

SEMI-ANNUAL REPORT

TA ISLAMIC FUND

For the 6 months ended
30 November 2023



TA INVESTMENT

A MEMBER OF THE TA GROUP

199501011387 (340588-T)

TA Islamic Fund

(For the 6 months ended 30 November 2023)

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(For the 6 months ended 30 November 2023)

Key Performance Data

	6 months ended 30/11/2023	6 months ended 30/11/2022	6 months ended 30/11/2021
PORTFOLIO COMPOSITION (% OF NAV)			
Consumer Products & Services	3.04	7.53	4.04
Industrial Products	30.82	28.99	24.00
Telecommunications & Media	6.72	8.56	6.94
Technology	15.35	9.57	26.19
Finance	1.79	3.62	3.44
Constructions	4.07	1.05	4.30
Mining	-	-	2.70
Energy	3.02	4.13	1.87
Plantation	4.10	2.06	0.93
Trading/Services	1.82	2.33	2.93
Properties	6.94	6.41	0.33
Utilities	11.07	6.76	4.93
Health Care	8.16	5.28	2.56
Quoted Shariah-compliant Shares	96.90	86.29	85.16
Islamic Derivative	-	0.40	1.36
Islamic Deposit (Net of Liabilities)	3.10	13.31	13.48
Total Shariah-compliant Investment	100.00	100.00	100.00

Total Net Asset Value (RM'000)	64,213 #	70,127	79,296
Units In Circulation (Units '000)	173,694	186,899	162,623
Net Asset Value Per Unit (RM)	0.3697 #	0.3752	0.4876
Total Expense Ratio (TER) (%) *	0.82	0.84	0.83
Portfolio Turnover Ratio (PTR) (times) **	0.32	0.40	0.25

Refer to unaudited account Note 12.

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

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

UNIT PRICES

NAV Per Unit (RM)	0.3697	0.3752	0.4876
Highest NAV Per Unit for the Period (RM)	0.3750	0.3972	0.5234
Lowest NAV Per Unit for the Period (RM)	0.3440	0.3408	0.4387

TOTAL RETURN (%)

Capital Return	6.14	-6.08	10.14
Income Return	-	-	-
Total Return of the Fund	6.14	-6.08	10.14
Total Return of the Benchmark			
- FTSE Bursa Malaysia EMAS Shariah Index	3.04	-6.31	-5.04
- FTSE Bursa Malaysia KLCI	4.73	-5.18	-4.39

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AVERAGE TOTAL RETURN (%)

	Fund	Benchmark
Period		
1 Year (30/11/2022 - 30/11/2023)	2.74	1.36
3 Years (30/11/2020 - 30/11/2023)	-0.18	-5.97
5 Years (30/11/2018 - 30/11/2023)	6.82	-1.24

ANNUAL TOTAL RETURN (%)

	Fund	Benchmark
Period		
30/11/2022 - 30/11/2023	2.74	1.36
30/11/2021 - 30/11/2022	-19.20	-11.09
30/11/2020 - 30/11/2021	19.83	-7.75
30/11/2019 - 30/11/2020	24.16	13.41
30/11/2018 - 30/11/2019	12.61	-0.35

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:

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

N¹ = NAV on the end of the period

N² = NAV on the beginning of the period

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

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

N³ = Number of periods per year

N⁴ = Total number of periods

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

TA Islamic Fund

(For the 6 months ended 30 November 2023)

Manager's Report

TA Islamic Fund

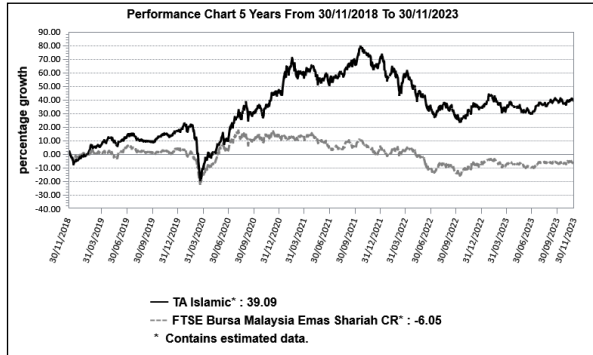
Fund Category/Type	Equity (Shariah-compliant) / Growth
Fund Objective	The Fund aims to achieve steady capital growth over the medium to long-term period by investing in a portfolio of authorised investments which conforms strictly to Shariah principles.
Performance Benchmark	FTSE Bursa Malaysia EMAS Shariah Index (FBM EMAS Shariah)
Fund's Distribution Policy	The Fund may declare annual/interim distribution (if any) during its financial year.
Fund's Performance and Investment Strategies Employed	<p>The Fund was managed within its investment objective for the financial period under review.</p> <p>Over the six-months period up to 30 November 2023, the Fund had a total return of 6.14%, outperforming the benchmark which had a return of 3.04%.</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	30/11/23	31/05/23	% Change
NAV/unit (RM)	0.3697 ^	0.3483	6.14
Total NAV (RM'000)	64,213 ^	65,913	-2.58
^ Refer to unaudited account Note 12.			
	Income Distribution (%)	Capital Return # (%)	Total Return (%)
	-	6.14	6.14
# Capital Return components:			
❖ Shariah-compliant Equities			
❖ Islamic Deposits			

TA Islamic Fund

(For the 6 months ended 30 November 2023)

Performance Chart



Source: Lipper Investment Management

Past performance is not necessarily indicative of future performance.

Distribution/Unit Split

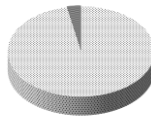
None were declared for the financial period under review 30 November 2023.

Asset Allocation

30/11/23

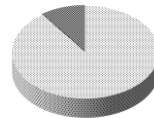
31/05/23

Islamic Deposits
3.10%



Quoted Shariah-compliant
Equities 96.90%

Islamic Deposits
9.88%



Quoted Shariah-compliant
Equities 90.12%

As of 30 November 2023, the Fund was primarily invested in Quoted Shariah-Compliant Equities (96.90%), with the remainder held in Islamic Deposits (3.10%).

Top Investments

Top 5 Shariah-compliant Stocks

As at 30/11/2023

% NAV

Tenaga Nasional Berhad	7.91
Hartalega Holdings Berhad	5.01
Nextgreen Global Berhad	4.94
Genetec Technology Berhad	4.84
UEM Sunrise Berhad	4.15

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As at 31/05/2023	% NAV
Genetec Technology Berhad	5.26
Hartalega Holdings Berhad	4.71
Nextgreen Global Berhad	4.26
Tenaga Nasional Berhad	4.18
Press Metal Aluminium Holdings Berhad	3.62

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

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Market Review

The Malaysian bourse was frail in the middle of 2023, with markets awaiting the outcome of the six state elections. The FBM KLCI declined 0.8% in June 2023. Markets turned around in July 2023 as the FBM KLCI (+6.0%) rallied along with a rebound in the Malaysian Ringgit (MYR). The unveiling of high impact investment initiatives by the Prime Minister Dato Seri Anwar to boost the domestic economy through the Madani Economy Framework and the National Energy Transition Roadmap (NETR) also added some optimism to investor sentiment. August 2023 saw the FBM KLCI outperforming regional peers, despite its -0.5% loss in an eventful month featuring the release of second quarter 2023 Gross Domestic Product (GDP) data showing 2.9% growth, state elections, details on the Penang Light Rail Transit (LRT), developments in the Forest City Economic Zone, the Phase 2 launch of the NETR, and corporate exercises involving KLK – Boustead Plantation and Sime Darby – UMW Holdings.

September 2023 saw the FBM KLCI declining 1.9%, with key events including Bank Negara Malaysia's (BNM) decision to maintain the Overnight Policy Rate (OPR) at 3.00%, the relaunching of the 12th Malaysia Plan (MP), and the acquittal of graft charges against the Deputy Prime Minister. October 2023 saw the FBM KLCI rebounding 1.3%, with local institutional investors engaging in bargain hunting activities. However, it also marked the end of three months of net inflows, with the local bourse experiencing its largest monthly outflow of 2023 at \$460.0 million in United States (US) Dollar terms. Despite challenges such as a 5% increase in 10-year US Treasury yields, the Israel-Hamas war, and the MYR depreciating to its weakest level since the Asian Financial Crisis (AFC), investor sentiment improved after the announcement of Budget 2024. Malaysian markets showed resiliency in November 2023, with the FBM KLCI experiencing a second consecutive month of gains (+0.7% month-on-month). The increase was mainly steered by strong net buying from foreign investors on the back of investors' optimistic sentiments, which was thanks to a robust third quarter 2023 GDP growth of 3.3%, which surpassed expectations. November 2023's news flows were dominated by the results reporting season, the announcement of a 30-day visa-free entry for visitors from China and India starting 1 December 2023, and the Federal Reserve (Fed)'s decision to keep its key rate unchanged.

Economic Outlook

At its November 2023 Federal Open Markets Committee (FOMC) meeting, the Fed kept its target Fed Funds Rate (FFR) unchanged, in line with market expectations. In its FOMC statement and post-meeting press conference, the Fed apparently tried to communicate a balanced stance towards the risk of re-acceleration in inflation, and recession risks from the laggard effect of previous rate hikes as well as further tightening in financial conditions.

Locally, BNM maintained the Overnight Policy Rate (OPR) at 3.00% at its November 2023 Monetary Policy Committee (MPC) meeting, in line with market expectations. The language in the monetary policy statement remained neutral, with BNM citing downside risk from external factors including elevated inflation and high interest rates and escalating geopolitical tensions. On the other hand, it sounded more positive with regard to the domestic economy where growth is expected to be supported by further recovery in labour market, improving tourism activity, turnaround in the electrical and electronics downcycle,

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and implementation of multi-year investment projects. Upside risks remain for domestic inflation and the OPR, in part due to the Government's announced subsidies rationalisation plan and upside risks to commodity prices.

Market Outlook And Investment Strategy

The global equity market has gone through a very mixed and uneven recovery year with US markets being the main beneficiaries. Funds have been flocking to Western equity markets, which have been viewed as a safe haven, in light of the continuing Ukraine – Russia war and the emergence of the Israel – Hamas war, coupled with financial woes such as attractively high interest rates and a strong US Dollar (USD). Therefore, emerging markets have largely been ignored.

Nonetheless, we believe that equity markets can be cyclical and rotational in nature, as such any markets that have performed well will need to take a breather while those previously underperforming markets will look increasingly more appealing, especially in terms of valuations, in the year 2024.

It is anticipated that there will be a reversal in the US interest rate direction soon, starting with a decision to pause rate hikes by early 2024. Inflationary pressures, which have been a key trigger for the Fed's aggressive interest hike cycle, eased significantly in recent months and this should lead to declining interest rates. Hence, we anticipate that this would further result in weakness for the USD and possibly a reversal of fund flows from Western equity markets to both developing and emerging markets.

Overall, we are optimistic that the FBM KLCI Index in Malaysia will have a better performance in 2024 with more policy catalysts from the unity government and execution of the previously announced National Energy Transition Roadmap (NETR), New Industrial Masterplan 2030 (NIMP) as well as the development of the Singapore Special Economic Zone.

Soft Commission

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

State Of Affairs Of The Fund

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

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TRUSTEE'S REPORT

TO THE UNITHOLDERS OF TA ISLAMIC FUND ("FUND")

We, **UNIVERSAL TRUSTEE (MALAYSIA) BERHAD ('the Trustee')**, being the Trustee of **TA ISLAMIC FUND ('the Fund')**, are of the opinion that **TA INVESTMENT MANAGEMENT BERHAD ('the Manager')**, acting in the capacity as Manager of the Fund, has fulfilled its duties in the following manner for the financial period ended 30 November 2023.

In our opinion:

- (a) The Fund has been managed in accordance with the limitations imposed on the investment powers of the Manager and the Trustee under the deed, other provisions of the deed, the Securities Commission's Guidelines on Unit Trust Funds in Malaysia, the Capital Markets and Services Act 2007 and other applicable laws during the financial period ended 30 November 2023;
- (b) Valuation/pricing has been carried out in accordance with the deed and relevant regulatory requirements; and
- (c) Creation and cancellation of units have been carried out in accordance with the deeds and relevant regulatory requirements.

For and on behalf of the Trustee
UNIVERSAL TRUSTEE (MALAYSIA) BERHAD

ONG TEE VANN

Chief Executive Officer

Kuala Lumpur, Malaysia

Date : 19 January 2024

TA Islamic Fund

(For the 6 months ended 30 November 2023)

STATEMENT BY THE MANAGER

We, CHOO SWEE KEE and MOHAMMED A'REEFF BIN ABDUL KHALID, being two of the Directors of TA INVESTMENT MANAGEMENT BERHAD, do hereby state that, in the opinion of the Manager, the accompanying unaudited financial statements set out on page 12 to 36, are drawn up so as to give a true and fair view of the financial position of TA ISLAMIC FUND as at 30 November 2023 and of its unaudited financial performance and unaudited cash flows for the financial period ended on that date in accordance with Malaysian Financial Reporting Standards and IFRS Accounting Standards.

On behalf of the Manager,

CHOO SWEE KEE

MOHAMMED A'REEFF BIN ABDUL KHALID

Kuala Lumpur, Malaysia

Date : 19 January 2024

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SHARIAH ADVISER'S REPORT

TO THE UNITHOLDERS OF TA ISLAMIC FUND ("FUND")

We hereby confirm the following:

1. To the best of our knowledge, after having made all reasonable enquiries, TA Investment Management Berhad has operated and managed the Fund for the period covered by these financial statements namely, the semi-annual period ended 30 November 2023, in accordance with Shariah principles and requirements, and complied with the applicable guidelines, rulings or decisions issued by the Securities Commission Malaysia pertaining to Shariah matters; and
2. The assets of the Fund comprise instruments that have been classified as Shariah compliant except for the securities which have been reclassified as Shariah non-compliant by the Shariah Supervisory Board of Dow Jones Islamic Market Index as follows:

No.	Securities	Reclassification Effective Date	Remarks
(i)	Rivian Automotive, Inc.	07 October 2023	These reclassified Shariah non-compliant securities are underwater (market price below investment cost). It shall be disposed of in accordance with the Fund's Shariah investment guidelines as provided in the Fund's deed and disclosed in the

For and on behalf of the Shariah Adviser,
BIMB SECURITIES SDN BHD

NURUL AQILA SUFIYAH LOKMAN

Designated Shariah Officer

Kuala Lumpur, Malaysia

Date : 19 January 2024

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UNAUDITED STATEMENT OF COMPREHENSIVE INCOME FOR THE FINANCIAL PERIOD ENDED 30 NOVEMBER 2023

		01.06.2023 to 30.11.2023 RM	01.06.2022 to 30.11.2022 RM
INCOME/LOSS			
Dividend income		1,037,631	598,013
Profit income from Islamic deposits		44,983	105,032
Net gain/(loss) on:			
- financial assets at fair value through profit or loss ("FVTPL")	6	<u>3,930,598</u>	<u>(4,271,073)</u>
		<u>5,013,212</u>	<u>(3,568,028)</u>
EXPENSES			
Manager's fee	3	502,361	510,934
Trustee's fee	4	18,420	18,734
Auditors' remuneration		6,000	4,500
Tax agent's fee		1,620	1,620
Investment committee's remuneration		3,600	3,600
Custodian's fee		2,795	4,028
Brokerage and other transaction fees		197,856	271,589
Administrative fees and expenses		<u>15,860</u>	<u>27,315</u>
		<u>748,512</u>	<u>842,320</u>
Net income/(loss) before tax		4,264,700	(4,410,348)
Less: Income tax expense	5	<u>(2,941)</u>	<u>(715)</u>
Net income/(loss) after tax, representing total comprehensive income for the financial period		<u>4,261,759</u>	<u>(4,411,063)</u>
Net income/(loss) after tax is made up of the following:			
Net realised income/(loss)		538,664	(2,448,756)
Net unrealised income/(loss)		<u>3,723,095</u>	<u>(1,962,307)</u>
		<u>4,261,759</u>	<u>(4,411,063)</u>

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

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(For the 6 months ended 30 November 2023)

UNAUDITED STATEMENT OF FINANCIAL POSITION AS AT 30 NOVEMBER 2023

	Note	30.11.2023 RM	31.05.2023 RM
ASSETS			
Shariah-compliant investments	6	61,954,980	59,052,732
Islamic deposit with financial institution	7	2,164,280	4,125,733
Dividend receivable		7,080	33,790
Profit receivable		169	322
Tax recoverable		6,856	6,856
Amount due from stockbrokers	9	376,135	138,660
Amount due from the Manager	10	64,420	305,439
Cash at banks		169,952	2,421,417
TOTAL ASSETS		<u>64,743,872</u>	<u>66,084,949</u>
LIABILITIES			
Amount due to the stockbrokers	9	-	446,857
Amount due to the Manager	10	773,845	89,491
Amount due to Trustee		3,012	3,134
Other payables and accruals		9,070	13,450
Distribution payables		-	4,583
TOTAL LIABILITIES		<u>785,927</u>	<u>557,515</u>
EQUITY			
Unitholders' capital	11(a)	63,315,968	69,147,217
Retained earnings	11(b),(c)	641,977	(3,619,783)
NET ASSET VALUE ("NAV")			
ATTRIBUTABLE TO UNITHOLDERS		<u>63,957,945</u>	<u>65,527,434</u>
TOTAL EQUITY AND LIABILITIES		<u>64,743,872</u>	<u>66,084,949</u>
NUMBER OF UNITS IN CIRCULATION	11(a)	<u>173,693,811</u>	<u>189,258,867</u>
NAV PER UNIT	12	<u>0.3682</u>	<u>0.3462</u>

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

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(For the 6 months ended 30 November 2023)

UNAUDITED STATEMENT OF CHANGES IN NET ASSET VALUE FOR THE FINANCIAL PERIOD ENDED 30 NOVEMBER 2023

	Unitholders' capital Note 11(a) RM	Retained earnings Note 11(b) and (c) RM	Total NAV RM
At 1 June 2022	64,652,639	4,901,716	69,554,355
Total comprehensive loss for the period	-	(4,411,063)	(4,411,063)
Creation of units	4,534,865	-	4,534,865
Reinvestment of units	3,485,982	-	3,485,982
Cancellation of units	(3,229,775)	-	(3,229,775)
Balance at 30 November 2022	<u>69,443,711</u>	<u>490,653</u>	<u>69,934,364</u>
At 1 June 2023	69,147,217	(3,619,783)	65,527,434
Total comprehensive income for the period	-	4,261,760	4,261,760
Creation of units	15,356,778	-	15,356,778
Reinvestment of units	-	-	-
Cancellation of units	(21,188,027)	-	(21,188,027)
Balance at 30 November 2023	<u>63,315,968</u>	<u>641,977</u>	<u>63,957,945</u>

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

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(For the 6 months ended 30 November 2023)

UNAUDITED STATEMENT OF CASH FLOWS FOR THE FINANCIAL PERIOD ENDED 30 NOVEMBER 2023

	01.06.2023 to 30.11.2023 RM	01.06.2022 to 30.11.2022 RM
CASH FLOWS FROM OPERATING AND SHARIAH-COMPLIANT INVESTING ACTIVITIES		
Proceeds from sale of Shariah-compliant investments	22,134,002	24,522,256
Purchase of Shariah-compliant investments	(21,987,839)	(28,730,564)
Dividend received	1,064,341	564,986
Profit income received	45,136	105,000
Manager's fee paid	(505,696)	(520,991)
Trustee's fee paid	(18,542)	(19,103)
Payment for other fees and expenses	(34,254)	(43,943)
Tax paid	(2,941)	(715)
Net cash generated from/(used in) operating and Shariah-compliant investing activities	<u>694,207</u>	<u>(4,123,074)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Cash received from units created	15,597,797	8,128,672
Cash paid on units cancelled	(20,500,339)	(3,206,240)
Cash distribution paid	(4,583)	(3,492,657)
Net cash (used in)/generated from financing activities	<u>(4,907,125)</u>	<u>1,429,775</u>
NET DECREASE IN CASH AND CASH EQUIVALENTS	(4,212,918)	(2,693,299)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE FINANCIAL PERIOD	<u>6,547,150</u>	<u>11,814,638</u>
CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL PERIOD	<u>2,334,232</u>	<u>9,121,339</u>
CASH AND CASH EQUIVALENTS COMPRISE:		
Cash at banks	169,952	2,381,388
Islamic deposit with financial institution	<u>2,164,280</u>	<u>6,739,951</u>
Cash and cash equivalents	<u>2,334,232</u>	<u>9,121,339</u>

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

TA Islamic Fund

(For the 6 months ended 30 November 2023)

NOTES TO THE UNAUDITED FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD ENDED 30 NOVEMBER 2023

1. THE FUND, THE MANAGER AND THEIR PRINCIPAL ACTIVITIES

TA Islamic Fund ("the Fund") was constituted pursuant to the execution of a Deed of Trust ("the Deed") dated 6 April 2001 between the Manager, TA Investment Management Berhad, the Trustee, Universal Trustee (Malaysia) Berhad and the registered holders of the Fund.

The principal activity of the Fund is to invest in "Authorised Investments" as defined under Clause 1 of the Deed, which include Shariah-compliant securities of companies quoted on Bursa Malaysia Securities Berhad ("Bursa Malaysia") and short-term local Islamic money market investments. The Fund commenced operations on 24 April 2001 and will continue its operations until terminated by the Trustee as provided under Clause 23 of the Deed.

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.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of Preparation

(a) Statement of compliance

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

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

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(For the 6 months ended 30 November 2023)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTD.)

2.1 Basis of Preparation (contd.)

(a) Statement of Compliance (contd.)

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

- MFRS 17, *Insurance Contracts*
- Amendments to MFRS 17, *Insurance Contracts – Initial application of MFRS 17 and MFRS 9 – Comparative Information*
- Amendments to MFRS 101, *Presentation of Financial Statements – Disclosures of Accounting Policies*
- Amendments to MFRS 108, *Accounting Policies, Changes in Accounting Estimates and Errors – Definition of Accounting Estimates*
- Amendments to MFRS 112, *Income Taxes – Deferred Tax related to Assets and Liabilities arising from a Single Transaction and International Tax Reform Pillar Two Model Rules.*

MFRSs, interpretations and amendments effective for annual periods beginning on or after 1 January 2024

- Amendment to MFRS 16, *Leases - Lease Liability in a Sale and Leaseback*
- Amendments to MFRS 101, *Presentation of Financial Statements - Non-current Liabilities with Covenants and Classification of Liabilities as Current or Non-current*
- Amendments to MFRS 107, *Statement of Cash Flows and MFRS 7, Financial Instruments: Disclosures - Supplier Finance Arrangements.*

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

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

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

- From the annual period beginning on 1 June 2023 for those amendments that are effective for annual period beginning on or after 1 January 2023, except for MFRS 17 and amendments to MFRS 17 which are not applicable to the Fund.
- From the annual period beginning on 1 June 2024 for those amendments that are effective for annual period beginning on or after 1 January 2024, except for amendments to MFRS 16 which are not applicable to the Fund.

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

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(For the 6 months ended 30 November 2023)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTD.)

2.1 Basis of Preparation (contd.)

(b) Basis of measurement

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

(c) Functional and presentation currency

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

2.2 Significant Accounting Policies

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

(a) Financial Instruments

(i) Recognition and initial measurement

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

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

TA Islamic Fund

(For the 6 months ended 30 November 2023)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTD.)

2.2 Significant Accounting Policies (contd.)

(a) Financial Instruments (contd.)

(ii) Financial instrument categories and subsequent measurement

Financial assets

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

(a) Amortised cost

Amortised cost category comprises financial assets that are held within a business model whose objective is to hold assets to collect contractual cash flows and its contractual terms give rise on specified dates to cash flows that are solely payments of principal and profit 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 profit method. The amortised cost is reduced by impairment losses. Profit 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.

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

(b) Fair value through profit or loss

All financial assets not measured at amortised cost or fair value through other comprehensive income are measured at fair value through profit or loss. This includes derivative financial assets (except for an Islamic 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.

TA Islamic Fund

(For the 6 months ended 30 November 2023)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTD.)

2.2 Significant Accounting Policies (contd.)

(a) Financial Instruments (contd.)

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

Financial assets (contd.)

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

Financial assets categorised as fair value through profit or loss are subsequently measured at their fair value. Net gains or losses, including any profit or dividend income, are recognised in the 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 not categorised as fair value through profit or loss are subsequently measured at amortised cost using the effective profit method.

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

(iii) **Derecognition**

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

A financial liability or part of it is derecognised when, and only when, the obligation specified in the contract is discharged, cancelled or expired. 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.

TA Islamic Fund

(For the 6 months ended 30 November 2023)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTD.)

2.2 Significant Accounting Policies (contd.)

(a) Financial Instruments (contd.)

(iv) Offsetting

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

(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. For the purposes of the investments made by the Fund, debt securities refer to sukuk.

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

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

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

TA Islamic Fund

(For the 6 months ended 30 November 2023)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTD.)

2.2 Significant Accounting Policies (contd.)

(b) Impairment (contd.)

Financial assets (contd.)

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

The realised gains or losses on sale of Shariah-compliant investments are measured as the difference between the net disposal proceeds and the carrying amount of the investments. The carrying amount for determining the realised gains and losses on sale of Shariah-compliant investments is based on the weighted average cost method.

(d) Foreign Currency Transactions

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

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

Non-monetary assets and liabilities denominated in foreign currencies are not retranslated at the end of the reporting date, except for those that are measured at fair value 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 Shariah-compliant equity instruments 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.

TA Islamic Fund

(For the 6 months ended 30 November 2023)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTD.)

2.2 Significant Accounting Policies (contd.)

(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 Islamic deposit with a financial institution 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.

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

Profit income is recognised using the effective profit rate method.

(i) Income Tax

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

TA Islamic Fund

(For the 6 months ended 30 November 2023)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTD.)

2.2 Significant Accounting Policies (contd.)

(i) Income Tax (contd.)

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 temporary difference can be utilised.

(j) Segment Reporting

For management purposes, the Fund is managed as two main portfolios, namely "Shariah-compliant equity securities" and "Islamic 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 Shariah-compliant 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 Islamic Fund

(For the 6 months ended 30 November 2023)

3. MANAGER'S FEE

Manager's fee is computed on a daily basis at 1.5% (2022: 1.5%) per annum of the NAV of the Fund, as agreed by the Trustee and the Manager.

4. TRUSTEE'S FEE

Trustee's fee is computed on a daily basis at 0.055% (2022: 0.055%) per annum of the NAV of the Fund

5. INCOME TAX EXPENSE

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

The taxation charge for the financial period is in relation to the taxable dividend income derived from country, calculated at the rate prevailing in these countries. In accordance with Schedule 6 of the Income Tax Act 1967, profit income earned by the Fund is exempted from Malaysian tax.

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

	01.06.2023	01.06.2022
	to	to
	30.11.2023	30.11.2022
	RM	RM
Net income/(loss) before tax	4,264,700	(4,410,348)
Taxation at Malaysian statutory rate of 24%	1,023,528	(1,058,484)
Effects of tax withheld on income from other countries	(4,118)	(1,001)
Effects of profit income from Islamic deposits not subject to tax	(1,196,112)	858,043
Effects of expenses not deductible for tax purposes	57,636	78,453
Restriction on tax deductible expenses for unit trust funds	122,007	123,704
Income tax expense for the financial period	2,941	715

6. SHARIAH-COMPLIANT INVESTMENTS

	30.11.2023	31.05.2023
	RM	RM
Financial assets at FVTPL:		
Quoted Shariah-compliant equity securities in Malaysia	58,676,707	54,892,262
Quoted Shariah-compliant equity securities outside Malaysia	3,278,273	4,160,470
	<u>61,954,980</u>	<u>59,052,732</u>

TA Islamic Fund

(For the 6 months ended 30 November 2023)

6. SHARIAH-COMPLIANT INVESTMENTS (CONTD.)

	30.11.2023	31.05.2023
	RM	RM
Net gain/(loss) on financial assets at FVTPL comprises:		
Net realised gain/(loss) on disposals	207,503	(1,023,627)
Net unrealised gain/(loss) on changes in fair value	3,742,473	(5,326,361)
Net unrealised loss on foreign exchange	(19,378)	(190,851)
	3,930,598	(6,540,839)

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

(a) Quoted Shariah-compliant equity securities in Malaysia

Name of Counter	Quantity Unit	Cost RM	Fair Value RM	% of NAV %
Constructions				
Ireka Corp Bhd	2,800,000	1,680,000	1,288,000	2.01
WCT Holdings Bhd	2,860,000	1,659,023	1,315,600	2.06
	5,660,000	3,339,023	2,603,600	4.07
Consumer Products				
CAB Cakaran Corp Bhd	1,350,000	1,027,430	945,000	1.48
PPB Group Bhd	70,760	934,199	996,301	1.56
	1,420,760	1,961,629	1,941,301	3.04
Energy				
Hibiscus Petroleum Bhd	766,720	1,833,885	1,932,134	3.02
Finance				
Bank Islam Malaysia Bhd	503,200	1,702,949	1,142,264	1.79
Plantation				
IOI Corporation Bhd	200,300	902,352	803,203	1.26
Sime Darby Plantation Bhd	403,000	1,727,099	1,813,500	2.84
	603,300	2,629,451	2,616,703	4.10
Health Care				
Hartalega Holdings Bhd	1,342,000	2,500,051	3,207,380	5.01
IHH Healthcare Bhd	145,600	768,483	847,392	1.32
Top Glove Corp Bhd	1,446,800	2,785,449	1,171,908	1.83
	2,934,400	6,053,983	5,226,680	8.16

TA Islamic Fund

(For the 6 months ended 30 November 2023)

6. SHARIAH-COMPLIANT INVESTMENTS (CONTD.)

(a) Quoted Shariah-compliant equity securities in Malaysia (contd.)

Name of Counter	Quantity Unit	Cost RM	Fair Value RM	% of NAV %
Industrial Products				
ATA IMS Bhd	4,148,000	1,469,834	1,265,140	1.98
Jentayu Sustainables Bhd	1,172,000	1,043,080	1,418,120	2.22
Kelington Group Bhd	925,800	670,984	1,740,504	2.72
Kinergy Advancement Bhd	5,163,700	1,553,141	1,858,932	2.91
Nextgreen Global Bhd	3,306,000	1,422,635	3,157,230	4.94
Pestech International Bhd	1,514,300	406,743	408,861	0.64
PETRONAS Chemicals Group Bhd	242,000	1,489,168	1,742,400	2.72
Press Metal Aluminium Holdings Bhd	515,000	2,897,113	2,472,000	3.87
QES Group Bhd	1,616,700	411,997	792,183	1.24
Reneuco Berhad	2,292,800	874,195	435,632	0.68
Sarawak Consolidated Industries Bhd	2,850,000	1,512,750	2,180,250	3.41
	<u>23,746,300</u>	<u>13,751,640</u>	<u>17,471,252</u>	<u>27.33</u>
Properties				
Eastern & Oriental Bhd	1,337,200	478,049	735,460	1.15
UEM Sunrise Bhd	3,764,400	1,753,737	2,653,902	4.15
	<u>5,101,600</u>	<u>2,231,786</u>	<u>3,389,362</u>	<u>5.30</u>
Technology				
AwanBiru Technology Bhd	1,351,000	871,040	432,320	0.68
Cuscapi Bhd	4,735,200	937,338	852,336	1.33
EG Industries Bhd	222,000	332,445	330,780	0.52
Genetec Technology Bhd	1,312,000	2,225,139	3,096,320	4.84
ITMAX System Berhad	843,000	1,243,965	1,475,250	2.31
Malaysian Pacific Industries Bhd	70,800	2,545,149	1,897,440	2.97
Microlink Solutions Bhd	1,950,000	1,589,250	1,725,750	2.70
	<u>10,484,000</u>	<u>9,744,326</u>	<u>9,810,196</u>	<u>15.35</u>
Telecommunication & Media				
CelcomDigi Berhad	487,000	2,039,000	2,103,840	3.29
Telekom Malaysia Bhd	419,872	1,552,143	2,195,931	3.43
	<u>906,872</u>	<u>3,591,143</u>	<u>4,299,771</u>	<u>6.72</u>

TA Islamic Fund

(For the 6 months ended 30 November 2023)

6. SHARIAH-COMPLIANT INVESTMENTS (CONTD.)

(a) Quoted Shariah-compliant equity securities in Malaysia (contd.)

Name of Counter	Quantity Unit	Cost RM	Fair Value RM	% of NAV %
Trading/Services				
MISC Bhd	162,000	1,106,055	1,164,780	1.82
Utilities				
PETRONAS Gas Bhd	120,000	2,217,842	2,020,800	3.16
Tenaga Nasional Bhd	506,800	5,559,859	5,057,864	7.91
	626,800	7,777,701	7,078,664	11.07
Total Quoted Shariah-Compliant Equity Securities in Malaysia	52,915,952	55,723,571	58,676,707	91.77

(b) Quoted Shariah-compliant equity securities outside Malaysia (contd.)

Name of Counter	Quantity Unit	Cost RM	Fair Value RM	% of NAV %
Hong Kong				
Industrial Products				
Ganfeng Lithium Co Ltd	45,420	1,608,335	675,971	1.06
Properties				
Country Garden Services Holdings Co Ltd	239,000	3,029,025	1,050,693	1.64
Australia				
Industrial Products				
Lynas Rare Earths Ltd	40,500	1,037,168	810,246	1.27
United States				
Industrial Products				
Rivian Automotive Inc [Note 8 (b)(i)]	9,500	1,410,280	741,363	1.16
Total Quoted Shariah-Compliant Equity Securities Outside Malaysia	334,420	7,084,808	3,278,273	5.13
TOTAL FINANCIAL ASSETS AT FVTPL	53,250,372	62,808,379	61,954,980	96.90
EXCESS OF COST OVER FAIR VALUE			853,399	

TA Islamic Fund

(For the 6 months ended 30 November 2023)

7. ISLAMIC DEPOSIT WITH FINANCIAL INSTITUTION

	30.11.2023 RM	31.05.2023 RM
Short-term Islamic deposit with:		
- Licensed Islamic bank	2,164,280	4,125,733

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

	WAEPR (% p.a.)		Average Remaining Maturity (Days)	
	30.11.2023	31.05.2023	30.11.2023	31.05.2023
	Short-term placement	2.85	2.85	1

8. SHARIAH INFORMATION OF THE FUND

The Shariah Adviser confirmed that the investment portfolio of the Fund is Shariah-compliant, which comprises:

- (a) Equity securities listed on Bursa Malaysia which have been classified as Shariah-compliant by the Shariah Advisory Council of the Securities Commission Malaysia;
- (b) Equity securities in foreign markets which have been classified as Shariah-compliant by the Shariah Supervisory Board of Dow Jones Islamic Market Index except for

No.	Securities	Reclassification Effective Date	Remarks
(i)	Rivian Automotive, Inc.	07 October 2023	These reclassified Shariah non-compliant securities are underwater (market price below investment cost). It shall be disposed of in accordance with the Fund's Shariah investment guidelines as provided in the Fund's deed and disclosed in the Fund's prospectus.

- (c) Cash placements and liquid assets in local market, which are placed in Shariah-compliant investments and/or instruments.

TA Islamic Fund

(For the 6 months ended 30 November 2023)

9. AMOUNT DUE FROM/(TO) STOCKBROKERS

Amount due from/(to) stockbrokers relates to disposal/(purchase) of investments which remained outstanding as at the end of the financial year. The normal credit term for these balances is 2 days.

10. AMOUNT DUE FROM/(TO) THE MANAGER

Amount due from/(to) the Manager relate to amounts receivable from/payable to the Manager arising from creation/cancellation of units and accruals for Manager's fee at the end of the financial period. The normal credit term for creation and cancellation is 10 days (31.05.2022: 10 days) and the normal credit term for the Manager's fee is 30 days (31.05.2022: 30 days).

11. NET ASSET VALUE ATTRIBUTABLE TO UNITHOLDERS

	Note	30.11.2023 RM	31.05.2023 RM
Unitholders' capital	(a)	63,315,968	69,147,217
Retained earnings			
- Realised reserve - Distributable	(b)	515,641	(23,023)
- Unrealised reserve - Non-distributable	(c)	126,335	(3,596,760)
		<u>63,957,944</u>	<u>65,527,433</u>

(a) Unitholders' capital

	30.11.2023		31.05.2023	
	No of units	RM	No of units	RM
At beginning of the financial period/year	189,258,867	69,147,217	174,632,849	64,652,639
Creation of units	42,148,719	15,356,778	22,897,961	8,536,968
Reinvestment of units	-	-	16,589,446	6,199,565
Cancellation of units	(57,713,775)	(21,188,027)	(24,861,389)	(9,287,751)
	<u>173,693,811</u>	<u>63,315,968</u>	<u>189,258,867</u>	<u>70,101,421</u>
Less: Distribution		-	-	(954,204)
At end of the financial period/year	<u>173,693,811</u>	<u>63,315,968</u>	<u>189,258,867</u>	<u>69,147,217</u>

TA Islamic Fund

(For the 6 months ended 30 November 2023)

11. NET ASSET VALUE ATTRIBUTABLE TO UNITHOLDERS (CONTD.)

(b) Realised reserve - Distributable

	30.11.2023 RM	31.05.2023 RM
At beginning of the financial period/year	(23,023)	2,981,264
Realised income/(loss) for the financial period/year	538,664	(1,240,324)
Distribution out of realised reserve	-	(1,763,963)
Net increase/(decrease) in realised retained earnings for the financial period	538,664	(3,004,287)
At end of the financial year	<u>515,641</u>	<u>(23,023)</u>

(c) Unrealised reserve - Non-distributable

	30.11.2023 RM	31.05.2023 RM
At beginning of the financial period/year	(3,596,760)	1,920,452
Net unrealised gain/(loss) for the financial period/year	3,723,095	(5,517,212)
At end of the financial period/year	<u>126,335</u>	<u>(3,596,760)</u>

12. NAV PER UNIT

The quoted financial assets have been valued at the bid prices at the close of business. In accordance with the deed, quoted financial assets are stated at the last done market price in the calculation of NAV attributable to unitholders per unit for the issuance and redemption of units.

A reconciliation of NAV attributable to unitholders for issuing/redeeming units at financial position and the NAV attributable to unitholders per the financial statements is as follows:

	30.11.2023		31.05.2023	
	RM	RM/Unit	RM	RM/Unit
NAV attributable to unitholders for issuance/redemption of unit	64,212,998	0.3697	65,913,062	0.3483
Effect from adopting bid prices as fair value	<u>(255,053)</u>	<u>(0.0015)</u>	<u>(385,628)</u>	<u>(0.0020)</u>
NAV attributable to unitholders per financial statements	<u>63,957,945</u>	<u>0.3682</u>	<u>65,527,434</u>	<u>0.3462</u>

TA Islamic Fund

(For the 6 months ended 30 November 2023)

13. TRANSACTIONS WITH INVESTMENT BANKS/BROKERS

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

Name of investment banks/brokers	Value of trade RM	Percentage to total value of trade %	Brokerage fees and commission RM	Percentage to total brokerage fees and commission %
TA Securities Holdings Bhd *	26,995,014	62.46	125,825	63.60
Phillip Capital Sdn.Bhd	8,344,570	19.31	40,331	20.38
Public Investment Bank Bhd	2,229,423	5.16	10,706	5.41
Maybank Investment Bank Bhd	1,876,020	4.34	8,587	4.34
Hong Leong				
Investment Bank Bhd	1,608,211	3.72	4,505	2.28
Affin Hwang Investment Bank Bhd	1,405,118	3.25	6,745	3.41
Kenanga Investment Bank Berhad	459,261	1.06	-	-
RHB Investment Bank Berhad	303,943	0.70	1,156	0.58
	43,221,560	100.00	197,855	100.00

* Immediate holding company to the Manager.

The directors of the Manager are of the opinion that the dealings with the immediate holding company to the Manager have been transacted on an arm's length basis.

14. TOTAL EXPENSE AND PORTFOLIO TURNOVER RATIOS

(a) Total Expense Ratio

The total expense ratio for the financial period ended 30 November 2023 is 0.82% (2022: 0.84%). This ratio represents total expenses expressed as an annualised percentage of the Fund's average NAV, calculated on a daily basis. Brokerage and other transaction fees on financial assets at FVTPL are trades related and are not classified as total expenses.

(b) Portfolio Turnover Ratio

The portfolio turnover ratio for the financial period ended 30 November 2023 is 0.32 times (2022: 0.40 times). This ratio represents the average of the total acquisitions and disposals of the Fund for the financial period over the average NAV of the Fund for the financial period calculated on a daily basis.

TA Islamic Fund

(For the 6 months ended 30 November 2023)

15. SEGMENT INFORMATION

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

- A portfolio of Shariah-compliant equity instruments; and
- A portfolio of Islamic money market instruments

The investment objective is to provide medium to long-term capital growth from investments in a diversified portfolio of Shariah-compliant equity securities. There have been no changes in reportable segments in the current financial period.

16. FINANCIAL RISK AND MANAGEMENT OBJECTIVES AND POLICIES

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

The Fund is exposed to a variety of financial risks, which include market risk, single issuer risk, interest rate risk, credit risk, liquidity risk, currency risk and Shariah status reclassification risk. The overall financial risk management objective of the Fund is to mitigate capital losses, ensure preservation of value and minimal erosion of capital.

Risk management is carried out through strict adherence to the Manager's internal policies and control procedures and also to the powers and restrictions vested by the regulators as contained in the Securities Commission's Guidelines on Unit Trust Funds ("the Guidelines").

(a) Market Risk

Market risk arises when the value of Shariah-compliant securities fluctuate in response to the activities of individual companies, and general market or economic conditions. The market risk is managed through portfolio diversification and asset allocation whereby the Shariah-compliant securities exposure will be reduced in the event of anticipated market conditions.

(b) Single Issuer Risk

The Fund is restricted to invest in Shariah-compliant securities issued by any issuer of not more than a certain percentage of its net asset value. Under such restriction, the exposure to the Shariah-compliant securities of any single issuer is mitigated.

(c) Interest Rate Risk

The risk refers to the exposure of the Fund's assets to movements in interest rates. In this regards, the Fund's exposure to the interest rate risk is mainly confined to Islamic deposits placement with financial institutions.

TA Islamic Fund

(For the 6 months ended 30 November 2023)

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

(c) Interest Rate Risk (Contd.)

Interest rate is a general economic indicator that will have an impact on the management of Fund regardless of whether it is an Islamic unit trust fund or otherwise. The reason for this is because a high level of interest rates will inevitably affect corporate profits and this will have an impact on the value of Shariah-compliant equity.

It does not in any way suggest that this Fund will invest in conventional financial instruments. All the investments carried out for this Fund are in accordance with Shariah requirements.

(d) Credit Risk

Credit risk refers to the ability of issuers and counterparties to honour obligations to make timely payments on profit and principal and proceeds from realisation of investments. This is managed by the internal policy of setting a ceiling or limit to the exposure and also the constant process of credit evaluation to mitigate such risks to an acceptable level.

(e) Liquidity Risk

The Fund maintains sufficient level of Islamic liquid assets, after consultation with the Trustee, to meet anticipated payments and cancellation of units by unitholders. Islamic liquid assets comprise cash, Islamic deposits with licensed institutions and other Shariah-compliant instruments, which are capable of being converted into cash within 7 business days. The Fund's policy is to always maintain a prudent level of Islamic liquid assets so as to reduce the liquidity risk.

(f) Currency Risk

Currency risk is the risk that the value of financial instrument will fluctuate due to changes in foreign exchange rates. The Fund invests in Shariah-compliant securities and other Shariah-compliant investments that are denominated in currencies other than Ringgit Malaysia. Accordingly, the value of the Fund's assets may be affected favourably or unfavourably by fluctuations in currency rates and therefore the Fund will necessarily be subject to foreign exchange risks.

TA Islamic Fund

(For the 6 months ended 30 November 2023)

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

(g) Shariah Status Reclassification Risk

- Shariah-compliant equity securities

The risk refers to the risk that the currently held Shariah-compliant equity securities in the portfolio of the Fund may be reclassified as Shariah non-compliant in the periodic review of the securities by the Shariah Advisory Council of the Securities Commission ("SAC of the SC"), the Shariah Adviser or the Shariah Supervisory Boards of relevant Islamic indices. If this occurs, the Manager will take the necessary steps to dispose of such securities.

Opportunity loss could occur due to the restriction on the Fund to retain the excess capital gains derived from the disposal of the reclassified Shariah non-compliant securities. In such an event, the Fund is required:

- (i) to dispose of such securities with immediate effect or within one (1) calendar month if the value of the securities exceeds or is equal to the investment cost on the effective date of reclassification of the list of Shariah-compliant securities ("Reclassification") by the SAC of the SC or date of review ("Review") by the Shariah Adviser or the Shariah Supervisory Boards of relevant Islamic indices. The Fund is allowed to keep dividends received and capital gains from the disposal of the securities up to the effective date of Reclassification or Review. However, any dividends received and excess capital gains from the disposal of the Shariah non-compliant securities after the effective date of Reclassification or Review should be channelled to *baitulmal* and/or charitable bodies as advised by the Shariah Adviser;
- (ii) to hold such securities if the value of the said securities is below the investment cost on the effective date of Reclassification or Review until the total subsequent dividends received (if any) and the market price of the securities is equal to the cost of investment at which time disposal has to take place within one (1) calendar month, excess capital gains (if any) from the disposal of the securities should be channelled to *baitulmal* and/or charitable bodies as advised by the Shariah Adviser;
or

TA Islamic Fund

(For the 6 months ended 30 November 2023)

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

(g) Shariah Status Reclassification Risk (contd.)

(iii) to dispose of such securities at a price lower than the investment cost which will result in a decrease in the Fund's value.

- Islamic money market instruments or Islamic deposits

This risk refers to the risk of a possibility that the currently held Islamic money market instruments or Islamic deposits invested by the Fund may be declared as Shariah non-compliant by the relevant authority or the Shariah Adviser. If this occurs, the Manager will take the necessary steps to dispose of or withdraw such money market instruments or deposits.

17. COMPARATIVE FIGURES

The current period's figures and comparative figures are presented as follows:

- The unaudited Statement of Fund Financial Position and its relevant notes are as at 30 November 2023 and 31 May 2023, respectively.
- The unaudited Statement of Comprehensive Income, Statement of Changes in Equity and Statement of Cash Flows and its relevant notes are for the period from 1 June 2023 to 30 November 2023 and 1 June 2022 to 30 November 2022 respectively.

18. UNAUDITED ACCOUNT

The financial accounts for the six months ended 30 November 2023 are unaudited.

TA Islamic Fund

(For the 6 months ended 30 November 2023)

Corporate Information

Manager	TA Investment Management Berhad (340588-T)
Registered Office	34th Floor, Menara TA One 22 Jalan P. Ramlee 50250 Kuala Lumpur
Board of Directors	En. Mohammed A'reeff Bin Abdul Khalid (Non-Independent / Executive Director) Mr. Choo Swee Kee (Non-Independent / Executive Director) Puan Zainab Binti Ahmad (Non-Independent / Non-Executive Director) Puan Nor Asma Binti Mohamed (Non-Independent / Non-Executive Director) Mr. Chew Chin Guan (Independent / Non-Executive Director) Mr. Ngiam Kee Tong (Independent / Non-Executive Director)
Investment Committee Members	Nor Asma Binti Mohammed (Non-Independent) Nor Aziah Binti Ab Halim (Non-Independent) Kaladher A/L Govindan (Non-Independent) Dato' Tay Kian Chuan (Independent) Ngiam Kee Tong (Independent)
Trustee of the Fund	Universal Trustee (Malaysia) Berhad No. 1, Jalan Ampang (3 rd Floor) 50450 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
Shariah Adviser	BIMB Securities Sdn Bhd Level 32, Menara Multi Purpose Capital Square No. 8, Jalan Munshi Abdullah 50100 Kuala Lumpur
Company Secretaries	Khoo Poh Kim @ Kimmy (LS0010314)

TA Islamic Fund

(For the 6 months ended 30 November 2023)

Corporate Information (cont'd)

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

Head Office	TA Investment Management Berhad 23rd Floor, Menara TA One 22 Jalan P. Ramlee 50250 Kuala Lumpur Tel: 03-2031 6603 Fax: 03-2031 4479
Melaka Business Centre	57A, Jalan Merdeka Taman Melaka Raya 75000 Melaka Tel: 06-288 2687
Penang Business Centre	15-1-8, Bayan Point Medan Kampung Relau 11900 Pulau Pinang Tel: 04-645 9801 Fax: 04-611 9805
Kota Kinabalu Business Centre	Unit 4-1-02, 1st Floor Block 4, Api-Api Centre Jalan Centre Point 88000 Kota Kinabalu, Sabah Tel: 088-268 023 Fax: 088-248 463
Kuching Business Centre	2nd Floor, Lot 13008, SL26, Block 16 KCLD, Gala City Commercial Centre Jalan Tun Jugah, 93350 Kuching, Sarawak Tel: 082-265 979
Miri Business Centre	Lot 1251, 1st Floor 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: 05-350 0399
Johor Bahru Business Centre	37-01, Jalan Molek 1/29 Taman Molek 81100 Johor Bahru Johor Tel: 07-3611 781