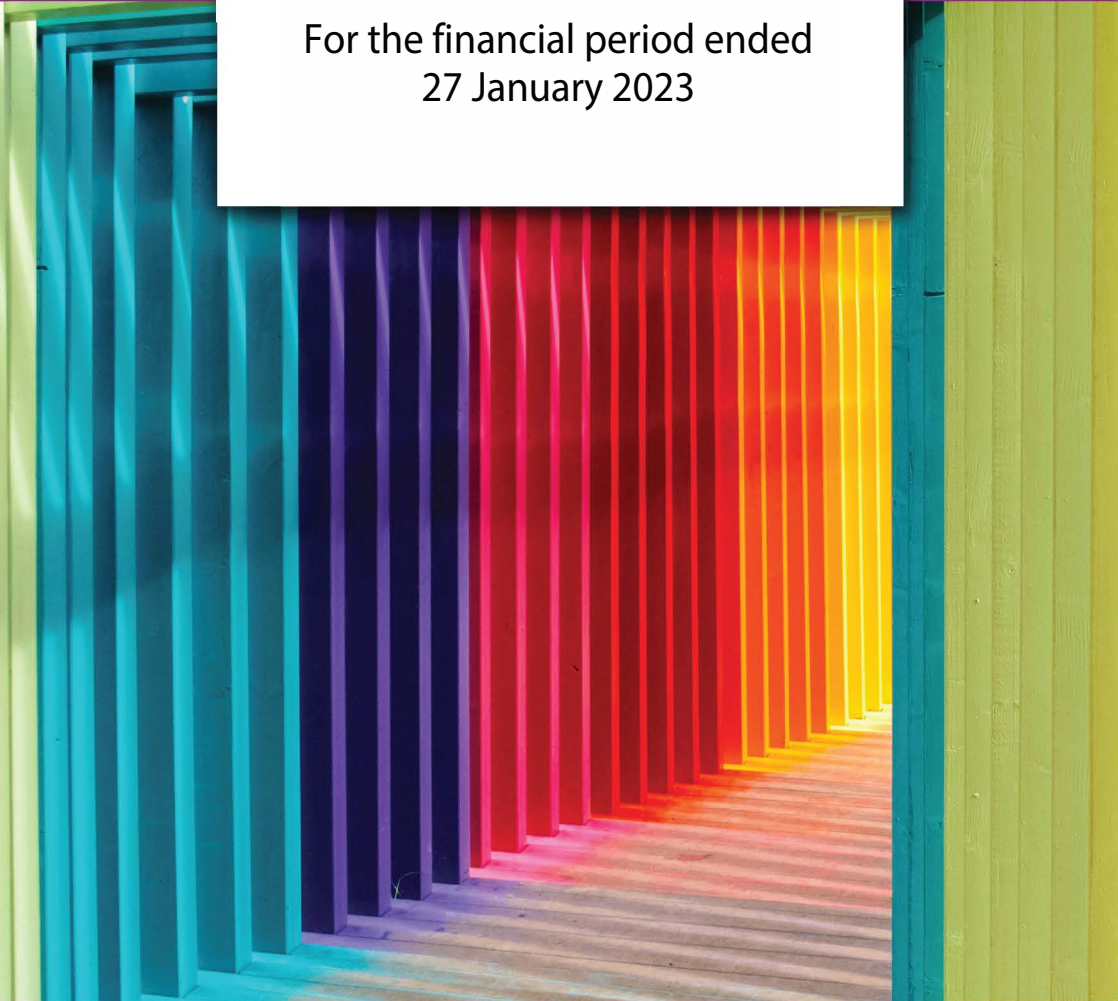


# MATURITY REPORT

## TA RAINBOW INCOME FUND 9

For the financial period ended  
27 January 2023



TA INVESTMENT  
A MEMBER OF THE TA GROUP

199501011387 (340588-T)

# TA Rainbow Income Fund 9

(For the financial period ended 27 January 2023)

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# TA Rainbow Income Fund 9

(For the financial period ended 27 January 2023)

## Key Performance Data

	Period Ended 27/01/2023	Year Ended 31/01/2022	Since the Fund Launch 13/11/19 to 31/01/21
<b>PORTFOLIO COMPOSITION (% OF NAV)</b>			
Fixed Income Instruments (ZNIDs and Bond)	-	90.81	92.94
Structured Product	-	0.41	4.36
Cash (Net of Liabilities)	-	8.78	2.70
<b>Total Investment</b>	<b>0.00</b>	<b>100.00</b>	<b>100.00</b>

Total Net Asset Value (RM'000)	-	40,393	39,530
Units In Circulation (Units '000)	-	37,546	38,621
Net Asset Value Per Unit (RM)	-	1.0758	1.0236
Total Expense Ratio (TER) (%) *	0.11	0.08	0.08
Portfolio Turnover Ratio (PTR) (times) *	Nil	Nil	0.52

\* The current financial period under review is from 1 February 2022 to 27 January 2023, thus the TER & PTR are not comparable with the previous financial year.

### UNIT PRICES

NAV Per Unit (RM)	-	1.0758	1.0236
Highest NAV Per Unit for the Period/Year (RM)	1.0365	1.0874	1.0241
Lowest NAV Per Unit for the Period/Year (RM)	1.0102	1.0234	0.9527

### DISTRIBUTION/UNIT SPLIT

Gross Distribution Per Unit (sen)	6.30	Nil	Nil
Net Distribution Per Unit (sen)	6.30	Nil	Nil
Date of Distribution	03/02/2022	Nil	Nil

### TOTAL RETURN (%)

Capital Return	-3.65	5.12	2.34
Income Return	5.98	-	-
Total Return of Fund	2.33	5.12	2.34
Total Return of the Benchmark	2.30	1.85	2.79
- Maybank 12 Months Fixed Deposit Rate			

### AVERAGE TOTAL RETURN (%)

	Fund	Benchmark
<b>Period</b>		
From (31/01/2022 to 27/01/2023)	2.35	2.32
Since Inception (13/11/2019 to 27/01/2023)	3.04	2.16

# TA Rainbow Income Fund 9

(For the financial period ended 27 January 2023)

## ANNUAL TOTAL RETURN (%)

Period	Fund	Benchmark
From (31/01/2022 to 27/01/2023)	2.33	2.30
31/01/2021 - 31/01/2022	5.12	1.85
Since Inception (13/11/2019 to 31/01/2021)	2.34	2.79

Source : Lipper for Investment Management

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

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

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

N<sup>1</sup> = NAV on the end of the period  
 N<sup>2</sup> = 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<sup>3</sup> = Number of periods per year  
 N<sup>4</sup> = Total number of periods

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

# TA Rainbow Income Fund 9

(For the financial period ended 27 January 2023)

## Manager's Report

### TA Rainbow Income Fund 9

<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 options and/or structured warrants to provide 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><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. <b>Consequently, the return of capital is SUBJECT TO the credit and default risk of the issuers of the 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>	9 January 2023
<b>Termination Date</b>	27 January 2023
<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>TA Rainbow Income Fund 9 ("TARAIF 9" or "the Fund") was managed within its investment objective. For the financial period under review, the Fund's total return was 2.33% and outperforming the benchmark which returned 2.30%.</p> <p>The Fund invested in options and/or structured warrants linked to the performance of the Rainbow Basket to provide potential returns to the Fund, which are:</p> <ul style="list-style-type: none"><li>• Amiral Gestion Sextant Grand Large</li><li>• NN (L) Patrimonial Balanced Fund</li><li>• PIMCO GIS Global Investment Grade Credit Fund</li></ul> <p>The Fund has reached its maturity as of 9<sup>th</sup> January 2023. The Fund paid out distributions of <b>0.631%</b> (based on 100% capital invested) for its third observation date to its respective unitholders based on the performance of the underlying assets in the Rainbow Basket<sup>1</sup> and bonus yield from the</p>

# TA Rainbow Income Fund 9

(For the financial period ended 27 January 2023)


	capital preservation feature. Investors will <b>receive in full the initial investment amount (including the 3% sales charge)</b> . The total return on initial investment since the Fund's launch to the maturity date is <b>6.746%</b> .																		
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	<table><tr><th></th><th>27/01/23</th><th>31/01/22</th><th>% Change</th></tr><tr><td>NAV/unit (RM)</td><td>-</td><td>1.0758</td><td>-</td></tr><tr><td>Total NAV (RM'000)</td><td>-</td><td>40,393</td><td>-</td></tr></table> <table><tr><th>Income Distribution (%)</th><th>Capital Return # (%)</th><th>Total Return (%)</th></tr><tr><td>5.98</td><td>-3.65</td><td>2.33</td></tr></table> <p># Capital Return components:</p> <ul style="list-style-type: none"><li>❖ Fixed Income Instruments (ZNIDs and Bond)</li><li>❖ Structured Product</li><li>❖ Cash</li></ul>		27/01/23	31/01/22	% Change	NAV/unit (RM)	-	1.0758	-	Total NAV (RM'000)	-	40,393	-	Income Distribution (%)	Capital Return # (%)	Total Return (%)	5.98	-3.65	2.33
	27/01/23	31/01/22	% Change																
NAV/unit (RM)	-	1.0758	-																
Total NAV (RM'000)	-	40,393	-																
Income Distribution (%)	Capital Return # (%)	Total Return (%)																	
5.98	-3.65	2.33																	
Performance Chart	<div>Performance Chart Since Inception From 13/11/2019 to 27/01/2023</div> <div>--- Maybank 12 Months Fixed Deposit Rate : 7.10 — TA Rainbow Income 9* : 10.09 * Contains estimated data.</div>																		

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

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

# TA Rainbow Income Fund 9

(For the financial period ended 27 January 2023)

<b>Distribution/Unit Split</b>	During the financial period, the Fund declared a gross distribution of 6.30 sen per unit on 3 February 2022.	
	The effect on NAV arising from the distribution for the financial period ended 27 January 2023 is as follows:	
	<b>Date</b>	<b>3 February 2022</b>
	NAV Before Distribution (RM)	1.0777
	Gross Distribution (RM)	6.30 sen
<b>Asset Allocation</b>		
	<b>27/01/23</b>	<b>31/01/22</b>
	<p>Not Applicable (As the Fund Matured)</p> <p>Structured Product 0.41%</p> <p>Cash (Net of Liabilities) 8.78%</p> <p>Fixed Income Instruments (ZNIDs and Bond) 90.81%</p> 	
<b>Top Investment</b>	<b>As at 27/01/23</b>	<b>% NAV</b>
	Nil	Nil
	<b>As at 31/01/22</b>	<b>% NAV</b>
	Fixed Income Instruments (ZNIDs and Bond)	90.81
	Structured Product	0.41

*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 9

(For the financial period ended 27 January 2023)

## Market Review

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2022 saw stocks gyrating wildly as the United States (US) Federal Reserve (Fed) pivoted from its zero-rates policy and announced that rates would start to rise starting in March 2022, causing investors to reassess valuations across the entire stock market. This was exacerbated by geopolitical tensions as Russia invaded Ukraine on 24<sup>th</sup> February 2022, unexpectedly interrupting global recovery from the Coronavirus Disease of 2019 (COVID-19) pandemic. It further aggravated the shortages and supply chain issues in certain critical goods and key commodities. Markets slipped further across April 2022, plagued by rising interest rates, monetary tightening by the US Federal Reserve, inflation worries and the Ukraine war. Market sentiment has worsened with extreme volatility in US markets over May 2022, with global inflation rates remaining elevated. Oil benchmarks marched steadily higher as Russian shipments were squeezed by European Union (EU) and US sanctions, and as China ended its COVID-19 lockdown in Shanghai, bolstering demand in an already tight market. After a flat month (June 2022) with wild swings, US markets rebounded in July 2022 as investors' fears about the aggressive pacing of Fed interest rate hikes waned.

Hawkish comments from Fed officials signalling that interest rate hikes are not going away anytime soon, leading to markets tumbling in September 2022 with the Dow Jones (-8.8%) in the US closing below 29,000 for the first time since November 2020 amidst lower-than-expected consumer sentiment and the Fed's seven consecutive interest rate hikes of 2022, pushing its benchmark rate to 4.5% on 14 December 2022. Meanwhile, the Bank of England and European Central Bank each raised their policy rates by 50 basis points at their policy meetings at the end of 2022. Developments in other major economies included China's loosening of its Coronavirus Disease of 2019 (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.

The volatile market saw the Fund's underlying assets retracing earlier gains and falling into negatives. Nevertheless, the 100% Capital Preservation feature successfully safeguarded investors' capital through the downside and volatility as losses would otherwise have been substantial with the underlying assets' significant declines, as indicated through equities by the MSCI All Countries World Index (-14.35%), S&P 500 (-15.42%), pan-European Stoxx 600 index (-4.57%) and fixed income as tracked by the Bloomberg US Aggregate Index (-9.74%) over the one-year period as of 09 January 2023\*.

Source: \* Bloomberg Terminal, TA Investment Management Berhad, over the one-year period from 09 January 2022 to 09 January 2023.



# TA Rainbow Income Fund 9

(For the financial period ended 27 January 2023)

The performance of the underlying assets of the Fund are as follows:-

## TA Rainbow Income Fund 9

Underlying	Quote	Initial Price at 08/01/2020	Q1 Price at 08/04/2022	Q2 Price at 08/07/2022	Q3 Price at 10/10/2022	Q4 Price at 09/01/2023	Average Quarterly Price Level	% Change
Amiral Gestion Sextant Grand Large	AMSEGLA:FP	451.4700	460.03	442.75	428.51	444.29	443.90	-1.678
NN (L) Patrimonial Balanced Fund	INGPBAP:LX	1630.23	1830.75	1708.18	1631.78	1661.97	1708.17	4.781
PIMCO GIS Global Investment Grade Credit Fund	PIMGIIA:ID	20.04	18.34	17.17	16.35	17.17	17.26	-13.883

Quote	Defensive (10-30-60)	Total Return	Balanced (33-33-33)	Total Return	Bull (60-30-10)	Total Return
AMSEGLA:FP	0.10	-0.1678	0.33	-0.5537	0.60	-1.0067
INGPBAP:LX	0.30	1.4343	0.33	1.5777	0.30	1.4343
PIMGIIA:ID	0.60	-8.3296	0.33	-4.5813	0.10	-1.3883
		-7.0631		-3.5572		-0.9607

Currency Conversion Factor on Investment Start Date (USD/MYR): 4.0943

Currency Rate (USD/MYR) BNM: 4.3755

Conversion Factor: 1.0687

Best performing portfolio: Bull

-0.9607

Payout for First Observation 08/01/2021 (%): 0.000

Payout for Second Observation 10/01/2022 (%): 6.115

Underlyings Payout for third observation (%): 0.000

Other income (%): 0.631

Payout for Third Observation 09/01/2023 (%): 0.631

Total Payout (%): 6.746

1700 session middle rate at  
09/01/2023

(Source: TA Investment Management, Bloomberg Terminal, as at January 2023)  
BNM = Bank Negara Malaysia

## Amiral Gestion Sextant Grand Large

The fund declined by -3.94% over the one-year period up to 09<sup>th</sup> January 2023. The Sextant Grand Large is a diversified fund with 0% to 100% exposure to equities depending on the long-term valuation of equity markets. Stocks are then selected individually from across the world with no constraints imposed by a benchmark index. Assets not invested will be invested in bonds selected using the same approach, and also in money-market instruments.

The net equity exposure varies according to the adjusted market valuation for the cycle (Shiller PE ratios). Excluding all macroeconomic and stock market effects, the more expensive the markets, the less the fund will be exposed and vice versa. At the end of December 2022, the net exposure to the equity market was up to 33%. This was made up of a 54% gross exposure, and hedging instruments accounting for nearly 21% of the fund. This level of hedging is at its highest today because of the polarisation of market valuations between small and large stocks, with the latter being more expensive. We therefore believe it is worthwhile to overweight small caps beyond our target net exposure of 33% to reach 54% gross exposure by returning to the target exposure via hedging on large indices. Bonds represent 25% of the fund, increasingly steadily over the course of the year to take advantage of the more favourable credit spreads. The rest of the fund consists of liquid assets in the broadest sense, including arbitrage operations and money-market instruments (22%).

## TA Rainbow Income Fund 9

(For the financial period ended 27 January 2023)

Within equity, we chose equity ideas whose quality-to-price ratio appears to have the lowest downside potential in the long term. We therefore favour companies with moderate valuations, particularly as regards their balance sheets (net cash, working capital, etc.) and reasonably foreseeable activity. The portfolio remains contrarian, with a predominance of European and Asian small caps whose valuations are far from those of the major indices. At the beginning of 2022, valuation biases had reached record levels in terms of style (with the most expensive stocks having a record premium over the cheapest stocks). The same was true geographically (with the US more expensive than the rest of the world). These two excesses have begun to be corrected in 2022 with the strong performance of select stocks that had been largely overlooked by the market. Their astute managers have taken advantage of this to buy back shares. Similarly, the Asian stocks in the portfolio performed well overall, withstanding the market downturn. On the other hand, the discount on small and mid-caps has tended to widen. Lastly, tech stocks, and particularly e-commerce stocks, suffered from the reopening of the economies. We had little exposure to this segment but still suffered with an e-commerce meal-kit platform. We strengthened this segment in 2022 on stocks that we felt were excessively punished.

At the end of December 2022, the bond portfolio had a yield of 8.9% for a sensitivity of 2.6: a favourable positioning that should provide a reservoir of performance, particularly via the carry trade, for the beginning of 2023 in a still uncertain environment. Indeed, the bond market has established itself over the period at a level of yield and credit margins that are now higher than the average of the last 10 years. These are favourable signals for maintaining a significant weighting in the credit portfolio. The last quarter of 2022 saw the strengthening of quality firms. Conversely, we sold off the convertible bond of a British online retailer as its fundamentals were deteriorating in a difficult economic context in the United Kingdom (UK), with hopes of recovery too uncertain. Over the course of 2022, the performance of the bond portfolio was mainly affected by the sharp fall in the Casino perpetual bond after its first half 2022 results remained disappointing. Negative reports from the company and a downgrade by Standard & Poor's accentuated the decline, despite a significant increase in the asset disposal programme and the judicious purchase by the company of short bonds to reduce its debt. Conversely, the bond portfolio benefited from Banijay's Initial Public Offering (IPO) and successive redemptions within the SME Credit Realisation fund, and from the good performance of the discounted and good quality loans that we bought and/or strengthened in 2022.

*(Source: Bloomberg Terminal, Amiral Gestion as at 31 December 2022)*

### **NN (L) Patrimonial Balanced Fund**

As of 09<sup>th</sup> January 2023, the fund declined by -12.84% over the one-year period, cutting short its recovered gains across 2021. 2022 proved very volatile, and we saw a complete reversal of investor sentiment by December 2022.

In macroeconomic terms, it should be noted that inflation has slowed, while the pace of interest rate hikes by central banks slowed. In the US, inflation has already been falling for five months in a row as at December 2022. The year-on-year rise in US consumer prices stood at 7.1% in November 2022, while US core inflation fell back to 6% in annualised terms. In the Eurozone and the UK, consumer price inflation, although still very high, is also starting to fall, according to the latest figures. As expected, the Fed, the European

# TA Rainbow Income Fund 9

(For the financial period ended 27 January 2023)

Central Bank (ECB) and the Bank of England all raised rates by 50 basis points (bps) at their December 2022 meeting, after a 75-bps increase at their previous meeting. The pace of increases is therefore slowing, but the markets were once again concerned by the aggressive comments accompanying these increases. The Fed pointed out that its key interest rate should increase further and should remain high for longer in order to alleviate the American labour market. ECB President Christine Lagarde, for her part, still expects several rate hikes of 0.5% (probably three) and that rates should subsequently remain high for some time to guarantee a return to 2% inflation. Another surprise was her announcement that the ECB would start reducing its balance sheet in March 2023. And lastly, the Bank of Japan took the first step towards lifting its policy of controlling the yield curve, by increasing the maximum limit of the Japanese 10-year rate in December 2022 from 0.25% to 0.5%.

European equities posted a remarkable upturn thanks to company results which exceeded expectations in the last quarter of 2022, and a sharp drop in energy prices. Despite the drop in energy prices, the energy sector once again led the way in the last quarter of 2022, followed by the industrials sector, basic materials and the financials sector. Cyclical consumer goods underperformed significantly, followed by telecommunications services, technology and real estate.

Bond markets were also highly volatile. The US 10-year rate reached a high of 4.2% at the beginning of November 2022 then fell due to more moderate inflation. Euro government bonds were under more pressure given the aggressive tone of the ECB and growth in the eurozone proving not as low as feared. High-risk bonds performed better than government papers at the end of 2022, given that their attractive valuations drew in buyers. Higher-risk bonds performed better than government papers at the end of 2022, given their attractive valuations which drew in buyers.

Thus ended 2022, a year which was, at the very least, difficult and turbulent, with severe losses for both high-quality bonds and high-risk assets (equities, high-risk bonds and etcetera). The significant underweight in duration performed well, while the cautious stance on equities has added some value over 2022. The equities component lagged slightly behind the overall market due to disappointing regional choices, while sector-based choices and the decision to reduce the weight of growth shares worked well. The bond component was under pressure (despite the good duration policy) following some disappointment in the selected bond funds.

The patrimonial fund maintained a cautious positioning. In fact, they are concerned that much bad news about corporate profits is yet to come, although the outlook is not sufficiently incorporated into share prices. The rapid squeeze on financial conditions should continue to impact valuations. Against this backdrop, the fund remains underweight in equities for the time being. The fund is also relatively cautious on bonds. After the sharp rise in bond rates, they slightly reduced the underweight in government bonds in the last few days of 2022. Duration is therefore now just below normal (slight underweight). Furthermore, the weight of high-risk bonds is currently almost neutral, as valuations within this segment look attractive (which is not yet the case for equities). Later in 2023, the gradual normalisation of inflation and the subsequent pause in interest rate hikes should lead to some form of stabilisation and lay the foundations for a sustained rebound in the markets, once the growth outlook has overcome the lows.

## TA Rainbow Income Fund 9

(For the financial period ended 27 January 2023)

*(Source: Bloomberg Terminal, NN Investment Partners as at 31 December 2022)*

### **PIMCO GIS Global Investment Grade Credit Fund**

The fund fell by -14.58% over the one-year up to 09<sup>th</sup> January 2023 and retraced its earlier gains. Macro strategies contributed, as an underweight to US duration contributed to performance amid rising interest rates. Other contributors were exposure to securitized assets and security selection within the gaming sector. On the other hand, security selection within Real Estate Investment Trusts (REITs) detracted from performance as a select overweight European issuer underperformed. An underweight to and security selection within the insurance sector also hindered relative performance.

We remain constructive on financial institutions, including consumer finance companies and banks, which are well positioned given their strong fundamentals following more than a decade of restructuring, de-risking and de-leveraging. Banks remain more insulated from inflationary pressures relative to other sectors in corporate credit and are uniquely positioned to benefit from rising rates, particularly in Europe. The widening in spreads over the course of the year has led to an improvement in valuations, with most sectors now trading above their long-term historical averages. COVID-19 impacted sectors, select BBBs, new issues, sectors that benefit from rising rates, and potential rising stars offer further upside, while ongoing macro volatility may lead to downside risk in lower quality credits. We remain underweight to issuers with limited upside and potential re-leveraging risk in sectors such as Pharmaceuticals and Food & Beverage as well as sectors with weakening fundamentals, such as Retailers.

Expect global growth to continue to slow down and for inflation to remain persistent before gradually moderating over the course of the year. Persistent and elevated inflation has prompted global central banks to continue to hike rates despite risks of a slowdown, prioritizing inflation mandates over growth and full employment. Credit fundamentals in investment grade credit are expected to remain resilient, although cost inflation, slowing consumer demand, margin pressure, and recession risk represent headwinds for select industries and issuers. Primary market activity has been relatively slow as central banks are raising rates to curb inflation and market volatility has kept issuers on the sidelines. Increased Mergers & Acquisitions (M&A) activity may pose an upside risk to overall issuance volumes. Demand for global investment grade credit is expected to increase as yields have moved higher, especially driven by institutional flows, due to the need for high quality income and de-risking from equities on the back of improved pension plan funding ratios. This is balanced by technical headwinds in Euro and Sterling markets, as the ECB and Bank of England (BoE) focus on balance sheet reduction in 2023. The widening in spreads over the past year has led to an improvement in valuations, with most sectors trading above their long-term historical averages. However, ongoing macro volatility may lead to downside risk in lower quality credits. Select COVID-19-impacted sectors, resilient BBBs in defensive industries, attractively priced new issues, sectors that benefit from rising rates, as well as potential rising stars continue to offer further upside.

*(Source: Pacific Investment Company LLC "PIMCO" as of 31 December 2022)*

## TA Rainbow Income Fund 9

(For the financial period ended 27 January 2023)

### Market Outlook And Investment Strategy

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The Fund has reached its maturity as of 09<sup>th</sup> January 2023.

### 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 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 9

(For the financial period ended 27 January 2023)

## TRUSTEE'S REPORT

### TO THE UNIT HOLDERS OF TA RAINBOW INCOME FUND 9 ("Fund")

We have acted as Trustee of the Fund for the financial period from 1 February 2022 to 27 January 2023 (termination completion date) and we hereby confirm to the best of our knowledge, after having made all reasonable enquiries, **TA Investment Management Berhad** has operated and managed the Fund during the period covered by these financial statements in accordance with the following:

1. Limitations imposed on the investment powers of the management company under the deed, securities laws and the Guidelines on Unit Trust Funds;
2. Valuation and pricing is carried out in accordance with the deed; and
3. Any creation and cancellation of units are carried out in accordance with the deed and any regulatory requirement.

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

For and on behalf of  
**CIMB Commerce Trustee Berhad**

**Datin Ezreen Eliza binti Zulkiplee**  
Chief Executive Officer

Kuala Lumpur, Malaysia  
Date : 27 March 2023

# TA Rainbow Income Fund 9

(For the financial period ended 27 January 2023)

## STATEMENT BY THE MANAGER

We, CHEW CHIN GUAN and MOHAMMED A'REEFF BIN ABDUL KHALID, being two of the Directors of TA INVESTMENT MANAGEMENT BERHAD, do hereby state that, in the opinion of the Manager, the accompanying financial statements set out on pages 18 to 48, are drawn up so as to give a true and fair view of the financial position of TA RAINBOW INCOME FUND 9 as at 27 January 2023 (termination completion date) and of its financial performance and cash flows for the financial period ended 27 January 2023 (termination completion date) in accordance with Malaysian Financial Reporting Standards and International Financial Reporting Standards.

On behalf of the Manager,

**CHEW CHIN GUAN**

**MOHAMMED A'REEFF BIN ABDUL KHALID**

Kuala Lumpur, Malaysia

Date : 27 March 2023

# TA Rainbow Income Fund 9

(For the financial period ended 27 January 2023)

## **INDEPENDENT AUDITORS' REPORT**

### **TO THE UNITHOLDERS OF TA RAINBOW INCOME FUND 9**

(Incorporated in Malaysia)

## **Report on the Audit of the Financial Statements**

### **Opinion**

We have audited the financial statements of TA Rainbow Income Fund 9 (hereinafter referred to as "the Fund"), which comprise the statement of financial position as at 27 January 2023, and the statement of comprehensive income, statement of changes in net asset value and statement of cash flows for the financial period then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 18 to 48

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Fund as at 27 January 2023, and of its financial performance and its cash flows for the period then ended in accordance with Malaysian Financial Reporting Standards and International Financial Reporting Standards.

### **Basis for Opinion**

We conducted our audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our auditors' report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### *Independence and Other Ethical Responsibilities*

We are independent of the Fund and Manager of the Fund in accordance with the By-Laws (on Professional Ethics, Conduct and Practice) of the Malaysian Institute of Accountants ("By-Laws") and the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) ("IESBA Code"), and we have fulfilled our other ethical responsibilities in accordance with the By-Laws and the IESBA Code.

### **Emphasis of Matter - Departure from the Going Concern Basis of Accounting**

We draw attention to Note 2.1(b) of the financial statements, which describes that the realisation basis of preparing the financial statements for the financial period ended 27 January 2023 has been used as the Fund has been terminated on 27 January 2023. Our opinion is not modified in respect of this matter.

### **Information Other than the Financial Statements and Auditors' Report Thereon**

The Manager of the Fund is responsible for the other information. The other information comprises the information included in the Annual Report of the Fund, but does not include the financial statements of the Fund and our auditors' report thereon.



# TA Rainbow Income Fund 9

(For the financial period ended 27 January 2023)

## **Information Other than the Financial Statements and Auditors' Report Thereon (Contd.)**

Our opinion on the financial statements of the Fund does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements of the Fund, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements of the Fund or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of the other information, we are required to report that fact. We have nothing to report in this regard.

## **Responsibilities of the Manager and Trustee for the Financial Statements**

The Manager of the Fund is responsible for the preparation of financial statements of the Fund that give a true and fair view in accordance with Malaysian Financial Reporting Standards and International Financial Reporting Standards. The Manager is also responsible for such internal control as the Manager determines is necessary to enable the preparation of financial statements of the Fund that are free from material misstatement, whether due to fraud or error. The Trustee is responsible for ensuring that the Manager maintains proper accounting and other records as are necessary to enable true and fair presentation of the financial statements.

In preparing the financial statements of the Fund, the Manager is responsible for assessing the ability of the Fund to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Manager either intends to liquidate the Fund or to cease operations, or have no realistic alternative but to do so.

## **Auditors' Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements of the Fund as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with approved standards on auditing in Malaysia and International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements of the Fund, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

# TA Rainbow Income Fund 9

(For the financial period ended 27 January 2023)

## **Auditors' Responsibilities for the Audit of the Financial Statements (continued)**

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control of the Fund.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Manager.
- Conclude on the appropriateness of the Manager's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Fund to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Fund or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Fund to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements of the Fund, including the disclosures, and whether the financial statements of the Fund represent the underlying transactions and events in a manner that gives a true and fair view.

We communicate with the Manager regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

## **Other Matter**

This report is made solely to the unitholders of the Fund, as a body, and for no other purpose. We do not assume responsibility to any other person for the content of this report.

### **KPMG PLT**

(LLP0010081-LCA & AF 0758)  
Chartered Accountants

Petaling Jaya

Date : 27 March 2023

### **Chong Dee Shiang**

Approval Number: 02782/09/2024 J  
Chartered Accountant

# TA Rainbow Income Fund 9

(For the financial period ended 27 January 2023)

## STATEMENT OF COMPREHENSIVE INCOME FOR THE FINANCIAL PERIOD ENDED 27 JANUARY 2023 (TERMINATION COMPLETION DATE)

		01.02.2022 to 27.01.2023 RM	01.02.2021 to 31.01.2022 RM
	Note		
<b>INCOME</b>			
Interest income		1,223,063	606,958
Other income		588	34,658
Net (loss)/gain on financial assets at fair value through profit or loss ("FVTPL")	7	(290,914)	1,413,958
		<u>932,737</u>	<u>2,055,574</u>
<b>EXPENSES</b>			
Trustee's fee	4	15,061	16,282
Auditors' remuneration		9,000	9,000
Tax agent's fee		8,300	3,250
Administrative fees and expenses		10,776	5,324
		<u>43,137</u>	<u>33,856</u>
Net income before tax		889,600	2,021,718
Income tax expense	6	(868)	(14,363)
Net income after tax, representing total comprehensive income for the financial period/year		<u>888,732</u>	<u>2,007,355</u>
Net income after tax is made up of the following:			
Net realised income		888,732	1,292,631
Net unrealised income		-	714,724
		<u>888,732</u>	<u>2,007,355</u>
Distribution for the financial period/year			
Net distribution	9	6.30	-
Gross/Net distribution per unit (sen)	9	<u>6.30</u>	<u>-</u>

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

# TA Rainbow Income Fund 9

(For the financial period ended 27 January 2023)

## STATEMENT OF FINANCIAL POSITION AS AT 27 JANUARY 2023 (TERMINATION COMPLETION DATE)

	Note	27.01.2023 RM	31.01.2022 RM
<b>ASSETS</b>			
Investments	7	-	36,841,123
Deposit with a financial institution	8	-	3,255,502
Interest receivable		-	143,636
Other receivable		22,727	7,253
Cash at bank		5,324	162,030
<b>TOTAL ASSETS</b>		<b>28,051</b>	<b>40,409,544</b>
<b>LIABILITIES</b>			
Amount due to Trustee		2,340	1,382
Other payables and accruals		25,711	15,500
<b>TOTAL LIABILITIES</b>		<b>28,051</b>	<b>16,882</b>
<b>NET ASSET VALUE ("NAV")</b>			
Unitholders' capital	10(a)	-	37,465,639
Retained earnings	10(b),(c)	-	2,927,023
<b>NET ASSET VALUE ("NAV")</b>			
<b>ATTRIBUTABLE TO UNITHOLDERS</b>		-	40,392,662
<b>TOTAL NAV AND LIABILITIES</b>		<b>28,051</b>	<b>40,409,544</b>
<b>NUMBER OF UNITS IN CIRCULATION</b>	10(a)	-	37,546,071
<b>NAV PER UNIT</b>		-	1.0758

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

# TA Rainbow Income Fund 9

(For the financial period ended 27 January 2023)

## STATEMENT OF CHANGES IN NET ASSET VALUE ("NAV") FOR THE FINANCIAL PERIOD ENDED 27 JANUARY 2023 (TERMINATION COMPLETION DATE)

	Unitholders' capital Note 10(a) RM	Retained earnings Note 10(b) and (c) RM	Total NAV RM
At 1 February 2021	38,610,477	919,668	39,530,145
Total comprehensive income for the financial year	-	2,007,355	2,007,355
Cancellation of units	(1,144,838)	-	(1,144,838)
At 31 January 2022	<u>37,465,639</u>	<u>2,927,023</u>	<u>40,392,662</u>
At 1 February 2022	37,465,639	2,927,023	40,392,662
Total comprehensive income for the financial period	-	888,732	-
Cancellation of units	(37,465,639)	(1,450,353)	888,732
Distribution (Note 9)	-	(2,365,402)	(38,915,992)
At 27 January 2023	<u>-</u>	<u>-</u>	<u>-</u>

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

# TA Rainbow Income Fund 9

(For the financial period ended 27 January 2023)

## STATEMENT OF CASH FLOWS

FOR THE FINANCIAL PERIOD ENDED 27 JANUARY 2023

(TERMINATION COMPLETION DATE)

	01.02.2022 to 27.01.2023 RM	01.02.2021 to 31.01.2022 RM
<b>CASH FLOWS FROM OPERATING AND INVESTING ACTIVITIES</b>		
Proceeds from sales of investments	36,550,209	3,040,394
Interest received	1,366,699	607,995
Other income received	588	27,405
Trustee's fee paid	(14,103)	(16,156)
Payment for other fees and expenses	(17,865)	(14,324)
Tax paid	(16,342)	(14,363)
Net cash generated from operating and investing activities	<u>37,869,186</u>	<u>3,630,951</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Cash paid on distribution	(2,365,402)	-
Cash paid on units cancelled	<u>(38,915,992)</u>	<u>(1,155,271)</u>
Net cash used in financing activities	<u>(41,281,394)</u>	<u>(1,155,271)</u>
<b>NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS</b>	(3,412,208)	2,475,680
<b>CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE FINANCIAL PERIOD/YEAR</b>	<u>3,417,532</u>	<u>941,852</u>
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL PERIOD/YEAR</b>	<u>5,324</u>	<u>3,417,532</u>
<b>CASH AND CASH EQUIVALENTS COMPRISE:</b>		
Cash at bank	5,324	162,030
Deposit with a financial institution	-	<u>3,255,502</u>
Cash and cash equivalents	<u>5,324</u>	<u>3,417,532</u>

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

# TA Rainbow Income Fund 9

(For the financial period ended 27 January 2023)

## **NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD ENDED 27 JANUARY 2023 (TERMINATION COMPLETION DATE)**

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

TA Rainbow Income Fund 9 ("the Fund") was constituted pursuant to the execution of a Deed of Trust ("the Deed") dated 28 August 2019 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 13 November 2019 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 which has been terminated on 27 January 2023.

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. Its principal activities are the establishment and management of unit trust funds and fund management. The Manager is licensed to carry out dealing in securities and fund management activities under the Capital Markets and Services Act 2007.

The financial statements were authorised for issue by the Board of Directors of the Manager in accordance with a resolution on 27 March 2023.

### **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 ("MFRSs") and International Financial Reporting Standards ("IFRS"), collectively known as the "Standards".

The Fund will not be adopting any of the accounting standards, interpretations and amendments of the MFRSs framework that have been issued by the Malaysian Accounting Standards Board ("MASB") that will come into effect on or after 1 January 2023 because the Fund has been terminated on 27 January 2023.

##### **(b) Basis of measurement**

The financial statements of the Fund have been prepared on a realisation basis as the Fund has been terminated on 27 January 2023. The comparatives have been prepared on a realisation basis.

##### **(c) Functional and presentation currency**

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

# TA Rainbow Income Fund 9

(For the financial period ended 27 January 2023)

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTD.)

### 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 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.

##### (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.



# TA Rainbow Income Fund 9

(For the financial period ended 27 January 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

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 profit or loss.

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 are initially recognised at fair value and 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.

# TA Rainbow Income Fund 9

(For the financial period ended 27 January 2023)

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTD.)

### 2.2 Significant Accounting Policies (contd.)

#### (a) Financial Instruments (contd.)

##### (iii) Derecognition (contd.)

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 reported in the financial statement when there is a legally enforceable right to offset the recognised amounts and there is an intention either to settle them on a net basis or realise the asset and settle the liability simultaneously.

#### (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, 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.

# TA Rainbow Income Fund 9

(For the financial period ended 27 January 2023)

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTD.)

### 2.2 Significant Accounting Policies (contd.)

#### (b) Impairment (contd.)

##### Financial assets (contd.)

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.

#### (c) Classification of Realised and Unrealised Gains and Losses

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

The realised gain or loss on sale of 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 or 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.

# TA Rainbow Income Fund 9

(For the financial period ended 27 January 2023)

## 2.2 Significant Accounting Policies (contd.)

### (d) Foreign Currency Transactions (contd.)

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 which 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 accounted for as a deduction from realised reserves 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.

### (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.

# TA Rainbow Income Fund 9

(For the financial period ended 27 January 2023)

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTD.)

### 2.2 Significant Accounting Policies (contd.)

#### (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 incentive can be utilised.

#### (j) Segment Reporting

For management purposes, the Fund is managed by two main portfolios, namely "unquoted structured products and unquoted bonds" and "unquoted zero-coupon negotiable instruments of deposits ("ZNIDs") 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.

#### (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.

# TA Rainbow Income Fund 9

(For the financial period ended 27 January 2023)

## 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% (2022: 0.04%) per annum of the NAV of the Fund, subject to minimum of RM6,000 (2022: RM6,000) per annum.

## 5. REDEMPTION CHARGE (EXIT FEE)

A charge of 3% (2022: 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 expense for the year is calculated at the Malaysian statutory tax rate of 24% of the estimated assessable profit for the financial period. Foreign source income is subject to tax after 1 January 2022 and a transitional tax rate of 3% is accorded on the gross amount remitted from 1 January 2022 to 30 June 2022. Foreign source income will be subject to tax at prevailing rate of 24% with effect from 1 July 2022.

In accordance with Schedule 6 of the Income Tax Act 1967, interest income earned by the Fund is exempted from Malaysian tax, except for interest paid or credited to a unit trust that is a wholesale fund which is a money market fund.

A reconciliation of income tax expense applicable to net 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:

	01.02.2022 to 27.01.2023 RM	01.02.2021 to 31.01.2022 RM
Net income before tax	889,600	2,021,718
Taxation at Malaysian statutory rate of 24%	213,504	485,212
Effects of interest income not subject to tax	(293,535)	(486,227)
Effects of expenses and loss not deductible for tax purposes	78,012	5,965
Restriction on tax deductible expenses for unit trust funds	2,019	2,160
Underprovision in prior year	868	7,253
Income tax expense for the financial period/year	868	14,363

# TA Rainbow Income Fund 9

(For the financial period ended 27 January 2023)

## 7. INVESTMENTS

	27.01.2023 RM	31.01.2022 RM
Financial assets at FVTPL:		
Unquoted structured product outside Malaysia	-	166,462
Unquoted zero-coupon negotiable instrument of deposit ("ZNID") in Malaysia	-	10,969,206
Unquoted bonds in Malaysia	-	25,705,455
	<u>-</u>	<u>36,841,123</u>
Net (loss)/gain on financial assets at FVTPL comprises:		
Net realised (loss)/gain on investments	(290,914)	699,234
Net unrealised gain on changes in fair value	-	714,724
	<u>(290,914)</u>	<u>1,413,958</u>

These investments have been liquidated upon the maturity of the investments.

Financial assets at FVTPL as at 31 January 2022 are as detailed below:

### (a) Unquoted structured product outside Malaysia

Issuer Name	Quantity Units	Cost RM	Fair Value RM	% of NAV %
Societe Generale				
- Maturity 09/01/2023	9,495	835,245	166,462	0.41
<b>Total unquoted structured product outside Malaysia</b>	<u>9,495</u>	<u>835,245</u>	<u>166,462</u>	<u>0.41</u>

### (b) Unquoted zero-coupon negotiable instrument of deposits ("ZNIDs") in Malaysia

Issuer Bank	Notional Amount RM	Cost RM	Fair Value RM	% of NAV %
Affin Bank Bhd				
- Maturity 06/01/2023	7,765,000	6,998,703	7,584,075	18.78
Hong Leong Bank Bhd				
- Maturity 06/01/2023	3,472,000	3,153,270	3,385,131	8.38
<b>Total unquoted ZNIDs in Malaysia</b>	<u>11,237,000</u>	<u>10,151,973</u>	<u>10,969,206</u>	<u>27.16</u>

# TA Rainbow Income Fund 9

(For the financial period ended 27 January 2023)

## 7. INVESTMENTS (CONTD.)

### (c) Unquoted bonds in Malaysia

Issuer Bank	Quantity Units	Cost RM	Fair Value RM	% of NAV %
CMS IMTN 4.8% 05/05/2022 Series No 1	1,500,000	1,551,750	1,509,075	3.74
DRB-HICOM IMTN 4.15% 12/12/2022	7,000,000	7,062,500	7,031,150	17.41
Genting Cap MTM 4.42% 08/06/2022	3,000,000	3,037,200	3,008,220	7.45
SPRE IMTM 4.85% 15/07/2022	7,000,000	7,161,700	7,058,660	17.48
UEMS IMTM 5.06% 09/12/2022	7,000,000	7,298,600	7,098,350	17.57
<b>Total unquoted bonds in Malaysia</b>	<b>25,500,000</b>	<b>26,111,750</b>	<b>25,705,455</b>	<b>63.65</b>
<b>TOTAL FINANCIAL ASSETS AT FVTPL</b>		<b>37,098,968</b>	<b>36,841,123</b>	<b>91.22</b>
<b>EXCESS OF COST OVER FAIR VALUE</b>			<b>257,845</b>	

## 8. DEPOSIT WITH A FINANCIAL INSTITUTION

	27.01.2023 RM	31.01.2022 RM
Placement with licensed bank	-	3,255,502

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)	
	27.01.2023	31.01.2022	27.01.2023	31.01.2022
Short-term placement	-	1.65	-	4



# TA Rainbow Income Fund 9

(For the financial period ended 27 January 2023)

## 9. DISTRIBUTION

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

<b>Declaration date</b>	<b>Unit In Circulation</b>	<b>Gross Distribution Per Unit (Sen)</b>	<b>Net Distribution Per Unit (Sen)</b>	<b>Distribution Amount (RM)</b>
03.02.2022	37,546,071	6.30	6.30	2,365,402

Distribution to unitholders were made from the following sources:

	<b>27.01.2023 RM</b>
Interest income	1,223,063
Other income	588
Distribution out of previous financial years' realised reserve	1,475,802
Less: Net realised loss on financial assets at FVTPL	(290,914)
Less: Expenses	(43,137)
Distribution out of realised reserve	<u>2,365,402</u>
Analysed as:	
Cash distribution	<u>2,365,402</u>
<u>Final distribution:</u>	
Gross/net distribution per unit (sen)	<u>6.30</u>

Included in the current period's distribution was a gross amount of RM1,475,802 from the previous financial years' realised reserve.

# TA Rainbow Income Fund 9

(For the financial period ended 27 January 2023)

## 10. NET ASSET VALUE ATTRIBUTABLE TO UNITHOLDERS

	Note	27.01.2023 RM	31.01.2022 RM
Unitholders' capital	(a)	-	37,465,639
Retained earnings			
- Realised reserve	(b)	-	1,898,524
- Unrealised reserve	(c)	-	1,028,499
		<u>-</u>	<u>40,392,662</u>

### (a) Unitholders' capital

	27.01.2023		31.01.2022	
	No of units	RM	No of units	RM
At beginning of the financial period/year	37,546,071	37,465,639	38,620,537	38,610,477
Cancellation of units	<u>(37,546,071)</u>	<u>(37,465,639)</u>	<u>(1,074,466)</u>	<u>(1,144,838)</u>
At end of the financial period/year	<u>-</u>	<u>-</u>	<u>37,546,071</u>	<u>37,465,639</u>

### (b) Realised reserve

	27.01.2023 RM	31.01.2022 RM
At beginning of the financial period/year	1,898,524	605,893
Net realised income for the financial period/year	888,732	1,292,631
Distribution out of realised reserve (Note 9)	(2,365,402)	-
Realised upon maturity of investments	1,028,499	-
Cancellation of units	<u>(1,450,353)</u>	<u>-</u>
Net (decrease)/increase in realised retained earnings for the financial period/year	<u>(1,898,524)</u>	<u>1,292,631</u>
At end of the financial period/year	<u>-</u>	<u>1,898,524</u>

### (c) Unrealised reserve

	27.01.2023 RM	31.01.2022 RM
At beginning of the financial period/year	1,028,499	313,775
Net unrealised income for the financial period/year	-	714,724
Realised upon maturity of investments	<u>(1,028,499)</u>	<u>-</u>
At end of the financial period/year	<u>-</u>	<u>1,028,499</u>

# TA Rainbow Income Fund 9

(For the financial period ended 27 January 2023)

## 11. TRANSACTIONS WITH INVESTMENT BANK

Details of transactions with the investment bank/dealer during the financial period/year are as follows:

Name of investment banks/dealer	01.02.2022 to 27.01.2023		01.02.2021 to 31.01.2022	
	Value of trade RM	Percentage to total value of trade %	Value of trade RM	Percentage to total value of trade %
Societe Generale Corporate & Investment Banking	-	-	45,215	100.00
	-	-	45,215	100.00

The above transactions do not involve any fees and commission payable to the investment bank.

## 12. TOTAL EXPENSE AND PORTFOLIO TURNOVER RATIOS

### (a) Total Expense Ratio

The total expense ratio for the financial period ended 27 January 2023 was 0.11% (2022: 0.08%). This ratio represents total management expenses expressed as an annualised percentage of the Fund's average NAV, calculated on a daily basis.

### (b) Portfolio Turnover Ratio

The portfolio turnover ratio for the financial period ended 27 January 2023 was approximate zero times (2022: approximate zero times). This ratio represents the average of the total acquisitions and disposals of the Fund for the period over the average NAV of the Fund calculated on a daily basis.

## 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 under two segments:

- A portfolio of unquoted structured products and unquoted bonds; and
- A portfolio of unquoted ZNIDs and money market instruments.

The investment objective is to provide potential annual returns over the medium-term of the underlying investment instruments.

# TA Rainbow Income Fund 9

(For the financial period ended 27 January 2023)

## 13. SEGMENT INFORMATION (CONTD.)

	Unquoted structured products and unquoted bonds portfolio RM	Unquoted ZNIDs and money market instruments portfolio RM	Total RM
<b>Period from 01.02.2022 to 27.01.2023</b>			
Interest income	953,114	269,949	1,223,063
Net loss on financial assets at FVTPL	(290,914)	-	(290,914)
Total segment operating profit for the financial year	662,200	269,949	932,149
<b>As at 27.01.2023</b>			
Other assets	-	-	-
Total segment assets	-	-	-
Other liabilities	-	-	-
Total segment liabilities	-	-	-
	Unquoted structured products and unquoted bonds portfolio RM	Unquoted ZNIDs and money market instruments portfolio RM	Total RM
<b>Period from 01.02.2021 to 31.01.2022</b>			
Interest income	591,112	15,846	606,958
Net gain on financial assets at FVTPL	1,413,958	-	1,413,958
Total segment operating profit for the financial year	2,005,070	15,846	2,020,916
<b>As at 31.01.2022</b>			
Investments	25,871,917	10,969,206	36,841,123
Deposit with a financial institution	-	3,255,502	3,255,502
Interest receivable	143,489	147	143,636
Total segment assets	26,015,406	14,224,855	40,240,261
Other liabilities	-	-	-
Total segment liabilities	-	-	-

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

# TA Rainbow Income Fund 9

(For the financial period ended 27 January 2023)

## 13. SEGMENT INFORMATION (CONTD.)

Expenses of the Fund are not considered part of the performance of any operating segment. The following table provides a reconciliation between the net reportable segment income and operating income:

	<b>01.02.2022 to 27.01.2023</b>	<b>01.02.2021 to 31.01.2022</b>
Net reportable segment operating profit	932,149	2,020,916
Other non-reportable segment operating income	588	34,658
Expenses	(43,137)	(33,856)
Net income before tax	889,600	2,021,718
Income tax expense	(868)	(14,363)
Net income after tax	<u>888,732</u>	<u>2,007,355</u>

In addition, certain assets and liabilities are not considered to be part of the total assets or liabilities of the operating segments. The following table provides a reconciliation between the reportable total segment assets and total segment liabilities and total assets and total liabilities of the Fund:

	<b>27.01.2023 RM</b>	<b>31.01.2022 RM</b>
Total segment assets	-	40,240,261
Other receivable	22,727	7,253
Cash at bank	5,324	162,030
Total assets of the Fund	<u>28,051</u>	<u>40,409,544</u>
Amount due to Trustee	2,340	1,382
Other payables and accruals	25,711	15,500
Total liabilities of the Fund	<u>28,051</u>	<u>16,882</u>

# TA Rainbow Income Fund 9

(For the financial period ended 27 January 2023)

## 14. FINANCIAL INSTRUMENTS

### (a) Classification of financial instruments

The Fund's financial assets and financial liabilities are measured on an ongoing basis either at fair value or at amortised cost based on their respective classification. The significant accounting policies in Note 2.2 describe how the classes of financial instrument are measured, and how income and expenses, including fair value gains and losses, are recognised. The following table analyses the financial assets and financial liabilities of the Fund in the statement of financial position as at the end of reporting period by the class of financial instrument to which they are assigned, and therefore by the measurement basis.

<b>As at 27.01.2023</b>	<b>Financial assets at FVTPL RM</b>	<b>Financial assets at amortised cost RM</b>	<b>Financial liabilities at amortised cost RM</b>	<b>Total RM</b>
<b>Assets</b>				
Other receivable	-	22,727	-	22,727
Cash at bank	-	5,324	-	5,324
Total financial assets	-	28,051	-	28,051
<b>Liabilities</b>				
Amount due to Trustee	-	-	2,340	2,340
Other payables and accruals	-	-	25,711	25,711
Total financial liabilities	-	-	28,051	28,051
<b>Period from 01.02.2022 to 27.01.2023</b>				
<b>Income, expenses, gains and losses</b>				
Interest income	953,114	269,949	-	1,223,063
Other income	-	588	-	588
Net loss on financial assets at FVTPL	(290,914)	-	-	(290,914)

# TA Rainbow Income Fund 9

(For the financial period ended 27 January 2023)

## 14. FINANCIAL INSTRUMENTS (CONTD.)

### (a) Classification of financial instruments (contd.)

As at 31.01.2022	Financial assets at FVTPL RM	Financial assets at amortised cost RM	Financial liabilities at amortised cost RM	Total RM
<b>Assets</b>				
Investments	36,841,123	-	-	36,841,123
Deposit with a financial institution	-	3,255,502	-	3,255,502
Interest receivable	-	143,636	-	143,636
Other receivable	-	7,253	-	7,253
Cash at bank	-	162,030	-	162,030
Total financial assets	36,841,123	3,568,421	-	40,409,544
<b>Liabilities</b>				
Amount due to Trustee	-	-	1,382	1,382
Other payables and accruals	-	-	15,500	15,500
Total financial liabilities	-	-	16,882	16,882
<b>Period from 01.02.2021 to 31.01.2022</b>				
<b>Income, expenses, gains and losses</b>				
Interest income	591,112	15,846	-	606,958
Other income	-	34,658	-	34,658
Net gain on financial assets at FVTPL	1,413,958	-	-	1,413,958

# TA Rainbow Income Fund 9

(For the financial period ended 27 January 2023)

## 14. FINANCIAL INSTRUMENTS (CONTD.)

### (b) Financial instruments that are carried at fair value

The Fund's financial assets at FVTPL are carried at fair value.

#### Unquoted structured product outside Malaysia

For unquoted structured product, the fair value were determined by reference to their Net Present Value (NPV) of nominal amount at the end of the reporting period obtained from the issuer of the investment.

#### Unquoted zero-coupon negotiable instrument of deposits ("ZNIDs") in Malaysia

For unquoted zero-coupon negotiable instruments of deposits ("ZNIDs"), the values were determined by reference to the indicative price obtained from the issuer of the investment.

#### Unquoted bonds in Malaysia

Fair values were determined directly by reference to their marked to market price at the financial position date, quoted by Bond Pricing Agency Malaysia.

### (c) Financial instruments that are not carried at fair value and whose carrying amounts are reasonable approximation of fair value

The following are classes of financial instruments that are not carried at fair value and whose carrying amounts approximate the fair values due to their short term nature.

- Deposit with a financial institution
- Interest receivable
- Other receivable
- Cash at bank
- Amount due to Trustee
- Other payables and accruals



# TA Rainbow Income Fund 9

(For the financial period ended 27 January 2023)

## 14. FINANCIAL INSTRUMENTS (CONTD.)

### (d) Fair value hierarchy

The Fund uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. prices) or indirectly (i.e. derived from prices).

Level 3: Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

There were no financial assets at FVTPL as at 27 January 2023.

Financial assets at FVTPL:	Level 1 RM	Level 2 RM	Level 3 RM	Total RM
<b>As at 31.01.2022</b>				
Unquoted structured product outside Malaysia	-	-	166,462	166,462
Unquoted zero-coupon negotiable instrument of deposits ("ZNID") in Malaysia	-	10,969,206	-	10,969,206
Unquoted bonds in Malaysia	-	25,705,455	-	25,705,455
	-	36,674,661	-	36,841,123

### Sensitivity analysis

Management believes that the changing in one or more of the unobservable inputs would not be material. The sensitivity of the fair value measurements to changes in unobservable inputs are therefore not presented.

# TA Rainbow Income Fund 9

(For the financial period ended 27 January 2023)

## 15. FINANCIAL RISK AND MANAGEMENT OBJECTIVES AND POLICIES

### (a) Introduction

The Fund maintains investment portfolio in a variety of financial instruments as dictated by its Trust Deed and investment management strategy.

The Fund is exposed to a variety of risks including market risk (which includes interest rate risk), credit risk/counterparty risk and liquidity risk. Whilst these are the most important types of financial risks inherent in each type of financial instruments, the Manager and the Trustee would like to highlight that the list does not purport to constitute an exhaustive list of all the risks inherent in an investment in the Fund.

The Fund's objective in managing risks is the creation and protection of unitholders' value. Risk is inherent in the Fund's activities, but it is managed through a process of ongoing identification, measurement and monitoring of risk. Financial risk management is also carried out through sound internal control systems and adherence to the investments restrictions as stipulated in the deed, the Securities Commission's Guidelines on Unit Trust Funds and the Capital Markets and Services Act 2007.

### (b) Risk management structure

The Fund's Manager is responsible for identifying and managing risks. The Board of Directors of the Manager are ultimately responsible for the overall risk management approach within the Fund.

### (c) Risk measurement and reporting system

Risk monitoring and controlling mechanism are primarily set up and to be performed based on limits established by the Manager and the Trustee. These limits reflect the investment strategy and market environment of the Fund as well as the level of the risk that the Fund is willing to accept. In addition, the Fund monitors and measures the overall risk bearing capacity in relation to aggregated risk exposures across all risks type and activities.

### (d) Risk mitigation

The Fund has investment guidelines that set out its overall business strategies, its tolerance for risk and its general risk management philosophy. The Manager also has a Compliance Department to ensure that the Fund complies with the various regulations and guidelines as stipulated in its Deed, the Securities Commission's Guidelines on Unit Trust Funds and the Capital Markets and Services Act 2007.

# TA Rainbow Income Fund 9

(For the financial period ended 27 January 2023)

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

### (e) Excessive risk concentration

Risk concentration indicates the relative exposure of the Fund's performance to developments affecting a particular industry or geographical location. Concentration of risk arises when a number of financial instruments or contracts are entered into with the same counterparty, or where a number of counterparties are engaged in similar business activities, or activities in the same geographical region, or have similar economic features that would cause their abilities to meet contractual obligations to be similarly affected by changes in economic, political or other conditions. Concentration of foreign exchange risk may arise if the Fund has a significant net position in a single foreign currency, or aggregate net position in several currencies that tend to move together.

In order to avoid excessive concentration of risk, the Fund's policies and procedures include specific guidelines to focus on maintaining a diversified portfolio in accordance with the Deed, investment management's guidelines and the Securities Commission's Guidelines on Unit Trust Funds. Portfolio diversification across a number of sectors and industries minimises the risk not only of any single company's securities becoming worthless but also all holdings suffering uniformly adverse business conditions. Specifically, the Deed and Securities Commission's Guidelines on Unit Trust Funds limit the Fund's exposure to a single entity/industry sector to a certain percentage of its NAV.

### (f) Market risk

Market risk is the risk that the fair value or future cash flows of financial instruments will fluctuate due to changes in market variables such as interest rates and foreign exchange rates. The maximum risk resulting from financial instruments equals their fair values at the reporting date.

### (i) Interest rate risk

In general, when interest rates rise, prices of unquoted fixed income securities will tend to fall or vice versa. Therefore, the NAV of the Fund may also tend to fall when interest rates rise or are expected to rise. However, investors should be aware that should the Fund hold an unquoted fixed income security until maturity, such price fluctuations would dissipate as it approaches maturity, and the NAV shall not be affected at maturity.

#### Interest rate risk sensitivity

Management believes that the impact on the changes on interest rate on the Fund's net income after taxation would not be material. The sensitivity of the interest rate risk sensitivity is therefore not presented.

# TA Rainbow Income Fund 9

(For the financial period ended 27 January 2023)

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

### (f) Market risk (contd.)

#### (i) Interest rate risk (contd.)

##### Interest rate risk exposure

	Interest bearing instruments RM	Non-interest bearing instruments RM	Total RM	WAEIR %
<b>As at 27.01.2023</b>				
<b>Asset</b>				
Other receivable	-	22,727	22,727	
Cash at bank	-	5,324	5,324	
Total assets	-	28,051	28,051	
<b>Liabilities</b>				
Other liabilities	-	28,051	28,051	
Total liabilities	-	28,051	28,051	
Total interest rate sensitivity gap	-	-	-	

	Interest bearing instruments RM	Non-interest bearing instruments RM	Total RM	WAEIR %
<b>As at 31.01.2022</b>				
<b>Assets</b>				
Investments	25,705,455	11,135,668	36,841,123	
Deposit with a financial institution	3,255,502	-	3,255,502	1.65
Interest receivable	-	143,636	143,636	
Other receivable	-	7,253	7,253	
Cash at bank	-	162,030	162,030	
Total assets	28,960,957	11,448,587	40,409,544	
<b>Liabilities</b>				
Other liabilities	-	16,882	16,882	
Total liabilities	-	16,882	16,882	
Total interest rate sensitivity gap	28,960,957	11,431,705	40,392,662	

# TA Rainbow Income Fund 9

(For the financial period ended 27 January 2023)

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

### (f) Market risk (contd.)

#### (ii) Price risk

The Fund is not exposed to price risk as there were no investments as at 27 January 2023.

The Fund's overall exposure to price risk in the previous financial year was as follows:

	<b>31.01.2022</b>
	<b>RM</b>
Unquoted investments	<u>36,841,123</u>

The following table summarises the sensitivity of the Fund's profit after tax and net asset value to price risk movements. The analysis is based on the assumptions that the market price increased by 5% and decreased by 5% with all other variables held constant. This represents management's best estimate of a reasonable possible shift in the unquoted securities, having regard to the historical volatility of the prices.

	<b>31.01.2022</b>	
	<b>Change in</b>	<b>Impact on</b>
	<b>price</b>	<b>NAV</b>
	<b>%</b>	<b>RM</b>
Unquoted investment	<u>+/-5</u>	<u>+/-1,842,056</u>

# TA Rainbow Income Fund 9

(For the financial period ended 27 January 2023)

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

### (g) Credit risk

Credit risk relates to creditworthiness of the issuers of fixed income instruments and its expected ability to make timely payments of interest and/or principal. Investing in non-investment grade and unrated fixed income instruments may result in the Fund being highly exposed to risk of non-payment or untimely payment of interest and/or principal that may cause greater volatility on the Fund's value.

Counterparty risk concerns the Fund's investment in unquoted bonds, unquoted zero-coupon negotiable instrument of deposits ("ZNIDs") and unquoted structured product. Counterparty risk is prevalent as the potential returns derived from unquoted bonds, unquoted zero-coupon negotiable instrument of deposits ("ZNIDs") and unquoted structured product are dependent on the ongoing ability and willingness of the issuer i.e. a financial institution to fulfill its financial commitments to the Fund in a timely manner. Bankruptcy, fraud or regulatory non-compliance arising out of and/or in connection with the issuer may impair the operations and/or the performance of the Fund.

### Financial assets that are either past due or impaired

There are no financial assets that are either past due or impaired at the end of the reporting period.

### Credit risk exposure

As at the end of the financial position period/year, the Fund's maximum exposure to credit risk is represented by the carrying amount of each class of financial assets recognised in the statement of financial position.

### Credit quality of financial assets

	Rating by Rating Agency of Malaysia P1 / A+ / AA2 RM	Unrated RM	Total RM
<b>27.01.2023</b>			
<b>Short term credit rating of financial assets not at FVTPL</b>			
Other receivable	-	22,727	22,727
Cash at bank	5,324	-	5,324
	<u>5,324</u>	<u>22,727</u>	<u>28,051</u>

# TA Rainbow Income Fund 9

(For the financial period ended 27 January 2023)

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

### (g) Credit risk (contd.)

#### Credit quality of financial assets (contd.)

	Rating by Rating Agency of Malaysia P1 / A+ / AA2 RM	Unrated RM	Total RM
<b>31.01.2022</b>			
<b>Credit rating of financial assets at FVTPL</b>			
Financial assets at FVTPL	36,674,661	166,462	36,841,123
<b>Short term credit rating of financial assets not at FVTPL</b>			
Deposit with a financial institution	3,255,502	-	3,255,502
Interest receivable	143,636	-	143,636
Other receivable	-	7,253	7,253
Cash at bank	162,030	-	162,030
	<u>3,561,168</u>	<u>7,253</u>	<u>3,568,421</u>

### (h) Liquidity risk

Liquidity risk is defined as the risk that the Fund will encounter difficulty in meeting its obligations associated with financial liabilities that are settled by delivering cash or another financial asset. Exposure to liquidity risk arises because of the possibility that the Fund could be required to pay its liabilities or redeem its units earlier than expected. The Fund is exposed to the risk of cash redemption of its units on a regular basis. Units sold to unitholders by the Manager are redeemable at the unitholder's option based on the Fund's NAV per unit at the time of redemption calculated in accordance with the Deed.

It is the Fund's policy that the Manager monitors the Fund's liquidity position on a daily basis. The Fund also manages its obligation to pay for redemption of units when required to do so and its overall liquidity risk by requiring a 3-day notice period before redemption.

The Manager's policy is to always maintain a prudent and sufficient level of liquid assets so as to meet normal operating requirements and expected redemption requests by unitholders.

# TA Rainbow Income Fund 9

(For the financial period ended 27 January 2023)

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

### (h) Liquidity risk (contd.)

The following table summarises the maturity profile of the Fund's unit in issue (classified as equity instruments) and financial liabilities. The table also analyses the maturity profile of the Fund's financial assets against the Fund's contractual commitments to provide an overview of the Fund's liquidity.

<b>As at 27.01.2023</b>	<b>Less than 1 month RM</b>	<b>Total RM</b>
<b>Assets</b>		
Other receivable	22,727	22,727
Cash at bank	5,324	5,324
Total undiscounted financial assets	28,051	28,051
<b>Liabilities</b>		
Other liabilities	28,051	28,051
Total undiscounted financial liabilities	28,051	28,051
Unitholders' total equity	-	-
Liquidity gap	-	-
<b>As at 31.01.2022</b>	<b>Less than 1 month RM</b>	<b>Total RM</b>
<b>Assets</b>		
Investments	36,841,123	36,841,123
Deposit with a financial institution	3,255,502	3,255,502
Interest receivable	143,636	143,636
Other receivable	7,253	7,253
Cash at bank	162,030	162,030
Total undiscounted financial assets	40,409,544	40,409,544
<b>Liabilities</b>		
Other liabilities	16,882	16,882
Total undiscounted financial liabilities	16,882	16,882
Unitholders' total equity	40,392,662	40,392,662
Liquidity gap	-	-



# TA Rainbow Income Fund 9

(For the financial period ended 27 January 2023)

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

### (h) Liquidity risk (contd.)

#### Notes:

#### (i) Financial assets

Analysis of financial assets at FVTPL into maturity groupings is based on the expected date on which these assets can be realised. The analysis into maturity grouping have been included in the "Less than 1 month" category on the assumption that there are highly liquid investments which can be realised immediately should all of the Fund's unitholders' capital are required to be redeemed.

#### (ii) Financial liabilities

The maturity grouping is based on the remaining period from the end of the reporting date to the contractual maturity date. When a counterparty has a choice of when the amount is to be paid, the liability is allocated to the earliest period in which the Fund can be expected to pay.

#### (iii) Unitholder's total equity

As unitholders can request for redemption on their units by giving the Manager a 3 days notice period, equity is categorised as having a maturity of "Less than 1 month". However, the Fund believes that it will be able to liquidate all its investments should the need arise to satisfy all the redemption requirements of the Fund.

## 16. SIGNIFICANT EVENT DURING THE PERIOD

The Fund matured on 9 January 2023 and has been terminated on 27 January 2023.

## 17. CHANGE OF FINANCIAL YEAR END AND COMPARATIVES FIGURES

The Fund has been terminated on 27 January 2023. The Fund has changed the financial period to coincide with the termination completion date of the Fund. The current financial period financial statements was prepared from 1 February 2022 to 27 January 2023. The comparative amounts for the statement of comprehensive income, statement of changes in net asset value and statement of cash flows, and the related notes for twelve-month period are therefore not comparable.

# TA Rainbow Income Fund 9

(For the financial period ended 27 January 2023)

## 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 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 9

(For the financial period ended 27 January 2023)

## Corporate Information (cont'd)

<b>Management Staff</b>	<b>Wong Mien</b> Chief Executive Officer	<b>Tee Ling Ling</b> Head of Sales & Marketing
	<b>Ch'ng Soon Kim</b> Compliance Officer	<b>Alicia Khor</b> Head of Operations
<b>Investment Team</b>	<b>Choo Swee Kee</b> Chief Investment Officer	<b>Lam Chee Mun</b> Fund Manager
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