION (CONTD.)

(b) Basis of measurement

The financial statements of the Fund have been prepared on the historical cost basis except for financial assets or liabilities 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.

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 material accounting policies information are disclosed in the respective notes to the financial statements where relevant.

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.

Dividend income is recognised when the Fund's right to receive payment is established.

Interest income is recognised using the effective profit rate method.

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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.

7. INCOME TAX EXPENSE

Domestic income tax is calculated at the Malaysian statutory tax rate of 24% of the estimated assessable profit for the financial period. Interest and other income derived from sources outside Malaysia are exempted from Malaysian income tax. However, such income may be subject to tax in the country from which they were derived.

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

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

	01.03.2025	01.03.2024
	to	to
	31.08.2025	31.08.2024
	RM	RM
Net income before tax	53,932	326,813
Taxation at Malaysian statutory rate of 24%	12,944	78,435
Effects of interest and other income not subject to tax	(68,411)	(71,418)
Effects of loss and expenses not deductible for tax purposes	54,417	(8,213)
Restriction on tax deductible expenses for unit trust funds	1,195	1,196
Income tax expense for the financial period	145	-

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(For the financial period ended 31 August 2025)

8. INVESTMENTS

	31.08.2025	29.02.2025
	RM	RM
Financial assets at FVTPL:		
Unquoted structured product outside Malaysia	67,066	244,432
Unquoted bond in Malaysia	7,110,346	9,693,629
	<u>7,177,412</u>	<u>9,938,061</u>
	RM	RM
Net (loss)/income on financial assets at FVTPL comprises:		
Net realised loss on disposals	-	(59,550)
Net realised income on foreign exchange	-	10,655
Net unrealised (loss)/income on changes in fair value	(216,922)	93,730
Net unrealised income/(loss) on foreign exchange	(18)	(2,226)
	<u>(216,940)</u>	<u>42,609</u>

Financial assets at FVTPL as at 31 August 2025 are as detailed below:

(a) Unquoted structured products outside Malaysia

Issuer Name	Quantity	Cost	Fair	% of NAV
		RM	Value	%
			RM	
BNP Paribas				
3Y USD Warrant Basket of				
Funds and Index	1,903	322,624	67,066	0.49
Total unquoted structured				
products outside				
outside Malaysia	<u>1,903</u>	<u>322,624</u>	<u>67,066</u>	<u>0.49</u>

(b) Unquoted bond in Malaysia

Issuer Bank	Quantity	Cost	Fair	% of NAV
	Units	RM	Value	%
			RM	
Encorp 5.25% 18/11/2025	2,300,000	2,305,614	2,308,625	16.91
FPSB IMTN 5.05%				
05/09/2025	2,300,000	2,300,140	2,300,046	16.84
UEMS IMTN 5.03%				
19/09/2025	2,500,000	2,499,556	2,501,675	18.32
Total Unquoted Bond				
In Malaysia	<u>7,100,000</u>	<u>7,105,310</u>	<u>7,110,346</u>	<u>52.07</u>
TOTAL FINANCIAL				
ASSETS AT FVTPL	<u>7,101,903</u>	<u>7,427,934</u>	<u>7,177,412</u>	<u>52.56</u>

EXCESS OF COST OVER FAIR VALUE	<u>250,522</u>
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TA Rainbow Income Fund 18

(For the financial period ended 31 August 2025)

9. DEPOSIT WITH A FINANCIAL INSTITUTION

	31.08.2025 RM	29.02.2025 RM
Placements with licensed banks	6,345,839	3,509,265
Total deposits with financial institutions	6,345,839	3,509,265
Less: Deposit with maturity more than 3 months	-	(2,300,000)
Deposits included in cash and cash equivalents	6,345,839	1,209,265

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

	WAEIR (% p.a.)		Average Remaining Maturity (Days)	
	31.08.2025	29.02.2025	31.08.2025	29.02.2025
	Deposits with maturity of:			
-Within 3 months	2.89	2.95	17	3
-More than 3 months	-	3.80	-	133

10. NET ASSET VALUE ATTRIBUTABLE TO UNITHOLDERS

	Note	31.08.2025 RM	29.02.2025 RM
Unitholders' capital	(a)	13,137,008	13,158,104
Retained earnings			
- Realised reserve	(b)	800,065	529,338
- Unrealised loss	(c)	(248,006)	(31,066)
		<u>13,689,067</u>	<u>13,656,376</u>

(a) Unitholders' capital

	31.08.2025		29.02.2025	
	No of units	RM	No of units	RM
At beginning of the financial period	13,170,252	13,158,104	13,564,572	13,566,664
Creation of units	-	-	-	-
Cancellation of units	(20,388)	(21,096)	(394,320)	(408,560)
At end of the financial period	<u>13,149,864</u>	<u>13,137,008</u>	<u>13,170,252</u>	<u>13,158,104</u>

TA Rainbow Income Fund 18

(For the financial period ended 31 August 2025)

10. NET ASSET VALUE ATTRIBUTABLE TO UNITHOLDERS

(b) Realised reserve

	31.08.2025	29.02.2025
	RM	RM
At beginning of the financial period	529,338	305,172
Distribution out of realised loss	-	(284,477)
Net realised income for the financial period	<u>270,727</u>	<u>508,643</u>
At end of the financial period	<u>800,065</u>	<u>529,338</u>

(c) Unrealised loss

	31.08.2025	29.02.2025
	RM	RM
At beginning of the financial period	(31,066)	(122,570)
Net unrealised (loss)/income for the financial period	<u>(216,940)</u>	<u>91,504</u>
At end of the financial period	<u>(248,006)</u>	<u>(31,066)</u>

11. TOTAL EXPENSE AND PORTFOLIO TURNOVER RATIOS

(a) Total Expense Ratio

The total expense ratio for the financial period ended 31 August 2025 is 0.11% (2024: 0.09%). 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

(b) Portfolio Turnover Ratio

The portfolio turnover ratio for the financial period ended 31 August 2025 is Nil (2024: 0.08 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. SEGMENT INFORMATION

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

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

The investment objective is to provide income whilst preserving capital on Maturity Date.

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(For the financial period ended 31 August 2025)

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 18

(For the financial period ended 31 August 2025)

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

- The Statement of Fund Financial Position and its relevant notes are as at 31 August 2025 and 29 February 2025, 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 March 2025 to 31 August 2025 and 1 March 2024 to 31 August 2024, respectively.

15. UNAUDITED ACCOUNT

The financial accounts for the financial period ended 31 August 2025 are unaudited.

TA Rainbow Income Fund 18

(For the financial period ended 31 August 2025)

Corporate Information

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

TA Rainbow Income Fund 18

(For the financial period ended 31 August 2025)

Corporate Information (cont'd)

Management Staff	Tee Ling Ling Chief Executive Officer	Ch'ng Soon Kim Compliance Officer
	Joey Pang Ching Yi Chief Marketing Officer	Alicia Khor Head of Operations
	Sammi Lim Shuey Shya Head of Product Research & Development	Lee Shi Chuan Head of IUTA
	Ranizaz Bin Mohd Razali Head of Agency	Rachel Lew Yen Peng Head of Corporate & Institutional Business
	Lucy Magdalene Lourdes Head of Customer Service	Nor Yuhana Binti Mohd Kamal Head of Marketing
Investment Team	Choo Swee Kee Chief Investment Officer	John Ng Jiunn Yuan Head of Fixed Income
	Vivien Loh Jee Wae Head of Portfolio Mandates	Mohammad Hafiz Bin Mahmud Fund Manager
	Lam Chee Mun Fund Manager	
Head Office	23rd Floor, Menara TA One 22 Jalan P. Ramlee 50250 Kuala Lumpur	
	Toll Free: 1-800-38-7147	
	Tel: (603) 2031 6603	
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Head Office	TA Investment Management Berhad 23rd Floor, Menara TA One 22 Jalan P. Ramlee 50250 Kuala Lumpur Tel: 03-2031 6603 Fax: 03-2031 4479
Melaka Business Centre	57A, Jalan Merdeka Taman Melaka Raya 75000 Melaka Tel: 06-2882 687
Penang Business Centre	15-1-8, Bayan Point Medan Kampung Relau 11900 Pulau Pinang Tel: 04-6459 801 Fax: 04-6119 805
Kota Kinabalu Business Centre	Unit 4-1-02, 1st Floor Block 4, Api-Api Centre Jalan Centre Point 88000 Kota Kinabalu, Sabah Tel: 088-268 023 Fax: 088-248 463
Kuching Business Centre	2nd Floor, Lot 13008, SL26, Block 16 KCLD, Gala City Commercial Centre Jalan Tun Jugah, 93350 Kuching, Sarawak Tel: 082-265 979
Miri Business Centre	Lot 1251, 1st Floor Centrepont Commercial Centre (Phase 1) Jalan Melayu 98000 Miri, Sarawak Tel: 085-430 415
Ipoh Business Centre	29A Jalan Niaga Simee Arena Niaga Simee 31400 Ipoh Perak Tel: 05-5455 222
Johor Bahru Business Centre	37-01, Jalan Molek 1/29 Taman Molek 81100 Johor Bahru Johor Tel: 07-3611 781

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