

INTERIM REPORT

TA SMALL CAP FUND

For the 6 month ended
31 October 2021

INVESTING



TA INVESTMENT

A MEMBER OF THE TA GROUP

199501011387 (340588-T)

TA Small Cap Fund

(For the 6 months ended 31 October 2021)

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TA Small Cap Fund

(For the 6 months ended 31 October 2021)

Key Performance Data

	6 months ended 31/10/2021	6 months ended 31/10/2020	6 months ended 31/10/2019
PORTFOLIO COMPOSITION (% OF NAV)			
Trading/Services	2.64	3.04	4.58
Consumer Products	2.00	12.22	15.84
Industrial Products	22.13	19.13	9.52
Properties	0.36	0.42	2.15
Construction	0.53	-	3.88
Pharmaceutical	-	2.46	-
Telecommunication	-	-	3.19
Energy	2.39	5.02	5.05
Technology	29.39	30.89	27.53
Mining	5.92	3.58	5.49
Quoted Shares	65.36	76.76	77.23
Collective Investment Scheme	15.09	6.93	8.77
Derivative Instruments	0.67	0.09	4.32
Cash (Net of Liabilities)	18.88	16.22	9.68
Total Investment	100.00	100.00	100.00

Total Net Asset Value (RM'000)	18,736 [^]	5,951	6,511
Units In Circulation (Units '000)	15,639	9,268	9,857
Net Asset Value Per Unit (RM)	1.1980 [^]	0.6422	0.6606
Management Expense Ratio (MER) (%) *	0.90	1.10	1.11
Portfolio Turnover Ratio (PTR) (times) **	0.47	0.82	0.60

[^] Refer to unaudited account Note 12.

* The MER for current interim period has decreased as compared to previous interim period due to increase in total management expenses of the Fund.

** The PTR for current interim period has decreased as compared to previous interim period due to increase in total transaction value of the Fund.

UNIT PRICES

NAV Per Unit (RM)	1.1980	0.6422	0.6606
Highest NAV Per Unit for the Period (RM)	1.2181	0.6925	0.6681
Lowest NAV Per Unit for the Period (RM)	0.8154	0.5335	0.6092

TOTAL RETURN (%)

Capital Return	33.29	19.48	-0.57
Income Return	-	-	-
Total Return of Fund	33.29	19.48	-0.57
Total Return of the Benchmark	-0.01	16.51	0.42
- FTSE Bursa Malaysia Small Cap Index			

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AVERAGE TOTAL RETURN (%)

	Fund	Benchmark
Period		
1 Year (31/10/2020 - 31/10/2021)	86.55	33.34
3 Years (31/10/2018 - 31/10/2021)	24.04	10.55
5 Years (31/10/2016 - 31/10/2021)	14.65	2.30

ANNUAL TOTAL RETURN (%)

	Fund	Benchmark
Period		
31/10/2020 - 31/10/2021	86.55	33.34
31/10/2019 - 31/10/2020	-2.79	-5.71
31/10/2018 - 31/10/2019	5.31	7.48
31/10/2017 - 31/10/2018	-4.88	-27.01
31/10/2016 - 31/10/2017	9.08	13.61

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 Small Cap Fund

(For the 6 months ended 31 October 2021)

Manager's Report

TA Small Cap Fund

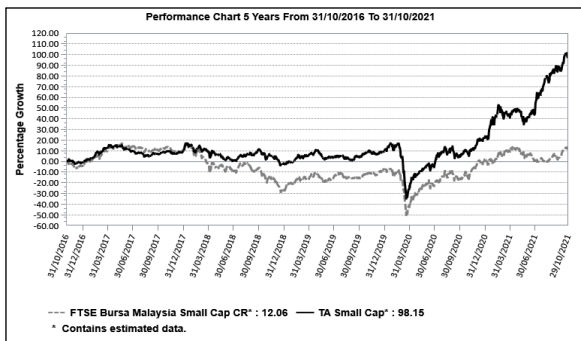
Fund Category/Type	Equity / Growth
Fund Objective	The Fund aims to achieve higher capital appreciation by investing in instruments which have the potential of substantial value appreciation over the medium to long term period.
Performance Benchmark	FTSE Bursa Malaysia Small Cap Index (FBM Small Cap)
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 interim period under review and met its objective.</p> <p>The Fund posted a return of 33.29% for the period under review, outperforming the benchmark which ended the period relatively flat at -0.01%.</p>

Analysis of Fund's Performance	31/10/21	30/04/21	% Change
NAV/unit (RM)	1.1980 [^]	0.8988	33.29
Total NAV (RM'000)	18,736 [^]	8,173	129.24
[^] Refer to unaudited account Note 12.			
	Income Distribution (%)	Capital Return # (%)	Total Return (%)
	-	33.29	33.29
# Capital Return components:			
	❖ Equity		
	❖ Fixed income securities		
	❖ Cash and cash equivalents		
	31/10/21	30/04/21	% Change
FBM Small Cap	17,196.36	17,198.26	-0.01

TA Small Cap Fund

(For the 6 months ended 31 October 2021)

Performance Chart



Source: Lipper Investment Management

Past performance is not necessarily indicative of future performance.

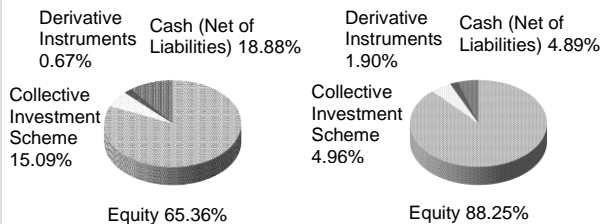
Distribution/Unit Split

None were declared for the interim period under review 31 October 2021.

Asset Allocation

31/10/21

30/04/21



Asset allocation during the financial period under review was primarily in equities, with the remainder in collective investment scheme(s), derivative instruments and cash.

Top Investments

Top 5 Stocks

As at 31/10/21	% NAV
Genetec Technology Berhad	9.78
TA Islamic CashPLUS Fund	6.96
Pilbara Minerals Limited	5.92
Baidu Inc.	4.61
Lion Industries Corp. Berhad	4.03

TA Small Cap Fund

(For the 6 months ended 31 October 2021)

	As at 30/04/21	% NAV
	Pilbara Minerals Limited	8.80
	Malaysia Pacific Industries Berhad	6.68
	JF Technology Berhad	5.44
	Sarawak Consolidated Industries Berhad	5.08
	QES Group Berhad	5.00

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 FBM KLCI fell into monthly contraction mode in May 2021 (-1.1%) as sentiment was dented by raging new Coronavirus Disease of 2019 (“COVID-19”) cases and death rates and the government’s implementation of a nationwide MCO 3.0 from 12 May 2021 to 7 June 2021. This was subsequently superseded by a full lockdown for two weeks from 1 June 2021 as new COVID-19 cases continued to rise unabated. Investors were profit-taking throughout the month as all sectors, except financials (+0.9%), recorded losses Month-on-Month (“MoM”). Mid and Small Cap stocks fell sharply as reflected in the FBM Small Cap Index’s drop of 7%. The FBM KLCI fell 3.2% in June 2021, continuing the downward trend from the previous month, thereby dragging the year-to-date contraction to 5.8%. The FBM Small Cap Index eased 3.6%. Market sentiment was hit by persistently high new daily COVID-19 cases which led to the month-long national lockdown which started on 1 June 2021 and was further extended for another 2 weeks from June 28 (after Movement Control Order “MCO” 3.0 restrictions didn’t seem effective). Sentiment remained depressed despite the unveiling of a RM40 billion stimulus package (1 June 2021), dubbed PEMERKASA+, of which RM5 billion is a direct fiscal injection which was followed by another (29 June 2021) RM150 billion stimulus package, dubbed PEMULIH, of which RM10 billion is a direct fiscal injection.

The FBM KLCI fell 2.5% in July 2021 to hit the lowest month-end level for this year of 1,494 points. The weak performance was due to daily new Coronavirus Disease of 2019 (“COVID-19”) cases hitting new record highs despite restricted movement controls and growing political concerns. The best performing sectors in July 2021 were technology and industrial sectors while the worst performing sectors were energy, plantation and transport. The FBM Small Cap Index closed flat for the month. The FBM KLCI saw a strong rebound in August 2021, rising 7.1% and this was its strongest monthly gain since October 2011. The market surged on the back of net buying by foreign investors on optimism that political concerns will subside following the appointment of a new Prime Minister on 21 August 2021. The FBM Small Cap Index gained 3.4%.

The Malaysian market fell in September 2021, with the FBM KLCI closing the month lower by 4% due to a sharp fall in the glove counters, concerns about interest waivers for three months which could impact bank earnings. For both September 2021 and the 9 months of this year (-5.5%), the local bourse is the worst performing when compared to its ASEAN neighbours. The decline was in line with a regional sell-down with the Asia Pacific dipping 2.3% generally, dragged lower by Hong Kong, South Korea and Taiwan. In the US, investors looked out for Congress to pass a bill to fund the government through early December 2021 and avert a government shutdown. In China, worries about a potential capital gains tax as well as negative news from China over the Evergrande debt crisis, power shortages and COVID-19 outbreaks also kept investors cautious. Also in September 2021, Malaysia launched the 12th Malaysia Five Year Plan (12MP) which is focused towards the fourth Industrial Revolution, enhancing the digital economy, raising Small-Medium Enterprises (“SMEs”) contribution to the economy and renewable energy. The FBM Small Cap Index managed to gain 0.8%. The FBM KLCI gained 1.6% in October 2021, attributed mainly to net buying by foreign investors on optimism that Malaysia’s economy will rebound with the reopening of all sectors and interstate travel. All sectors except healthcare (mainly gloves) posted gains with the best-performing sectors in October 2021 being property, energy and plantation sectors. Foreign investors also bought RM1.6 billion (“bn”) worth of Malaysian equities in the month, their third consecutive month of net buying and highest monthly net

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buy since January 2018. On the last trading day of the month, the Budget 2022 was unveiled with two negative surprises, the one-off Cukai Makmur and higher stamp duty on the trading of shares, both of which could dampen market sentiment in the remaining months of 2021. Sentiment on mid and small cap stocks regained attention, as indicated by the FBM Small Cap Index's rise of 7%.

Economic Outlook

Malaysia's Manufacturing Purchasing Managers' Index ("PMI") rose to 52.2 in October 2021 (from 48.1 in September 2021), its first expansion since May 2021 and the strongest since April 2021. Manufacturing conditions improved mainly due to the relaxation of COVID-19 restrictions as more states moved to phase 3 and phase 4 of the National Recovery Plan, with more manufacturing subsectors resuming operation amid rapid progress of vaccination rate. Output and new orders returned to expansion. The relaxation of COVID-19 pandemic restrictions boosted business confidence and uplifted production level. However, external demand moderated, although the pace of reduction was mild, thanks to stronger demand in Europe and the US.

The Bank Negara Malaysia ("BNM") Monetary Policy Committee ("MPC") will meet on 3 November 2021 and the consensus view is that the Overnight Policy Rate ("OPR") will remain unchanged at 1.75%. BNM highlighted that the global growth outlook continues to recover but, overall, the balance of risks is tilted to the downside. The recent strong rebound in PMI and allowing more economic sectors to recommence will further boost domestic economic activities. We expect the BNM will continue its supportive policies to mitigate the earlier adverse impacts from the lockdown. Our opinion is that the BNM will leave OPR unchanged at 1.75%. Going forward, we believe that while downside risks remain, the Malaysian economy is expected to gradually recover from here together with the regional recovery.

Market Outlook And Investment Strategy

The global equity market managed to pass through the volatile past few months relatively unscathed despite concerns about the US Federal Reserve's plan to start tapering soon and possibly raise interest rates by next year. We still see new record highs being achieved in such liquidity driven market triggered by strong corporate earnings growth. However, money flows are extremely unpredictable at these high levels and are sensitive to shocks and policy decisions. We would advise some amount of caution on the global outlook.

On the domestic front, Malaysia has unveiled its refreshed 5-year development plan (the 12th Malaysian Plan) and its budget for year 2022. Both called for increased spending to boost the economy. If well executed and implemented with no distractions, Malaysia's development growth trend should be pretty decent and this would provide good support for the market. We remain positive on Malaysia while we review the on-going progress of our economic recovery.

Going forward, the Fund intends to bring down the equity level to the targeted level of 80%. The fund shall continue looking for undervalued and strong fundamental stocks and some recovery stocks.

TA Small Cap Fund

(For the 6 months ended 31 October 2021)

Size Of Unitholdings

- As at 31 October 2021

Size of Holdings (units)	No. of Unitholders	% of Unitholders	No. of Units Held ('000)	% of Unit Held
5,000 and below	186	34.90%	507	3.25%
5,001-10,000	92	17.26%	687	4.39%
10,001-50,000	224	42.03%	4,589	29.34%
50,001-500,000	28	5.25%	3,041	19.45%
500,001 and above	3	0.56%	6,815	43.57%
Total	533	100.00%	15,639	100.00%

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 Unitholders of the Fund.

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(For the 6 months ended 31 October 2021)

TRUSTEE'S REPORT TO THE UNIT HOLDERS OF TA SMALL CAP FUND

We, **CIMB Commerce Trustee Berhad** being the trustee for **TA Small Cap 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 31 October 2021.

- (a) The Fund has been managed in accordance with the limitations imposed on the investment powers of the Manager under the Deeds, the Securities Commission Malaysia's Guidelines on Unit Trust Funds, the Capital Markets and Services Act 2007 (as amended from time to time) and other applicable laws;
- (b) Valuation and pricing for the Fund has been carried out in accordance with the Deeds 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
CIMB Commerce Trustee Berhad

Ezreen Eliza Zulkiplee
Authorised Signatory

Kuala Lumpur, Malaysia
24 December 2021

TA Small Cap Fund

(For the 6 months ended 31 October 2021)

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 35, are drawn up so as to give a true and fair view of the financial position of TA SMALL CAP FUND as at 31 October 2021 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 International Financial Reporting Standards.

On behalf of the Manager,

CHOO SWEE KEE

Kuala Lumpur, Malaysia
24 December 2021

MOHAMMED A'REEFF BIN
ABDUL KHALID

TA Small Cap Fund

(For the 6 months ended 31 October 2021)

UNAUDITED STATEMENT OF COMPREHENSIVE INCOME FOR THE INTERIM PERIOD ENDED 31 OCTOBER 2021

		01.05.2021 to 31.10.2021 RM	01.05.2020 to 31.10.2020 RM
	Note		
INCOME			
Dividend income		52,977	33,756
Interest income and other income		13,505	88,813
Net gain on:			
- financial assets at fair value through profit or loss ("FVTPL")	6	<u>3,389,447</u>	<u>1,048,209</u>
		<u>3,455,929</u>	<u>1,170,778</u>
EXPENSES			
Manager's fee	3	83,647	43,281
Trustee's fee	4	7,028	6,525
Auditors' remuneration		4,200	4,200
Tax agent's fee		1,620	1,620
Investment committee's remuneration		3,600	3,600
Brokerage and other transaction fees		43,532	41,426
Custodian fee		1,056	1,710
Administrative fees and expenses		<u>2,928</u>	<u>4,651</u>
		<u>147,611</u>	<u>107,013</u>
Net income before tax		3,308,318	1,063,765
Less: Income tax expense	5	<u>(1,260)</u>	<u>(1,054)</u>
Net income after tax, representing total comprehensive income for the financial period		<u>3,307,058</u>	<u>1,062,711</u>
Net income after tax is made up of the following:			
Net realised income		747,995	106,301
Net unrealised income		<u>2,559,063</u>	<u>956,410</u>
		<u>3,307,058</u>	<u>1,062,711</u>

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

TA Small Cap Fund

(For the 6 months ended 31 October 2021)

UNAUDITED STATEMENT OF FINANCIAL POSITION AS AT 31 OCTOBER 2021

	Note	31.10.2021 RM	30.04.2021 RM
ASSETS			
Investments	6	15,151,898	7,729,080
Deposit with financial institution	7	2,780,265	165,140
Dividend receivable		5,337	-
Interest receivable		382	7
Amount due from future brokers	8	21,669	21,663
Amount due from the Manager	10	503,242	16,768
Cash at banks		470,684	224,002
TOTAL ASSETS		<u>18,933,477</u>	<u>8,156,660</u>
LIABILITIES			
Amount due to stockbrokers	9	149,306	-
Amount due to the Manager	10	78,226	11,155
Amount due to Trustee		778	1,250
Other payables and accruals		23,220	17,400
TOTAL LIABILITIES		<u>251,530</u>	<u>29,805</u>
EQUITY			
Unitholders' capital	11(a)	43,915,380	36,667,346
Accumulated losses	11(b),(c)	<u>(25,233,433)</u>	<u>(28,540,491)</u>
NET ASSET VALUE ("NAV") ATTRIBUTABLE TO UNITHOLDERS		<u>18,681,947</u>	<u>8,126,855</u>
TOTAL EQUITY AND LIABILITIES		<u>18,933,477</u>	<u>8,156,660</u>
NUMBER OF UNITS IN CIRCULATION	11(a)	<u>15,639,466</u>	<u>9,093,706</u>
NAV PER UNIT	12	<u>1.1945</u>	<u>0.8937</u>

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

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(For the 6 months ended 31 October 2021)

UNAUDITED STATEMENT OF CHANGES IN EQUITY FOR THE INTERIM PERIOD ENDED 31 OCTOBER 2021

	Unitholders' capital Note 11(a) RM	Accumulated losses Note 11(b),(c) RM	Total NAV RM
At 1 May 2020	37,071,423	(31,912,779)	5,158,644
Total comprehensive income for the period	-	1,062,711	1,062,711
Creation of units	376,471	-	376,471
Cancellation of units	(668,948)	-	(668,948)
At 31 October 2020	<u>36,778,946</u>	<u>(30,850,068)</u>	<u>5,928,878</u>
At 1 May 2021	36,667,346	(28,540,491)	8,126,855
Total comprehensive income for the period	-	3,307,058	3,307,058
Creation of units	12,001,523	-	12,001,523
Cancellation of units	(4,753,489)	-	(4,753,489)
At 31 October 2021	<u>43,915,380</u>	<u>(25,233,433)</u>	<u>18,681,947</u>

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

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(For the 6 months ended 31 October 2021)

UNAUDITED STATEMENT OF CASH FLOWS FOR THE INTERIM PERIOD ENDED 31 OCTOBER 2021

	01.05.2021 to 31.10.2021 RM	01.05.2020 to 31.10.2020 RM
CASH FLOWS FROM OPERATING AND INVESTING ACTIVITIES		
Proceeds from sales of investments	3,376,393	5,151,289
Purchases of investments	(7,260,464)	(4,960,943)
Dividend received	47,640	33,756
Interest received	13,130	88,800
Manager's fee paid	(16,576)	(52,141)
Trustee's fee paid	(7,500)	(7,501)
Payments for other fees and expenses	(51,116)	(59,887)
Cash generated from operating and investing activities	(3,898,493)	193,373
Tax paid	(1,260)	(1,054)
Net cash (used in)/generated from operating and investing activities	<u>(3,899,753)</u>	<u>192,319</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Cash proceeds from units created	11,515,049	386,321
Cash paid on units cancelled	(4,753,489)	(668,948)
Net cash generated from/(used in) financing activities	<u>6,761,560</u>	<u>(282,627)</u>
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	2,861,807	(90,308)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE FINANCIAL PERIOD	389,142	1,005,294
CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL PERIOD	<u>3,250,949</u>	<u>914,986</u>
CASH AND CASH EQUIVALENTS COMPRISE:		
Cash at banks	470,684	328,709
Deposit with financial institution	2,780,265	586,277
Cash and cash equivalents	<u>3,250,949</u>	<u>914,986</u>

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

TA Small Cap Fund

(For the 6 months ended 31 October 2021)

NOTES TO THE UNAUDITED FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD ENDED 31 OCTOBER 2021

1. THE FUND, THE MANAGER AND THEIR PRINCIPAL ACTIVITIES

TA Small Cap Fund ("the Fund") was constituted pursuant to the execution of a Deed of Trust dated 22 December 2003 and Supplemental Deed dated 21 October 2009 (collectively, referred to as "the Deeds") between the Manager, TA Investment Management Berhad and the Trustee, CIMB Commerce Trustee Berhad.

The principal activity of the Fund is to invest in "Authorised Investments" as defined under Clause 1 of the Deed, which include stocks and shares of companies quoted on Bursa Malaysia Securities Berhad ("Bursa Malaysia") and other stock exchanges, futures contracts traded on Bursa Malaysia Derivatives Berhad, derivatives instruments and short term money market investments. The Fund commenced operations on 9 February 2004 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, a company listed on the Main Market of Bursa Malaysia Securities 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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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 2021

- Amendments to MFRS 3, *Business Combinations – Definition of a Business*
- Amendments to MFRS 101, *Presentation of Financial Statements* and MFRS 108, *Accounting Policies, Changes in Accounting Estimates and Errors – Definition of Material*
- Amendments to MFRS 9, *Financial Instruments*, MFRS 139, *Financial Instruments: Recognition and Measurement* and MFRS 7, *Financial Instruments: Disclosures – Interest Rate Benchmark Reform*

MFRSs, interpretations and amendments effective for annual periods beginning on or after 1 June 2021

- Amendment to MFRS 16, *Leases – Covid-19-Related Rent Concessions*

MFRSs, interpretations and amendments effective for annual periods beginning on or after 1 January 2022

- MFRS 17, *Insurance Contracts*

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

- Amendments to MFRS 1, *First-time Adoption of Malaysian Financial Reporting Standards (Annual Improvements to MFRS Standards 2018–2020)*
- Amendments to MFRS 3, *Business Combinations – Reference to the Conceptual Framework*
- Amendments to MFRS 9, *Financial Instruments (Annual Improvements to MFRS Standards 2018–2020)*
- Amendments to Illustrative Examples accompanying MFRS 16, *Leases (Annual Improvements to MFRS Standards 2018–2020)*
- Amendments to MFRS 101, *Presentation of Financial Statements – Classification of Liabilities as Current or Non-current*
- Amendments to MFRS 116, *Property, Plant and Equipment – Proceeds before Intended Use*
- Amendments to MFRS 137, *Provisions, Contingent Liabilities and Contingent Assets – Onerous Contracts – Cost of Fulfilling a Contract*
- Amendments to MFRS 141, *Agriculture (Annual Improvements to MFRS Standards 2018–2020)*

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*

TA Small Cap Fund

(For the 6 months ended 31 October 2021)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTD.)

2.1 Basis of Preparation (contd.)

(a) Statement of compliance (contd.)

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

- from the annual period beginning on 1 May 2021 for those amendments that are effective for annual periods beginning on or after 1 January 2021, except for amendments which are not applicable to the Fund.
- from the annual period beginning on 1 May 2022 for the accounting standard that is effective for annual periods beginning on or after 1 June 2022 and 1 January 2022.
- from the annual period beginning on 1 May 2023 for those amendments that are effective for annual periods beginning on or after 1 January 2023, except for amendments which are not applicable to the Fund.

The Fund does not plan to apply MFRS 17, Insurance Contracts that is effective for annual periods beginning on or after 1 January 2022 as it is not applicable to the Fund.

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

(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.

TA Small Cap Fund

(For the 6 months ended 31 October 2021)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTD.)

2.2 Significant Accounting Policies

(a) Financial Assets

Financial assets are recognised in the statement of financial position when, and only when, the Fund becomes a party to the contractual provisions of the financial instrument.

When financial assets are recognised initially, they are measured at fair value, plus, in the case of financial assets not at fair value through profit or loss ("FVTPL"), directly attributable transaction costs.

A financial asset is derecognised when the asset is disposed of 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.

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

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

(i) Financial assets at FVTPL

FVTPL category comprises financial assets that are held for trading, including derivatives (except for a derivative that is a financial guarantee contract or a designated and effective hedging instrument) or financial assets that are specifically designated into this category upon initial recognition.

Derivatives that are linked to and must be settled by delivery of unquoted equity instruments whose fair values cannot be reliably measured are measured at cost.

Other financial assets categorised as FVTPL are subsequently measured at their fair values with the gain or loss recognised in profit or loss.

TA Small Cap Fund

(For the 6 months ended 31 October 2021)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTD.)

2.2 Significant Accounting Policies (Contd.)

(a) Financial Assets (Contd.)

(ii) Receivables

Financial assets with fixed or determinable payments that are not quoted in an active market are classified as loans and receivables. The Fund includes short-term receivables in this classification.

Subsequent to initial recognition, financial assets categorised as loans and receivables are measured at amortised cost using the effective interest rate method. Gains and losses are recognised in profit or loss when such financial assets are derecognised or impaired, and through the amortisation process.

(b) Impairment of Financial Assets

All financial assets (except for financial assets categorised as fair value through profit or loss) are assessed at each reporting date whether there is any objective evidence of impairment as a result of one or more events having an impact on the estimated future cash flows of the asset. Losses expected as a result of future events, no matter how likely, are not recognised. For an investment in an equity instrument, a significant or prolonged decline in the fair value below its cost is an objective evidence of impairment. If any such objective evidence exists, then the impairment loss of the financial asset is estimated.

An impairment loss in respect of loans and receivables is recognised in profit or loss and is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the asset's original effective interest rate. The carrying amount of the asset is reduced through the use of an allowance account.

If, in a subsequent period, the fair value of a debt instrument increases and the increase can be objectively related to an event occurring after the impairment loss was recognised in profit or loss, the impairment loss is reversed, to the extent that the asset's carrying amount does not exceed what the carrying amount would have been had the impairment not been recognised at the date the impairment is reversed. The amount of the reversal is recognised in profit or loss.

TA Small Cap Fund

(For the 6 months ended 31 October 2021)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTD.)

2.2 Significant Accounting Policies (contd.)

(c) Classification of Realised and Unrealised Gains and Losses

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

The realised gain/(loss) on sale of investments is measured as the difference between the net disposal proceeds and the carrying amount of the investments. The carrying amount for determining the realised gain/(loss) on sale of investments is based on the weighted average cost method.

(d) Financial Liabilities

Financial liabilities are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability.

Financial liabilities, within the scope of MFRS 139, *Financial Instruments: Recognition and Measurement* are recognised in the statement of financial position when, and only when, the Fund becomes a party to the contractual provisions of the financial instrument.

The Fund's financial liabilities are recognised initially at fair value plus any directly attributable transaction costs and subsequently measured at amortised cost using the effective interest rate method.

A financial liability is derecognised when the obligation under the liability is extinguished. Gains and losses are recognised in profit or loss when the liabilities are derecognised.

(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.

TA Small Cap Fund

(For the 6 months ended 31 October 2021)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTD.)

2.2 Significant Accounting Policies (contd.)

(g) Cash and Cash Equivalents

Cash and cash equivalents comprise cash at bank and short-term deposit with a financial institution that are readily convertible to known amount of cash and which are subject to an insignificant risk of changes in value.

(h) Income Recognition

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

Interest income is recognised using the effective interest rate method.

(i) Income Tax

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

Current taxes are recognised in profit or loss except to the extent that the tax relates to items recognised outside profit or loss, either in other comprehensive income or directly in equity.

Deferred tax is provided for, using the liability method, on taxable temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts in the financial statements. In principle, deferred tax liabilities are recognised for all taxable temporary differences and deferred tax assets are recognised 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 by two main portfolios, namely fixed income instruments and money market instruments. Each segment engages in separate investing activities and the operating results are regularly reviewed by the Investment Manager and Investment Committee. The Investment Committee assumes the role of chief operating decision maker, for performance assessment purposes and to make decisions about resources allocated to each investment segment.

TA Small Cap Fund

(For the 6 months ended 31 October 2021)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTD.)

2.2 Significant Accounting Policies (contd.)

(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.

The Manager classifies its fixed income instruments as financial instruments at FVTPL as the Fund is a close-ended fund that may sell its investments in the short-term for profit-taking or to meet unitholders' redemptions.

No other 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 within the next financial period.

3. MANAGER'S FEE

The Manager's fee is computed on a daily basis at 1.5% (2020: 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% (2020: 0.055%) per annum of the NAV of the Fund, subject to minimum of RM15,000 per annum (2020: RM15,000).

TA Small Cap Fund

(For the 6 months ended 31 October 2021)

5. INCOME TAX EXPENSE

	01.05.2021 to 31.10.2021 RM	01.05.2020 to 31.10.2020 RM
Tax expense for the financial period		
- Foreign tax	1,260	1,054

Domestic income tax is calculated at the Malaysian statutory tax rate of 24% of the estimated assessable profit for the financial period.

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

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

	01.05.2021 to 31.10.2021 RM	01.05.2020 to 31.10.2020 RM
Net income before tax	3,308,318	1,063,765
Taxation at Malaysian statutory rate of 24%	793,996	255,304
Effects of tax withheld on income from other countries	-	-
Effects of tax withheld on income from REITs dividend	(1,371)	(1,219)
Effects of interest income on deposits not subject to tax	(826,791)	(278,714)
Effects of expenses not deductible for tax purposes	15,351	15,296
Restriction on tax deductible expenses for unit trust funds	20,075	10,387
Income tax expense for the financial period	1,260	1,054

TA Small Cap Fund

(For the 6 months ended 31 October 2021)

6. INVESTMENTS

	31.10.2021 RM	30.04.2021 RM
Financial assets at FVTPL:		
Quoted equity securities in Malaysia	9,880,214	5,976,620
Quoted equity securities outside Malaysia	2,327,182	1,195,509
Quoted derivative instruments in Malaysia	126,598	154,238
Collective investment scheme in Malaysia	2,085,791	402,713
Collective investment scheme outside Malaysia	732,113	-
	<u>15,151,898</u>	<u>7,729,080</u>
Net gain on financial assets at FVTPL comprises:		
Net realised gain on disposals	830,384	376,730
Net unrealised gain on changes in fair value	2,559,063	3,063,254
	<u>3,389,447</u>	<u>3,439,984</u>

Financial assets at FVTPL as at 31 October 2021 are as detailed belows:

(a) Quoted equity securities in Malaysia

Name of Counter	Quantity Unit	Cost RM	Fair Value RM	% of NAV %
Construction				
Jaks Resources Bhd	215,000	127,796	98,900	0.53
Consumer Products				
Kim Teck Cheong				
Consolidated Bhd	570,000	108,300	82,650	0.44
QL Resources Bhd	57,771	16,708	291,744	1.56
	<u>627,771</u>	<u>125,008</u>	<u>374,394</u>	<u>2.00</u>
Energy				
Hibiscus Petroleum Bhd	393,583	188,920	352,257	1.89
Industrial Products				
Bumi Armada Berhad	660,000	210,771	333,300	1.78
Cypark Resources Bhd	630,000	585,600	623,700	3.34
ES Ceramics Technology Bhd	672,700	416,611	279,171	1.49
Hiap Teck Venture Bhd	1,212,000	670,346	684,780	3.67
Lion Industries Corp Bhd	983,000	727,900	751,995	4.03
Nextgreen Global Bhd	457,400	202,565	580,898	3.11
QES Group Bhd	490,000	112,369	362,600	1.94
Scientex Bhd	81,900	187,856	380,835	2.04
SKP Resources Bhd	75,000	81,971	136,500	0.73
	<u>5,262,000</u>	<u>3,195,989</u>	<u>4,133,779</u>	<u>22.13</u>

TA Small Cap Fund

(For the 6 months ended 31 October 2021)

6. INVESTMENTS (CONTD.)

(a) Quoted equity securities in Malaysia (Contd.)

Name of Counter	Quantity Unit	Cost RM	Fair Value RM	% of NAV %
Properties				
Encorp Bhd	151,000	96,408	66,440	0.36
Technologies				
D&O Green Technologies Bhd	31,000	123,591	174,840	0.94
Datasonic Group Bhd	800,000	380,000	372,000	1.99
Elsoft Research Bhd	350,000	305,970	367,500	1.97
Frontken Corp Bhd	67,500	39,150	255,825	1.37
Genetec Technology Bhd	39,300	88,467	1,827,450	9.78
JF Technology Bhd	478,932	333,505	708,819	3.79
Malaysian Pacific Industries Bhd	14,000	142,121	655,200	3.51
	1,780,732	1,412,804	4,361,634	23.35
Trading/Services				
Fintec Global Bhd - PA	1,281,000	89,670	12,810	0.07
Sapura Energy Bhd	4,800,000	528,000	480,000	2.57
	6,081,000	617,670	492,810	2.64
Total Quoted Equity Securities in Malaysia	14,511,086	5,764,595	9,880,214	52.90

(b) Quoted equity securities outside Malaysia

Name of Counter	Quantity Unit	Cost RM	Fair Value RM	% of NAV %
Indonesia				
Energy				
Resource Alam Indonesia TBK	1,009,500	443,796	94,327	0.50
Australia				
Mining				
Pilbara Minerals Ltd	161,026	221,982	1,105,601	5.92

TA Small Cap Fund

(For the 6 months ended 31 October 2021)

6. INVESTMENTS (CONTD.)

(b) Quoted equity securities outside Malaysia (Contd.)

Name of Counter	Quantity Unit	Cost RM	Fair Value RM	% of NAV %
Hong Kong				
<i>Technology</i>				
Ping An Insurance Group	5,000	201,870	148,722	0.80
Baidu Inc	10,000	819,655	861,470	4.61
Semiconductor Manufacturing	10,000	150,193	117,062	0.63
	<u>25,000</u>	<u>1,171,718</u>	<u>1,127,254</u>	<u>6.04</u>
Total Quoted Equity Securities outside Malaysia				
	<u>1,195,526</u>	<u>1,837,496</u>	<u>2,327,182</u>	<u>12.46</u>

(c) Quoted derivative instruments in Malaysia

Name of Counter	Quantity Unit	Cost RM	Fair Value RM	% of NAV %
<i>Warrants</i>				
SKP Resources Bhd-WB	20,000	-	4,300	0.02
Frontken Corporation Bhd-WB	22,500	-	13,163	0.07
JF Technology Bhd -WA	154,466	-	108,899	0.58
Fintec Global Bhd-WB	47,280	-	236	-
	<u>244,246</u>	<u>-</u>	<u>126,598</u>	<u>0.67</u>
Total Quoted Derivative Instruments in Malaysia				
	<u>244,246</u>	<u>-</u>	<u>126,598</u>	<u>0.67</u>

TA Small Cap Fund

(For the 6 months ended 31 October 2021)

6. INVESTMENTS (CONTD.)

(d) Collective investment scheme in Malaysia

Name of Counter	Quantity Unit	Cost RM	Fair Value RM	% of NAV %
Unit Trust				
TA Asia Pacific REITs				
Income Fund	439,936	201,637	202,723	1.09
TA Islamic Cashplus Fund	2,455,574	1,301,131	1,300,963	6.96
	<u>2,895,510</u>	<u>1,502,768</u>	<u>1,503,686</u>	<u>8.05</u>
REITS				
Atrium Real Estate Investment				
Trust	138,000	146,127	202,860	1.09
IGB Commercial REIT	579,000	411,090	379,245	2.03
	<u>717,000</u>	<u>557,217</u>	<u>582,105</u>	<u>3.12</u>
Total Collective Investment Scheme in Malaysia	3,612,510	2,059,985	2,085,791	11.17

(e) Collective investment scheme outside Malaysia

Name of Counter	Quantity Unit	Cost RM	Fair Value RM	% of NAV %
Singapore				
REITS				
Capitaland China Trust	195,000	703,243	732,113	3.92
TOTAL FINANCIAL ASSETS AT FVTPL	19,758,368	10,365,319	15,151,898	81.12
EXCESS OF COST OVER FAIR VALUE			<u>4,786,579</u>	

TA Small Cap Fund

(For the 6 months ended 31 October 2021)

7. DEPOSIT WITH FINANCIAL INSTITUTION

	31.10.2021	30.04.2021
	RM	RM
This is short-term placement with:		
- Licensed bank	<u>2,780,265</u>	<u>165,140</u>

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

	WAEIR		Average Remaining	
	(% p.a.)		Maturity	
	31.10.2021	30.04.2021	(Days)	30.04.2021
Short-term placement	<u>1.67</u>	<u>1.65</u>	<u>1</u>	<u>3</u>

TA Small Cap Fund

(For the 6 months ended 31 October 2021)

8. AMOUNT DUE FROM FUTURE BROKERS

The amount relates to margin deposits placed by the Fund with future brokers. The Fund was not a party to any open futures contracts as at the end of the financial period.

9. AMOUNT DUE FROM/(TO) STOCKBROKERS

Amount due from/(to) stockbrokers relate to disposal/purchase of investments which remained outstanding as at the end of the financial period. The normal credit term for these balances is 3 days (30.04.2020: 3 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 (31.10.2020: 10 days) and the normal credit term for Manager's fee is 30 days (31.10.2020: 30 days).

11. NET ASSET VALUE ATTRIBUTABLE TO UNITHOLDERS

	Note	31.10.2021	30.04.2021 RM
Unitholders' capital	(a)	43,915,380	36,667,346
Accumulated losses			
- Realised reserve	(b)	(29,899,518)	(30,647,513)
- Unrealised reserve	(c)	4,666,085	2,107,022
		<u>18,681,947</u>	<u>8,126,855</u>

(a) Unitholders' capital

	31.10.2021		30.04.2021	
	No of units	RM	No of units	RM
At beginning of the financial period/year	9,093,706	36,667,346	9,710,421	37,071,423
Creation of units	10,839,411	12,001,523	1,408,369	1,043,545
Cancellation of units	(4,293,651)	(4,753,489)	(2,025,084)	(1,447,622)
At end of the financial period/year	<u>15,639,466</u>	<u>43,915,380</u>	<u>9,093,706</u>	<u>36,667,346</u>

TA Small Cap Fund

(For the 6 months ended 31 October 2021)

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

(b) Realised reserve

	31.10.2021	30.04.2021
	RM	RM
At beginning of the financial period/year	(30,647,513)	(30,956,547)
Net realised gain for the financial period/year	747,995	309,034
At end of the financial period/year	<u>(29,899,518)</u>	<u>(30,647,513)</u>

(c) Unrealised reserve

	31.10.2021	30.04.2021
	RM	RM
At beginning of the financial period/year	2,107,022	(956,232)
Net unrealised gain for the financial period/year	2,559,063	3,063,254
At end of the financial period/year	<u>4,666,085</u>	<u>2,107,022</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 the purpose of issuance/redemption of units at 31 October 2021/30 April 2021 and the NAV attributable to unitholders as disclosed in the financial statements is as follows:

	31.10.2021		30.04.2021	
	RM	RM/Unit	RM	RM/Unit
NAV attributable to unitholders for issuance/redemption of units	18,735,932	1.1980	8,173,221	0.8988
Effect from adopting bid prices as fair value	<u>(53,985)</u>	<u>(0.0035)</u>	<u>(46,366)</u>	<u>(0.0051)</u>
NAV attributable to unitholders as disclosed in the financial statements	<u>18,681,947</u>	<u>1.1945</u>	<u>8,126,855</u>	<u>0.8937</u>

TA Small Cap Fund

(For the 6 months ended 31 October 2021)

13. UNITS HELD BY A RELATED PARTY

	31.10.2021		30.04.2021	
	No. of units	Valued at NAV RM	No. of units	Valued at NAV RM
Related company of the Manager's ultimate holding company	1,105,526	1,324,420	1,105,526	993,647

As at 31 October 2021, these units were held legally by the above related party.

The value of holdings by the related party was calculated based on the unadjusted NAV per unit of RM1.1980 (30.04.2021: RM0.8988).

14. 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*	4,185,305	38.83	19,493	44.78
Public Investment Bank Bhd	1,808,015	16.77	9,246	21.24
Unit Trust - TAIM	1,300,000	12.06	-	-
Alliance Investment Bank Bhd	1,093,008	10.14	5,238	12.03
RHB Investment Bank Bhd	710,784	6.60	3,382	7.77
DBS Vickers (Hong Kong) Ltd	703,243	6.53	3,516	8.08
Hong Leong Investment Bank Bhd	453,250	4.21	123	0.28
Maybank Investment Bank Bhd	419,370	3.89	2,011	4.62
Affin Hwang Investment Bank Bhd	104,386	0.97	524	1.20
	<u>10,777,361</u>	<u>100.00</u>	<u>43,533</u>	<u>100.00</u>

* 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 at an arm's length basis.

TA Small Cap Fund

(For the 6 months ended 31 October 2021)

15. MANAGEMENT EXPENSE AND PORTFOLIO TURNOVER RATIOS

(a) Management Expense Ratio

The management expense ratio for the financial period ended 31 October 2021 is 0.90% (2020: 1.10%). This ratio represents total management expenses expressed as an annualised percentage of the Fund's average NAV, calculated on a daily basis. Brokerage and other transaction fees on financial assets at FVTPL are trading related and are not classified as management expenses.

(b) Portfolio Turnover Ratio

The portfolio turnover ratio for the financial period ended 31 October 2021 is 0.47 times (2020: 0.82 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.

16. SEGMENT INFORMATION

The Manager and 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 equity instruments; and
- A portfolio of money market instruments.

The investment objective is to achieve higher capital appreciation by investing in the instruments that have the potential of substantial value appreciation over the medium to long period. There have been no changes in reportable segments in the current financial period.

TA Small Cap Fund

(For the 6 months ended 31 October 2021)

17. FINANCIAL RISKS AND MANAGEMENT OBJECTIVES AND POLICIES

The Fund is exposed to a variety of financial risks, which include market risk, single issuer risk, interest rate risk, credit risk, liquidity risk and currency 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 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 securities exposure will be reduced in the event of anticipated market conditions.

(b) Single Issuer Risk

The Fund is restricted to invest in securities issued by any issuer of not more than a certain percentage of its NAV. Under such restriction, the exposure to the 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 deposits placement with financial institutions.

Interest rate is a general economic indicator that will have an impact on the management of the Fund regardless of whether it is a based fund or otherwise. The reason for this is because a high level of interest rates will inevitably effect corporate profits and this will have an impact on the value of equity and the demand for fixed income securities.

(d) Credit Risk

Credit risk refers to the ability of issuers and counterparties to honour obligations to make timely payments on interest 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.

TA Small Cap Fund

(For the 6 months ended 31 October 2021)

17. FINANCIAL RISKS AND MANAGEMENT OBJECTIVES AND POLICIES (CONTD.)

(e) Liquidity Risk

The Fund maintains sufficient level of liquid assets, after consultation with the Trustee, to meet anticipated payments and cancellation of units by unitholders. Liquid assets comprise cash, deposits with financial institutions and other instruments, which are capable of being converted into cash within 5 business days. The Fund's policy is to always maintain a prudent level of liquid assets so as to reduce the liquidity risk.

(f) Currency Risk

As the investments of the Fund may be denominated in foreign currencies, fluctuations of the exchange rates of foreign currencies against the RM may affect the value of the units of the Fund. To mitigate this risk, the Manager may from time to time employ currency hedging techniques to manage the impact of the exchange rate fluctuations on the Fund and/or for the purpose of efficient portfolio management.

18. COMPARATIVE FIGURES

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

- The Statement of Fund Financial Position and its relevant notes are as at 31 October 2021 and 30 April 2021, respectively.
- The Statement of Comprehensive Income, Statement of Changes in Equity and Statement of Cash Flows and its relevant notes are for the period from 1 May 2021 to 31 October 2021 and 1 May 2020 to 31 October 2020 respectively.

19. UNAUDITED ACCOUNT

The financial accounts for the six months ended 31 October 2021 are unaudited.

TA Small Cap Fund

(For the 6 months ended 31 October 2021)

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) Mr. Chew Chin Guan (Independent / Non-Executive Director) Mr. Ngiam Kee Tong (Independent / Non-Executive Director)
Investment Committee Members	Choo Swee Kee (Non-Independent) Kaladher A/L Govindan (Non-Independent) Dato' Tay Kian Chuan (Independent) Ngiam Kee Tong (Independent)
Trustee of the Fund	CIMB Commerce Trustee Berhad 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
Company Secretaries	Chuah Wen Pin (MAICSA 7014581) Tan Kit Yee (MAICSA 7061042)

TA Small Cap Fund

(For the 6 months ended 31 October 2021)

Corporate Information (cont'd)

Management Staff	Wong Mien Chief Executive Officer	Tee Ling Ling Head of Sales & Marketing
	Mohd Isyazwan Bin Fauzi Compliance Officer	Alicia Khor Head of Operations
Investment Team	Choo Swee Kee Chief Investment Officer	
	Jennifer Mak Fong Ching 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	

