

MATURITY REPORT

TA SPECTRUM FUND

For the financial period from
1 May 2024 to 30 October 2024



TA INVESTMENT

AN UNWAVERING COMMITMENT

TA Spectrum Fund

(For the financial period ended 30 October 2024)

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TA Spectrum Fund

(For the financial period ended 30 October 2024)

Key Performance Data

	6 months ended 30/10/2024	6 months ended 31/10/2023	6 months ended 31/10/2022
PORTFOLIO COMPOSITION (% OF NAV)			
Fixed Income Instruments (ZNIDs and Bond)	-	92.48	91.46
Structured Product	-	-	0.61
Cash (Net of Liabilities)	-	7.52	7.93
Total Investment	0.00	100.00	100.00

Total Net Asset Value (RM'000)	-	27,549	26,743
Units In Circulation (Units '000)	-	27,694	27,963
Net Asset Value Per Unit (RM) (as at 24/10/2024)	1.0363	0.9947	0.9564
Total Expense Ratio (TER) % *	0.22	0.11	0.12
Portfolio Turnover Ratio (PTR) times *	Nil	Nil	Nil

UNIT PRICES

NAV Per Unit (RM) (as at 24/10/2024)	1.0363	0.9947	0.9564
Highest NAV Per Unit for the Period (RM)	1.0363	0.9947	0.9748
Lowest NAV Per Unit for the Period (RM)	1.0148	0.9752	0.9488

* The TER & PTR is not comparable with the previous financial year.

TOTAL RETURN (%)

Capital Return	2.15	2.03	-1.89
Income Return	-	-	-
Total Return of Fund	2.15	2.03	-1.89
Total Return of the Benchmark	1.26	1.55	1.16

AVERAGE TOTAL RETURN (%)

	Fund	Benchmark
Period		
From (01/05/2024 - 24/10/2024)	4.51	2.63
Since the Fund's launch (18/08/2021 to 24/10/2024)	1.13	2.56

ANNUAL TOTAL RETURN (%)

	Fund	Benchmark
Period		
01/05/2024 - 24/10/2024	2.15	1.26
31/10/2022 - 31/10/2023	4.00	2.97
31/10/2021 - 31/10/2022	-4.18	2.08
Since the Fund's launch (18/08/2021 to 31/10/2021)	-0.19	0.38

Source: Lipper for Investment Management

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

TA Spectrum Fund

(For the financial period ended 30 October 2024)

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

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

N^1 = NAV on the end of the period

N^2 = NAV on the beginning of the period

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

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

N^3 = Number of periods per year

N^4 = Total number of periods

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

TA Spectrum Fund

(For the financial period ended 30 October 2024)

Manager's Report

TA Spectrum Fund

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>*The Fund will invest in options and/or structured warrants to provide potential annual returns. Income distributions will be paid to you by way of cash deposit to a bank account held in your own name.</p> <p>**Investors are advised that this Fund is neither a capital guaranteed nor a capital protected fund. The capital will be preserved by investments in Fixed Income Instruments. Consequently, the return of capital is SUBJECT TO the credit and default risk and currency risk for the investment in Fixed Income Instruments.</p> <p>Any material change to the investment objective of the Fund would require Unit Holders' approval.</p>
Performance Benchmark	Maybank 12 months fixed deposit rate as at the Commencement Date of the Fund.
Base Currency	Ringgit Malaysia
Tenure	3 Years (Close-ended)
Maturity Date	14 October 2024
Fund's Distribution Policy	Subject to 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 30 October 2024.</p> <p>Over the financial period under review, the Fund registered a total return of 2.15%, outperforming the benchmark which posted a return of 1.26%.</p> <p>The Fund was invested in structured products linked to the performance of the following underlying assets:</p> <ul style="list-style-type: none">• Allianz Strategy 15 [ALS15CE LX]

TA Spectrum Fund

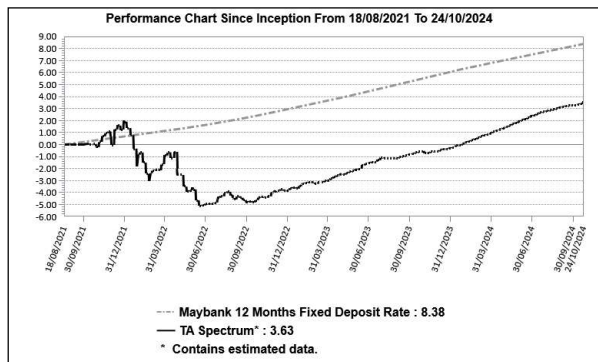
(For the financial period ended 30 October 2024)

	<ul style="list-style-type: none">• S&P 500 Low Volatility Daily Risk Control 5% USD Excess Return Index [SPLV5UE] <p>The Fund has reached its maturity on 14 October 2024. The Fund paid out distributions of 0.63% (based on 100% capital invested) for its third observation date to its respective unitholders based on the performance of the underlying assets and bonus yield from the capital preservation feature. Investors will receive the investment amount (including sales charge) in full. The total return on investment since the Fund’s launch to its maturity date is 0.63%.</p>			
Securities Lending/ Repurchase Transaction	The Fund has not undertaken any securities lending or repurchase transaction (collectively referred to as “securities financing transactions”).			
Cross Trade	There is no cross trade transaction during the financial period under review.			
Analysis of Fund’s Performance		30/10/24	30/04/24	% Change
	NAV/unit (RM) (as at 24/10/2024)	1.0363	1.0145	2.15
	Total NAV (RM’000)	-	28,005	-
	Income Return (%)	Capital Return # (%)	Total Return (%)	
	-	2.15	2.15	
	# Capital Return components:			
	❖ Fixed Income Instruments (ZNIDs and Bond)			
	❖ Structured Product			
	❖ Cash			

TA Spectrum Fund

(For the financial period ended 30 October 2024)

Performance Chart



Source: Lipper Investment Management

Past performance is not necessarily indicative of future performance.

Distribution/Unit Split

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

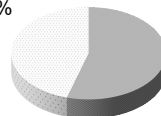
Asset Allocation

30/10/24

30/04/24

Not Applicable
(As the Fund Matured)

Money Market
& Cash (Net
of Liabilities)
45.47%



Fixed Income Instruments
(ZNIDs and Bond) 54.53%

Top Investment

As at 30/10/24

% NAV

Nil

Nil

As at 30/04/24

% NAV

Fixed Income Instruments (ZNIDs and Bond)

54.53

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

TA Spectrum Fund

(For the financial period ended 30 October 2024)

Market Review

With the adoption of macroprudential policies and a gradual recovery from unfavourable market events in the previous year, most central banks have either maintained or begun interest rate cuts, along with stimulus packages since the late first quarter of 2024. Nevertheless, the global market has exhibited mixed and uneven movements due to foreign policy decisions and the spillover effects of geopolitical events.

In terms of the economic growth in the United States ("US"), the annualised Gross Domestic Product ("GDP") growth for the second quarter of 2024 was 2.8%, surpassing the 2.5% forecast. However, this figure lagged behind the growth rates of 3.1% in 2023 and 5.4% in 2021. Additionally, the US was expected to undergo a soft landing, with the Consumer Price Index ("CPI") registering a month-over-month increase of 0.2% and a 12-month percent change of 2.5%, marking the closest approach to the target rate of 2.0% over the past year. Combined with a 0.1% decrease in the unemployment rate in August 2024, the economic outlook was positive, instilling confidence among policymakers to initiate changes.

In the September 2024 Federal Open Market Committee ("FOMC") meeting, the FOMC voted to lower the federal funds rate ("Fed rate") by 50 basis points ("bps") from a range of 5.25%-5.50% to 4.75%-5.00%. They also proposed to conduct standing overnight repurchase and reverse agreement operations to reduce the Federal Reserves ("Fed") holdings of Treasury securities, agency debt instruments and/or mortgage-backed securities. These monetary measures were implemented to achieve the target inflation rate of 2.0% and maximum employment.

In light of the Fed rate cut and positive domestic economic outlook, financial markets (including equities and bonds) benefited from the "soft-landing" scenario. Although the US dollar slipped following the larger-than-expected Fed rate cut, economic recovery and the release of quarterly earnings by major firms bolstered market confidence. As of 10 October 2024, the 10-year yield surged by 42.4 bps over the month, while US stock indices such as Dow Jones Global and S&P 500 reached record highs.

In Asia, Bank Indonesia ("BI") decided to reduce the BI Rate by 25 bps from 6.25% to 6.00% in September 2024, marking the first rate cut since January 2021. This decision aligns with the stabilisation of low inflation projected for 2024, which is approaching the target corridor, as well as the stability and appreciation of the Rupiah. With a narrowed Balance of Payments ("BOP") deficit in Q2 2024, BI is confident that further interest rate reductions in developed economies will boost foreign capital inflows and economic growth in emerging markets and developing economies ("EMDEs"). Similarly, Bank Negara Malaysia ("BNM") maintained the Overnight Policy Rate ("OPR") at 3.00% over the year ending 14 October 2024, expecting to benefit from a global trade recovery, particularly in semiconductor exports during the global technology upcycle. They believed they will benefit from global trade recovery, as their semiconductor supplies are expected to boost exports during the global technology upcycle. As of September 2024, the width and centered level of the Singapore Dollar Nominal Effective Exchange Rate policy band remained unchanged. The Monetary Authority of Singapore ("MAS") observed a gradual slowdown in the year-on-year core inflation rate, which was 2.6% in August 2024 (second quarter of 2024: 3.0%), and anticipated that strong growth momentum would close the negative output gap in the second half of 2024.

TA Spectrum Fund

(For the financial period ended 30 October 2024)

In the Eurozone, although core inflation slightly decreased in the second quarter of 2024, projections for inflation and growth were revised downward in September 2024 due to recent economic indicators showing a downturn. Inflation is expected to rise again in late 2024, driven by significant declines in energy prices. Meanwhile, economic growth fell short of projections primarily due to weakened private domestic demand and business investments. Despite strong global trade growth in the second quarter of 2024, monthly trade data raised concerns about over-buffering, as companies prepared stocks for Christmas demand earlier than usual, reflecting worries over renewed supply bottlenecks and trade tensions.

In mid-October 2024, Fitch downgraded France's long-term outlook from "stable" to "negative" due to political risks and fiscal policies outlined in the 2025 budget, which could drive government debt to 118.5% of GDP by 2028. Previously, in July 2024, Moody's had deemed the election outcome for France's coalition of parties as "negative" for the country's credit rating. These updates from rating agencies underscored the importance of political stability and fiscal or monetary measures as critical factors for market performance.

In the midst of mixed scenarios across multiple economies, major markets outperformed over the one-year period but have yet to fully recover from the economic distress of 2022. The payout for third observation for TA Spectrum Fund is 0.63% (refer to Table 1). This return reflects several challenges we faced in the market during this period, including economic volatility, shifts in consumer demand, and geopolitical uncertainties that impacted the performance of the Fund.

Table 1: Performance of the Underlying Assets of the Fund as of 3rd Observation

TA Spectrum Fund - 3rd Observation

Underlying	Quote	Initial Price as at 12/10/2021	Price as at 14/10/2024	Performance (%)	Weight (%) (60-40)	Weight x Performance (a)	Payout Before Conversion Factor (b=a/T)
Alliance Strategy 15	ALSISCE LX	166.98	158.08	-5.330	0.40	-2.132	
S&P 500 Low Volatility Daily Risk Control 5% USD Excess	SPLVSUE	201.04	210.06	4.4867	0.60	2.692	
Return Index	<Index>						
						0.560	0.1867

where T=3

Currency Conversion Factor on Investment Start Date (USD/MYR):	4.1683	
Currency Rate (USD/MYR) BNM:	4.3300	As at 14/10/2024
Conversion Factor (c):	1.0388	
Payout for First Observation (12 October 2022) (%) (d):	0.00	
Payout for Second Observation (12 October 2023) (%) (e):	0.00	
Underlying Assets Payout for Third Observation (14 October 2024) (%) (f=b*c):	0.19	
Other Income (%) (g):	0.44	
Payout for Third Observation (14 October 2024) (%) (h=f+g):	0.63	
Total Payout for the Tenure of the Fund (%) (i=d+e+h)	0.63	

Payout Formula:

Payout(T)=

$$\sum_{T=1}^3 \frac{\text{Participation Rate}}{T} \times \text{Conversion Factor (T)} \times \text{Max} \left[0, \sum_{i=1}^2 (\text{Weight}(i) \times \text{Performance}(i,T)) \right]$$

Note: When T=3, indicating the Third Observation for the Fund, the performance for that period reflects the cumulative performance over the three-year span from the commencement date of the Fund. Hence, the third year's performance is divided by 3.

(Source: TA Investment Management Berhad, as at 14 October 2024)

TA Spectrum Fund

(For the financial period ended 30 October 2024)

Allianz Strategy 15

To achieve a performance comparable to a balanced portfolio mainly driven by capital growth and market returns, the fund structure consists of multi-assets, including the use of derivative instruments for hedging, arbitrage, and leverage purposes. Based on the risk/return ratios as of September 2024, the fund's three-year volatility is 4.72%, with maximum loss of 14.94%.

Following the larger-than-usual cut in the Fed rate and additional stimulus measures implemented by the People's Bank of China ("PBoC") in September 2024, global equities, including the Chinese stocks, surged over the month. The monetary easing policies led to anticipation of further rate cuts by the European Central Bank ("ECB"), accompanied by a yield decline, resulting in a modest rise of 1.3% over September 2024 in European bonds as well. Additionally, Eurozone inflation eased to its three-year lowest of 2.2% (still above target rate of 2%) in August 2024, alongside subdued growth. At the end of the month, ECB President Christine Lagarde heightened market expectations for further rate cuts as she expressed confidence that the inflation rate would move toward the target rate after the next policy move. Consequently, the portfolio manager adjusted the portfolio's overall investment level from 77.2% to 97.3% to capitalise on investment opportunities. As a result, the cash position decreased from 22.8% to 2.7%, while fixed income investments increased significantly and equity exposure increased slightly. As of September 2024, the fund's asset allocation consists of 226 holdings, predominantly bonds (75.4%), followed by equities (21.9%) and cash (2.7%). Since the fund holds a significant proportion of Euroland fixed income instruments (more than 70.0% of the portfolio), the currency breakdown is dominated by the Euro (99.0%), leading to a relatively concentrated position.

In terms of risk exposure, the steering volatility (i.e. exponentially weighted moving average of the last 130 days) was managed to decrease significantly from 5.2% to 4.1%, remaining above but closer to the target rate of 4% compared to the previous month. For the fixed income instruments component, the average nominal return was 2.20%, with an average rating of A+, indicating relatively less exposed to credit risk.

Despite the three-year performance of the fund for the year ended 14 October 2024 is -5.33%, resulting from the significant drop of -14.5% in 2022, the one-year performance recorded a positive total return of 8.46%.

(Source: Allianz Global Investors, as of 30 September 2024)

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

The index had a total return of 9.60% over the one-year period and 4.49% over the three-year period ended 14 October 2024. A multi-layered approach is adopted to mitigate risk at a predefined level of 5% volatility. After tracking the 100 least-risky stocks in the S&P 500, a 5% risk control overlay is applied by shifting the portfolio allocation from the underlying index to cash in volatile markets and increasing the allocation to the underlying index in less volatile markets. This risk control framework allows the index to maintain its risk level at the 5% target. The portfolio is constructed from the underlying index, the S&P 500 Low Volatility Index, and a cash component accruing interest, which is dynamically adjusted to achieve the volatility target.

TA Spectrum Fund

(For the financial period ended 30 October 2024)

As of September 2024, the index comprises only equity (56.37% exposure to the underlying index). Based on the S&P Global performance review summary, US equities performed well in September 2024, largely due to the first rate cut by the Fed since the hike cycle began in March 2022. Meanwhile, the year-over-year CPI for August 2024 was 2.5%, marking the lowest level since February 2021. The monetary policy and lower inflation, which is moving closer to the Fed's 2.0% target, contributed to the rise in the S&P 500 by 2.02% over the month.

(Source: S&P Global, as of 30 September 2024)

Market Outlook And Investment Strategy

The Fund has reached its maturity on 14 October 2024.

Soft Commission

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

State Of Affairs Of The Fund

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

TA Spectrum Fund

(For the financial period ended 30 October 2024)

TRUSTEE'S REPORT TO THE UNIT HOLDERS OF TA SPECTRUM FUND ("Fund")

We have acted as Trustee of the Fund for the financial period from 1 May 2024 to 30 October 2024 (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.

For and on behalf of
CIMB Commerce Trustee Berhad

Datin Ezreen Eliza binti Zulkiplee
Chief Executive Officer

Kuala Lumpur, Malaysia
Date : 30 December 2024

TA Spectrum Fund

(For the financial period ended 30 October 2024)

STATEMENT BY THE MANAGER

We, CHOO SWEE KEE and MOHAMMED A'REEFF BIN ABDUL KHALID, being two of the Directors of TA INVESTMENT MANAGEMENT BERHAD, do hereby state that, in the opinion of the Manager, the accompanying financial statements set out on pages 16 to 40, are drawn up so as to give a true and fair view of the financial position of TA SPECTRUM FUND as at 30 October 2024 (termination completion date) and of its financial performance and cash flows for the financial period ended on that date in accordance with MFRS Accounting Standards as issued by the Malaysian Accounting Standards Board ("MFRS Accounting Standards") and IFRS Accounting Standards as issued by the International Accounting Standards Board ("IFRS Accounting Standards").

On behalf of the Manager,

CHOO SWEE KEE

MOHAMMED A'REEFF BIN ABDUL KHALID

Kuala Lumpur, Malaysia
Date : 30 December 2024

TA Spectrum Fund

(For the financial period ended 30 October 2024)

INDEPENDENT AUDITORS' REPORT TO THE UNITHOLDERS OF TA SPECTRUM FUND

(Incorporated in Malaysia)

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of TA Spectrum Fund (hereinafter referred to as "the Fund") prepared on a realisation basis, which comprise the statement of financial position as at 30 October 2024, and the statement of comprehensive income, statement of changes in net asset value and statement of cash flows for the financial period from 1 May 2024 to 31 October 2024, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 16 to 40.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Fund as at 30 October 2024, and of its financial performance and cash flows for the financial 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 on 30 October 2024 has been used because the Fund has been terminated on 30 October 2024. 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 Spectrum Fund

(For the financial period ended 30 October 2024)

Information Other than the Financial Statements and Auditors' Report Thereon (Continued.)

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 Spectrum Fund

(For the financial period ended 30 October 2024)

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, Selangor
Date : 30 December 2024

Hew Tsu Zhen

Approval Number: 03831/05/2026 J
Chartered Accountant

TA Spectrum Fund

(For the financial period ended 30 October 2024)

STATEMENT OF COMPREHENSIVE INCOME FOR THE FINANCIAL PERIOD FROM 1 MAY 2024 TO 30 OCTOBER 2024 (TERMINATION COMPLETION DATE)

		01.05.2024 to 30.10.2024 RM	01.05.2023 to 30.04.2024 RM
	Note		
(LOSS)/INCOME			
Interest income		419,472	946,831
Other income		12,524	10,000
Net (loss)/income on financial assets at fair value through profit or loss ("FVTPL")	8	<u>(515,254)</u>	<u>193,635</u>
		<u>(83,258)</u>	<u>1,150,466</u>
EXPENSES			
Manager's fee	4	13,511	27,740
Trustee's fee	5	5,405	11,096
Auditors' remuneration		8,000	10,090
Tax agent's fee		9,300	4,500
Administrative fees and expenses		<u>17,125</u>	<u>4,836</u>
		<u>53,341</u>	<u>58,262</u>
Net (loss)/income before tax		(136,599)	1,092,204
Income tax expense	7	<u>(3,006)</u>	<u>(2,400)</u>
Net (loss)/income after tax, representing total comprehensive income for the financial period/year		<u>(139,605)</u>	<u>1,089,804</u>
Net (loss)/income after tax is made up of the following:			
Net realised (loss)/income		(139,605)	327,991
Net unrealised income		<u>-</u>	<u>761,813</u>
		<u>(139,605)</u>	<u>1,089,804</u>

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

TA Spectrum Fund

(For the financial period ended 30 October 2024)

STATEMENT OF FINANCIAL POSITION

AS AT 30 OCTOBER 2024 (TERMINATION COMPLETION DATE)

	Note	30.10.2024 RM	30.04.2024 RM
ASSETS			
Investments	8	-	15,272,226
Deposit with a financial institution	9	-	12,584,520
Interest receivable		-	142,207
Other receivables		1,490	1,490
Cash at bank		38,690	19,930
TOTAL ASSETS		40,180	28,020,373
LIABILITIES			
Amount due to the Manager	10	3,539	2,290
Amount due to Trustee		1,627	916
Tax payable		3,006	-
Other payables and accruals		32,008	12,100
TOTAL LIABILITIES		40,180	15,306
NET ASSET VALUE ("NAV")			
Unitholders' capital	11(a)	-	27,610,708
Retained earnings	11(b),(c)	-	394,359
NET ASSET VALUE			
ATTRIBUTABLE TO UNITHOLDERS		-	28,005,067
TOTAL NAV AND LIABILITIES		40,180	28,020,373
NUMBER OF UNITS IN CIRCULATION	11(a)	-	27,605,459
NAV PER UNIT		-	1.0145

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

TA Spectrum Fund

(For the financial period ended 30 October 2024)

STATEMENT OF CHANGES IN NET ASSET VALUE FOR THE FINANCIAL PERIOD FROM 1 MAY 2024 TO 30 OCTOBER 2024 (TERMINATION COMPLETION DATE)

	Unitholders' capital Note 11(a) RM	Retained earnings Note 11(b) and (c) RM	Total NAV RM
At 1 May 2023	27,944,029	(695,445)	27,248,584
Total comprehensive income for the financial year	-	1,089,804	1,089,804
Cancellation of units	(333,321)	-	(333,321)
At 30 April 2024	<u>27,610,708</u>	<u>394,359</u>	<u>28,005,067</u>
At 1 May 2024	27,610,708	394,359	28,005,067
Total comprehensive loss for the financial period	-	(139,605)	(139,605)
Cancellation of units	(27,610,708)	(254,754)	(27,865,462)
At 30 October 2024	<u>-</u>	<u>-</u>	<u>-</u>

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

TA Spectrum Fund

(For the financial period ended 30 October 2024)

STATEMENT OF CASH FLOWS

FOR THE FINANCIAL PERIOD FROM 1 MAY 2024

TO 30 OCTOBER 2024(TERMINATION COMPLETION DATE)

	01.05.2024 to 30.10.2024 RM	01.05.2023 to 30.04.2024 RM
CASH FLOWS FROM OPERATING AND INVESTING ACTIVITIES		
Proceed on sales of investments	14,756,972	10,000,000
Interest received	561,679	1,056,057
Other income received	12,524	10,000
Trustee's fee paid	(4,694)	(11,934)
Manager's fee paid	(14,035)	(27,534)
Payment for other fees and expenses	(14,517)	(17,886)
Tax paid	-	(2,400)
Net cash generated from operating and investing activities	15,297,929	11,006,303
CASH FLOWS FROM FINANCING ACTIVITIES		
Cash paid on units cancelled	(27,863,689)	(333,321)
Net cash used in financing activities	(27,863,689)	(333,321)
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS	(12,565,760)	10,672,982
CASH AND CASH EQUIVALENTS AT THE BEGINING OF THE FINANCIAL PERIOD/YEAR	12,604,450	1,931,468
CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL PERIOD/YEAR	38,690	12,604,450
CASH AND CASH EQUIVALENTS COMPRISE:		
Cash at bank	38,690	19,930
Deposit with a financial institution	-	12,584,520
Cash and cash equivalents	38,690	12,604,450

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

TA Spectrum Fund

(For the financial period ended 30 October 2024)

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD FROM 1 MAY 2024 TO 30 OCTOBER 2024 (TERMINATION COMPLETION DATE)

1. THE FUND, THE MANAGER AND THEIR PRINCIPAL ACTIVITIES

TA Spectrum Fund ("the Fund") was constituted pursuant to the execution of a Deed of Trust ("the Deed") dated 31 December 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 12 October 2021 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 30 October 2024.

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 31 December 2024.

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 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 May 2024 because the Fund has been terminated on 30 October 2024.

TA Spectrum Fund

(For the financial period ended 30 October 2024)

2. BASIS OF PREPARATION (CONTD.)

(b) Basis of accounting

The financial statements of the Fund have been prepared on the realisation basis as the Fund has been terminated on 30 October 2024. The comparatives have been prepared on the historical cost basis except for financial assets at fair value through profit or loss ("FVTPL").

(c) Functional and presentation currency

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

(d) Significant accounting estimates and judgments

The preparation of the Fund's financial statements requires the Manager to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities at the reporting date. However, uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amount of the asset or liability in the future.

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

3. MATERIAL ACCOUNTING POLICIES

(a) Material accounting policies information

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

(b) Income recognition

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

Interest income is recognised using the effective interest rate method.

TA Spectrum Fund

(For the financial period ended 30 October 2024)

4. MANAGER'S FEE

Manager's fee is computed on a daily basis at 0.10% (01.05.2023 to 30.04.2024: 0.10%) per annum of the NAV of the Fund, as agreed by the Trustee and the Manager.

5. TRUSTEE'S FEE

Trustee's fee is computed on a daily basis at 0.04% (01.05.2023 to 30.04.2024: 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 year. Foreign source income is subject to tax at prevailing rate of 24%.

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 (loss)/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:

	01.05.2024 to 30.10.2024 RM	01.05.2023 to 30.04.2024 RM
Net (loss)/income before tax	(136,599)	1,092,204
Taxation at Malaysian statutory rate of 24%	(32,784)	262,129
Effects of interest income not subject to tax	(100,673)	(273,712)
Effects of loss and expenses not deductible for tax purposes	134,543	4,904
Restriction on tax deductible expenses for unit trust funds	1,920	9,079
Income tax expense for the financial period/year	3,006	2,400

TA Spectrum Fund

(For the financial period ended 30 October 2024)

8. INVESTMENTS

	30.10.2024 RM	30.04.2024 RM
Financial assets at FVTPL:		
Unquoted bonds in Malaysia	-	9,903,350
Unquoted Zero-coupon negotiable instrument of deposits ("ZNID") in Malaysia	-	5,368,876
	-	15,272,226
Net (loss)/gain on financial assets at FVTPL comprises:		
Net realised loss on investments	(515,254)	(568,178)
Net unrealised gain on changes in fair value	-	761,813
	(515,254)	193,635

As at the period end, the investments have been liquidated upon the maturity of the investments.

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

(a) Unquoted structured products outside Malaysia

Issuer Name	Quantity Units	Carrying Value RM	Fair Value RM	% of NAV %
Societe Generale - Maturity 19/10/2024	10,000	571,048	-	-
Total unquoted structured products outside Malaysia	10,000	571,048	-	-

(b) Unquoted bonds in Malaysia

Issuer Bank	Quantity Units	Carrying Value RM	Fair Value RM	% of NAV %
Besraya 5.04% 26/07/2024	5,000,000	5,018,513	5,014,250	17.90
SPRE IMTM 4.99% 17/07/2024	5,000,000	5,012,750	4,889,100	17.46
Total unquoted bonds In Malaysia	10,000,000	10,031,263	9,903,350	35.36

TA Spectrum Fund

(For the financial period ended 30 October 2024)

8. INVESTMENTS (CONTD.)

(c) Unquoted Zero-coupon Negotiable Instrument of Deposits ("ZNID") in Malaysia

Issuer Bank	Notional Amount RM	Carrying Value RM	Fair Value RM	% of NAV %
Hong Leong Bank Bhd (14/10/2024)	5,472,303	5,409,373	5,368,876	19.17
Total ZNID in Malaysia	5,472,303	5,409,373	5,368,876	19.17
TOTAL FINANCIAL ASSETS AT FVTPL		16,011,684	15,272,226	54.53
EXCESS OF CARRYING VALUE OVER FAIR VALUE			739,458	

9. DEPOSIT WITH A FINANCIAL INSTITUTION

	30.10.2024 RM	30.04.2024 RM
Placement with a licensed bank	-	12,584,520

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)	
	30.10.2024	30.04.2024	30.10.2024	30.04.2024
Short-term placement	-	3.26	-	32

10. AMOUNT DUE TO THE MANAGER

Amount due from the Manager relates to amount payable to the Manager arising from cancellation of units of unit of RM1,773 (30.04.2024: Nil) and accruals for manager fee of RM1,766 (30.04.2024:RM2,290) at the end of financial year.

The normal credit term for creation/cancellation of units is 10 business days (30.04.2024: 10 business days) and the normal credit term for Manager's fee is 30 days (30.04.2024: 30 days).

TA Spectrum Fund

(For the financial period ended 30 October 2024)

11. NET ASSET VALUE ATTRIBUTABLE TO UNITHOLDERS

	Note	30.10.2024 RM	30.04.2024 RM
Unitholders' capital	(a)	-	27,610,708
Retained earnings			
- Realised reserve	(b)	-	1,136,488
- Unrealised reserve	(c)	-	(742,129)
		-	28,005,067

(a) Unitholders' capital

	01.05.2024 to 30.10.2024		01.05.2023 to 30.04.2024	
	No of units	RM	No of units	RM
At beginning of the financial period/year	27,605,459	27,610,708	27,943,019	27,944,029
Cancellation of units	(27,605,459)	(27,610,708)	(337,560)	(333,321)
At end of the financial period/year	-	-	27,605,459	27,610,708

(b) Realised reserve

	30.10.2024 RM	30.04.2024 RM
At beginning of the financial period/year	1,136,488	808,497
Net realised (loss)/income for the financial period/year	(139,605)	327,991
Realised upon maturity of investments	(742,129)	-
Cancellation of units	(254,754)	-
Net (decrease)/increase in realised retained earnings for the financial period/year	(1,136,488)	327,991
At end of the financial period/year	-	1,136,488

(c) Unrealised reserve

	30.10.2024 RM	30.04.2024 RM
At beginning of the financial period/year	(742,129)	(1,503,942)
Net unrealised gain for the financial period/year	-	761,813
Realised upon maturity of investments	742,129	-
At end of the financial period/year	-	(742,129)

TA Spectrum Fund

(For the financial period ended 30 October 2024)

12. TRANSACTIONS WITH INVESTMENT BANK

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

Name of investment banks/broker	01.05.2024 to 30.10.2024		01.05.2023 to 30.04.2024	
	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	55,394	100.00	-	-
	<u>55,394</u>	<u>100.00</u>	<u>-</u>	<u>-</u>

The above transactions do not involve any fees and commission payable to the investment banks/brokers.

13. TOTAL EXPENSE AND PORTFOLIO TURNOVER RATIOS

(a) Total Expense Ratio

The total expense ratio for the financial period ended 30 October 2024 was 0.22% (30.04.2024: 0.21%). This ratio represents total 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 30 October 2024 was Nil (30.04.2024: Nil). 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.

14. SEGMENT INFORMATION

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

(For the financial period ended 30 October 2024)

14. SEGMENT INFORMATION (CONTD.)

Period from 01.05.2024 to 30.10.2024	Unquoted structured products and unquoted bonds portfolio RM	Unquoted ZNIDs and money market instruments portfolio RM	Total RM
Interest income	143,841	275,631	419,472
Net loss on financial assets at FVTPL	(514,854)	(400)	(515,254)
Total segment operating profit for the financial period	(371,013)	275,231	(95,782)
As at 30.10.2024			
Deposit with a financial institution	-	-	-
Interest receivable	-	-	-
Total segment assets	-	-	-
Other liabilities	-	-	-
Total segment liabilities	-	-	-
Year from 01.05.2023 to 30.04.2024	Unquoted structured products and unquoted bonds portfolio RM	Unquoted ZNIDs and money market instruments portfolio RM	Total RM
Interest income	851,525	95,306	946,831
Net gain on financial assets at FVTPL	193,635	-	193,635
Total segment operating profit for the financial year	1,045,160	95,306	1,140,466
As at 30.04.2024			
Investments	9,903,350	5,368,876	15,272,226
Deposit with a financial institution	-	12,584,520	12,584,520
Interest receivable	138,236	3,971	142,207
Total segment assets	10,041,586	17,957,367	27,998,953
Other liabilities	-	-	-
Total segment liabilities	-	-	-

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

TA Spectrum Fund

(For the financial period ended 30 October 2024)

14. 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 (loss)/income and operating (loss)/income:

	01.05.2024 to 30.10.2024	01.05.2023 to 30.04.2024
Net reportable segment operating (loss)/income	(95,782)	1,140,466
Other income	12,524	10,000
Expenses	(53,341)	(58,262)
Net (loss)/income before tax	(136,599)	1,092,204
Income tax expense	(3,006)	(2,400)
Net (loss)/income after tax	(139,605)	1,089,804

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:

	30.10.2024 RM	30.04.2024 RM
Total segment assets	-	27,998,953
Other receivables	1,490	1,490
Cash at bank	38,690	19,930
Total assets of the Fund	40,180	28,020,373
Amount due to the Manager	3,539	2,290
Amount due to Trustee	1,627	916
Tax payable	3,006	-
Other payables and accruals	32,008	12,100
Total liabilities of the Fund	40,180	15,306

15. 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 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.

TA Spectrum Fund

(For the financial period ended 30 October 2024)

15. FINANCIAL INSTRUMENTS (CONTD.)

(a) Classification of financial instruments (contd.)

As at 30.10.2024	Financial assets at FVTPL	Financial assets at amortised cost	Financial liabilities at amortised cost	Total
Assets	RM	RM	RM	RM
Other receivables	-	1,490	-	1,490
Cash at bank	-	38,690	-	38,690
Total financial assets	-	40,180	-	40,180
Liabilities				
Amount due to the Manager	-	-	3,539	3,539
Amount due to Trustee	-	-	1,627	1,627
Other payables and accruals	-	-	32,008	32,008
Total financial liabilities	-	-	37,174	37,174
Period from 01.05.2024 to 30.10.2024				
Income, expenses, gains and losses				
Interest income	143,841	275,631	-	419,472
Other income	-	12,524	-	12,524
Net loss on financial assets at FVTPL	(515,254)	-	-	(515,254)
As at 30.04.2024				
Assets				
Investments	15,272,226	-	-	15,272,226
Deposit with a financial institution	-	12,584,520	-	12,584,520
Interest receivable	-	142,207	-	142,207
Other receivables	-	1,490	-	1,490
Cash at bank	-	19,930	-	19,930
Total financial assets	15,272,226	12,748,147	-	28,020,373
Liabilities				
Amount due to the Manager	-	-	2,290	2,290
Amount due to Trustee	-	-	916	916
Other payables and accruals	-	-	12,100	12,100
Total financial liabilities	-	-	15,306	15,306

TA Spectrum Fund

(For the financial period ended 30 October 2024)

15. FINANCIAL INSTRUMENTS (CONTD.)

(a) Classification of financial instruments (contd.)

	Financial assets at FVTPL RM	Financial assets at amortised cost RM	Financial liabilities at amortised cost RM	Total RM
Year from 01.05.2023 to 30.04.2024				
Income, expenses, gains and losses				
Interest income	851,525	95,306	-	946,831
Other income	-	10,000	-	10,000
Net gain on financial assets at FVTPL	193,635	-	-	193,635

(b) Financial instruments that are carried at fair value

The Fund's financial assets at FVTPL are carried at fair value. The fair value of these financial assets were determined as follows:

Unquoted structured products outside Malaysia

For unquoted structured products, the fair value was determined by reference to their Net Present Value (NPV) of nominal amount derived from Monte Carlo Model, at the end of the reporting period obtained from the issuer of the investment.

Unquoted bonds in Malaysia

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

Unquoted Zero-coupon negotiable instrument of deposits ("ZNID") in Malaysia

For unquoted Zero-coupon Negotiable of Deposits ("ZNID"), the values were determined by reference to the indicative price obtained from the issuer of the investment.

TA Spectrum Fund

(For the financial period ended 30 October 2024)

15. FINANCIAL INSTRUMENTS (CONTD.)

(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.

- Deposits with a financial institution
- Interest receivable
- Cash at bank
- Other receivables
- Amount due to the Manager
- Amount due to Trustee
- Tax payable
- Other payables and accruals

(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 instruments carried at fair value at 19 July 2024.

Financial assets at FVTPL:	Level 1 RM	Level 2 RM	Level 3 RM	Total RM
Year from 01.05.2023 to 30.04.2024				
Unquoted structured products outside Malaysia	-	-	-	-
Unquoted bonds in Malaysia	-	9,903,350	-	9,903,350
Unquoted Zero-coupon negotiable instrument of deposit("ZNID") in Malaysia	-	5,163,665	-	5,163,665
	-	15,067,015	-	15,067,015

TA Spectrum Fund

(For the financial period ended 30 October 2024)

15. FINANCIAL INSTRUMENTS (CONTD.)

(d) Fair value hierarchy (contd.)

15.1 Level 3 fair value

Type	Description of technique and input used	Significant unobservable inputs	Inter-relationship between significant unobservable inputs and fair value measurement
Unquoted structured products	The fair value of the unquoted structured products is derived based on the Monte Carlo model.	<ul style="list-style-type: none">• Equity correlation• Equity volatility	<ul style="list-style-type: none">• The estimated fair value would increase/(decrease) if the equity correlation were higher/(lower).• The estimated fair value would increase/(decrease) if the equity volatility were higher/(lower).

16. 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.

TA Spectrum Fund

(For the financial period ended 30 October 2024)

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

(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.

(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.

TA Spectrum Fund

(For the financial period ended 30 October 2024)

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

(f) Market risk (contd.)

(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

The table below summarises the sensitivity of the Fund's net income/(loss) after taxation and NAV to movements in prices of unquoted bonds held by the Fund as a result of movement in interest rate. The analysis is based on the assumptions that the interest rate increase and decrease by 1% with all other variables held constant.

	30.10.2024		30.04.2024	
	Change in interest rates	Impact on income/(loss) after tax/NAV	Change in interest rates	Impact on income/(loss) after tax/NAV
	%	RM	%	RM
Financial assets	-1	-	-1	-24,290
at FVTPL	+1	-	+1	24,290

The Fund's exposure to interest rate risk associated with deposit with a licensed financial institution is not material as the deposit is held on a short-term basis.

Interest rate risk exposure

As at 30.10.2024	Interest bearing instruments RM	Non-interest bearing instruments RM	Total RM	WAEIR %
Assets				
Other receivables	-	1,490	1,490	
Cash at bank	-	38,690	38,690	
Total assets	-	40,180	40,180	
Liabilities				
Other liabilities	-	40,180	40,180	
Total liabilities	-	40,180	40,180	
Total interest rate sensitivity gap	-	-	-	

TA Spectrum Fund

(For the financial period ended 30 October 2024)

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

(f) Market risk (contd.)

(i) Interest rate risk (contd.)

Interest rate risk exposure

As at 30.04.2024	Interest bearing instruments RM	Non-interest bearing instruments RM	Total RM	WAEIR %
Assets				
Investments	9,903,350	5,368,876	15,272,226	
Deposit with a financial institution	12,584,520	-	12,584,520	3.26
Interest receivable	-	142,207	142,207	
Other receivables	-	1,490	1,490	
Cash at bank	-	19,930	19,930	
Total assets	<u>22,487,870</u>	<u>5,532,503</u>	<u>28,020,373</u>	
Liabilities				
Other liabilities	-	15,306	15,306	
Total liabilities	<u>-</u>	<u>15,306</u>	<u>15,306</u>	
Total interest rate sensitivity gap	<u>22,487,870</u>	<u>5,517,197</u>	<u>28,005,067</u>	

(ii) Price risk

Price risk arises mainly from the uncertainty about future prices of investments. The Manager manages the risk of unfavourable changes in prices by continuous monitoring of the performance and risk profile of the investment portfolio.

The Fund's overall exposure to price risk was as follows:

	30.10.2024 RM	30.04.2024 RM
Unquoted investments	-	<u>15,272,226</u>

TA Spectrum Fund

(For the financial period ended 30 October 2024)

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

(f) Market risk (contd.)

(ii) Price risk (contd.)

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.

	30.10.2024		30.04.2024	
	Change in price	Impact on income/(loss) tax/NAV	Change in price	Impact on income/(loss) tax/NAV
	%	RM	%	RM
Unquoted	-5	-	-5	-763,611
investments	+5	-	+5	763,611

(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.

TA Spectrum Fund

(For the financial period ended 30 October 2024)

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

(g) Credit risk (Contd.)

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

As at 30.10.2024	Rating by Rating Agency of Malaysia		Unrated	Total
	P1 / AA2 RM	B1 RM	RM	RM
Short term credit rating of financial assets not at FVTPL				
Other receivables	-	-	1,490	1,490
Cash at bank	38,690	-	-	38,690
	<u>38,690</u>	<u>-</u>	<u>1,490</u>	<u>40,180</u>

As at 30.04.2024

Credit rating of financial assets at FVTPL

Financial assets at FVTPL	<u>10,383,126</u>	<u>4,889,100</u>	<u>-</u>	<u>15,272,226</u>
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Short term credit rating of financial assets not at FVTPL

Deposit with a financial institution	12,584,520	-	-	12,584,520
Interest receivables	70,433	71,774	-	142,207
Cash at bank	19,930	-	-	19,930
Other receivables	1,490	-	-	1,490
	<u>12,676,373</u>	<u>71,774</u>	<u>-</u>	<u>12,748,147</u>

TA Spectrum Fund

(For the financial period ended 30 October 2024)

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

(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.

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.

As at 30.10.2024	Less than 1 year RM	Total RM
Assets		
Other receivable	1,490	1,490
Cash at bank	38,690	38,690
Total undiscounted financial assets	40,180	40,180
Liabilities		
Other liabilities	40,180	40,180
Total undiscounted financial liabilities	40,180	40,180
Unitholders' total equity	-	-
Liquidity gap	-	-

TA Spectrum Fund

(For the financial period ended 30 October 2024)

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

(h) Liquidity risk (contd.)

As at 30.04.2024	Less than 1 year RM	Total RM
Assets		
Investments	15,272,226	15,272,226
Deposit with a financial institution	12,584,520	12,584,520
Interest receivable	142,207	142,207
Other receivables	1,490	1,490
Cash at bank	19,930	19,930
Total undiscounted financial assets	<u>28,020,373</u>	<u>28,020,373</u>
Liabilities		
Other liabilities	15,306	15,306
Total undiscounted financial liabilities	<u>15,306</u>	<u>15,306</u>
Unitholders' total equity	<u>28,005,067</u>	<u>28,005,067</u>
Liquidity gap	<u>-</u>	<u>-</u>

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 is based on the remaining period from the end of the reporting date to the contractual maturity date or if earlier, the expected date on which the assets will be realised.

(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) 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 year". 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.

TA Spectrum Fund

(For the financial period ended 30 October 2024)

17. SIGNIFICANT EVENT DURING THE PERIOD

The Fund has been terminated on 30 October 2024.

18. CHANGE OF FINANCIAL YEAR END AND COMPARATIVE FIGURES

The Fund has been terminated on 30 October 2024. The Fund therefore changed its financial period to coincide with the termination completion date of the Fund. The current financial period financial statements was prepared from 1 May 2024 to 30 October 2024. 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 the financial year ended 30 April 2024 (12 months period) are therefore not comparable.

TA Spectrum Fund

(For the financial period ended 30 October 2024)

Corporate Information

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

TA Spectrum Fund

(For the financial period ended 30 October 2024)

Corporate Information (cont'd)

Management Staff	Wong Mien Chief Executive Officer	Ch'ng Soon Kim Compliance Officer
	Tee Ling Ling Deputy Chief Executive Officer	Alicia Khor Head of Operations
	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 & Communications	
Investment Team	Choo Swee Kee Chief Investment Officer	John Ng Jiunn Yuan Head of Fixed Income
	Vivien Loh Jee Wae Assistant Vice President	Mohammad Hafiz Bin Mahmud Fund Manager
	Lam Chee Mun Fund Manager	
Head Office	23rd Floor, Menara TA One 22 Jalan P. Ramlee 50250 Kuala Lumpur Toll Free: 1-800-38-7147 Tel: (603) 2031 6603 Fax: (603) 2031 4479 Website: http://www.tainvest.com.my E-mail: investor.taim@ta.com.my	

Head Office	TA Investment Management Berhad 23rd Floor, Menara TA One 22 Jalan P. Ramlee 50250 Kuala Lumpur Tel: 03-2031 6603 Fax: 03-2031 4479
Melaka Business Centre	57A, Jalan Merdeka Taman Melaka Raya 75000 Melaka Tel: 06-2882 687
Penang Business Centre	15-1-8, Bayan Point Medan Kampung Relau 11900 Pulau Pinang Tel: 04-6459 801 Fax: 04-6119 805
Kota Kinabalu Business Centre	Unit 4-1-02, 1st Floor Block 4, Api-Api Centre Jalan Centre Point 88000 Kota Kinabalu, Sabah Tel: 088-268 023 Fax: 088-248 463
Kuching Business Centre	2nd Floor, Lot 13008, SL26, Block 16 KCLD, Gala City Commercial Centre Jalan Tun Jugah, 93350 Kuching, Sarawak Tel: 082-265 979
Miri Business Centre	Lot 1251, 1st Floor Centrepont Commercial Centre (Phase 1) Jalan Melayu 98000 Miri, Sarawak Tel: 085-430 415
Ipoh Business Centre	29A Jalan Niaga Simee Arena Niaga Simee 31400 Ipoh Perak Tel: 05-5455 222
Johor Bahru Business Centre	37-01, Jalan Molek 1/29 Taman Molek 81100 Johor Bahru Johor Tel: 07-3611 781