

# SEMI-ANNUAL REPORT

## TA INCOME FUND

For the 6 months ended  
31 January 2024



# TA Income Fund

(For the 6 months ended 31 January 2024)

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# TA Income Fund

(For the 6 months ended 31 January 2024)

## Key Performance Data

	6 months ended 31/01/2024	6 months ended 31/01/2023	6 months ended 31/01/2022
<b>PORTFOLIO COMPOSITION (% OF NAV)</b>			
Consumer Products & Services	-	5.15	2.33
Financial Services	11.02	16.87	20.36
Industrial Products & Services	19.31	11.04	9.17
REITs	2.94	1.74	-
Transportation & Logistics	-	2.38	1.98
Telecommunication & Media	-	5.69	3.18
Health Care	3.91	2.02	-
Properties	-	1.45	-
Energy	3.53	1.10	-
Technology	7.98	3.44	10.83
Utilities	4.86	3.84	4.39
Warrant	-	-	0.18
<b>Quoted Shares</b>	<b>53.55</b>	<b>54.72</b>	<b>52.42</b>
Cash (Net of Liabilities)	46.45	45.28	47.58
<b>Total Investment</b>	<b>100.00</b>	<b>100.00</b>	<b>100.00</b>

Total Net Asset Value (RM'000)	3,012 #	5,228	4,168
Units In Circulation (Units '000)	8,403	15,056	12,114
Net Asset Value Per Unit (RM)	0.3584	0.3473	0.3441
Total Expense Ratio (TER) (%) *	1.24	1.14	1.15
Portfolio Turnover Ratio (PTR) (times) **	0.90	0.33	0.17

# Refer to unaudited account Note 11.

\* The TER for the current financial period has registered an increase as compared to the previous financial period due to decrease in average net asset value of the Fund.

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

### UNIT PRICES

NAV Price Per Unit (RM)	0.3584	0.3473	0.3441
Highest NAV Per Unit for the Period (RM)	0.3625	0.3486	0.3713
Lowest NAV Per Unit for the Period (RM)	0.3435	0.3247	0.3424

### TOTAL RETURN (%)

Capital Return	3.73	2.60	-3.34
Income Return	-	-	-
Total Return of Fund	3.73	2.60	-3.34
Total Return of the Benchmark	2.84	0.35	1.15

- 60% FTSE Bursa Malaysia KLCI (FBM KLCI)  
& 40% Maybank 12-Month Fixed Deposit Rate

# TA Income Fund

(For the 6 months ended 31 January 2024)

## AVERAGE TOTAL RETURN (%)

	Fund	Benchmark
<b>Period</b>		
1 Year (31/01/2023 - 31/01/2024)	3.20	2.39
3 Years (31/01/2021 - 31/01/2024)	1.26	0.38
5 Years (31/01/2019 - 31/01/2024)	0.47	-0.12

## ANNUAL TOTAL RETURN (%)

	Fund	Benchmark
<b>Period</b>		
31/01/2023 - 31/01/2024	3.20	2.39
31/01/2022 - 31/01/2023	0.93	0.03
31/01/2021 - 31/01/2022	-0.32	-1.24
31/01/2020 - 31/01/2021	0.56	2.69
31/01/2019 - 31/01/2020	-1.95	-4.28

Source : Lipper for Investment Management

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

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

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

N<sup>1</sup> = NAV on the end of the period

N<sup>2</sup> = NAV on the beginning of the period

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

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

N<sup>3</sup> = Number of periods per year

N<sup>4</sup> = Total number of periods

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

# TA Income Fund

(For the 6 months ended 31 January 2024)

## Manager's Report

### TA Income Fund

<b>Fund Category/Type</b>	Balanced / Income Fund																		
<b>Fund Objective</b>	The Fund aims to provide investors with an alternative longer term investment that provides a steady stream of fixed-income and potential capital gains from investment in bonds, money market instruments and equities.																		
<b>Performance Benchmark(s)</b>	60% FTSE Bursa Malaysia KLCI (FBM KLCI) and 40% Maybank 12-month fixed deposit.																		
<b>Fund's Distribution Policy</b>	The Fund may declare annual/interim distribution (if any) during its financial year.																		
<b>Fund's Performance and Investment Strategies Employed</b>	<p>The Fund was primarily managed within its investment objective for the six-month period ending 31 January 2024.</p> <p>Over the financial period under review, the Fund had a total return of 3.73%, outperforming the benchmark which had a return of 2.84%.</p>																		
<b>Securities Lending/ Repurchase Transaction</b>	The Fund has not undertaken any securities lending or repurchase transaction (collectively referred to as "securities financing transactions").																		
<b>Cross Trade</b>	There is no cross trade transaction during the financial period under review.																		
<b>Analysis of Fund's Performance</b>	<table border="1"><thead><tr><th></th><th>31/01/24</th><th>31/07/23</th><th>% Change</th></tr></thead><tbody><tr><td>NAV/unit (RM)</td><td>0.3584 ~</td><td>0.3455</td><td>3.73</td></tr><tr><td>Total NAV (RM'000)</td><td>3,012 ~</td><td>3,131</td><td>-3.80</td></tr></tbody></table> <p>~ Refer to unaudited account Note 11.</p> <table border="1"><thead><tr><th>Income Distribution (%)</th><th>Capital Return # (%)</th><th>Total Return (%)</th></tr></thead><tbody><tr><td>-</td><td>3.73</td><td>3.73</td></tr></tbody></table>		31/01/24	31/07/23	% Change	NAV/unit (RM)	0.3584 ~	0.3455	3.73	Total NAV (RM'000)	3,012 ~	3,131	-3.80	Income Distribution (%)	Capital Return # (%)	Total Return (%)	-	3.73	3.73
	31/01/24	31/07/23	% Change																
NAV/unit (RM)	0.3584 ~	0.3455	3.73																
Total NAV (RM'000)	3,012 ~	3,131	-3.80																
Income Distribution (%)	Capital Return # (%)	Total Return (%)																	
-	3.73	3.73																	

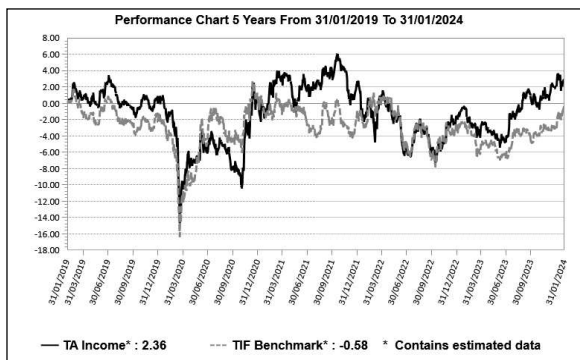
# TA Income Fund

(For the 6 months ended 31 January 2024)

# Capital Return components:

- ❖ Equity
- ❖ Fixed income securities
- ❖ Cash & cash equivalents

## 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 ended 31 January 2024.

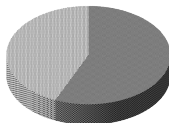
## Asset Allocation

31/01/24

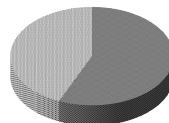
31/07/23

Cash and Cash equivalent 46.45%

Cash and Cash equivalent 42.87%



Equity 53.55%



Equity 57.13%

The Fund was primarily invested in Equity (53.55%), with the remainder in Cash and Cash equivalents (46.45%).

## Top Investments

### Top 5 Investments

As at 31/01/24

% NAV

Malayan Banking Berhad

6.72

## TA Income Fund

(For the 6 months ended 31 January 2024)

EG Industries Berhad	5.13
Tenaga Nasional Berhad	4.86
CIMB Group Holdings Berhad	4.30
QES Group Berhad	3.91
<b>As at 31/07/23</b>	<b>% NAV</b>
Malayan Banking Berhad	6.30
CIMB Group Holdings Berhad	4.61
Kinergy Advancement Berhad	4.23
Tenaga Nasional Berhad	4.20
QES Group Berhad	3.93

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

# TA Income Fund

(For the 6 months ended 31 January 2024)

## Market Review

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For the six-month period up to 31 January 2024, the FBM KLCI gained 3.67%. August 2023 saw the FBM KLCI outperforming regional peers, with news of Malaysia's 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, and the Phase 2 launch of the NETR. This was followed by a weak September 2023, which saw BNM maintaining the OPR, the relaunching of the 12<sup>th</sup> Malaysia Plan 9MP), and the acquittal of graft charges against the Deputy Prime Minister. The Malaysian market rebounded in October 2023 despite the local bourse experiencing its largest monthly outflow of 2023 at \$460.0 million in United States (US) Dollar terms. 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), were offset by the announcement of Budget 2024. Malaysia's third quarter 2023 GDP growth came in at 3.3%, surpassing 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, and the Federal Reserve (Fed)'s decision to keep its key rate unchanged. The signing of the Memorandum of Understanding (MOU) for the Johor-Singapore Special Economic Zone and BNM's decision to maintain the OPR at 3.0% drove an optimistic market response in January 2024. We also saw strong interest from foreign investors, who continued to be the largest net buyers in the Malaysia equity market.

## Economic Outlook

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At the first Federal Open Markets Committee (FOMC) meeting of the year, the US Federal Reserve (Fed) kept the target Fed Funds Rate (FFR) unchanged, in line with market expectation. In the FOMC Statement, the central bank sounded upbeat on the US economy and the progress of disinflation while emphasising that it remains attentive to inflation risks. The Statement also assumed a neutral tone on the policy stance, noting the FOMC would need "greater confidence" that inflation is "moving sustainably" towards its 2% target before considering rate cuts appropriate. At the press conference, the Fed Chair mentioned there was a preliminary discussion on the tapering of ongoing Quantitative Tightening (QT) program, but expects to have in-depth deliberation on this at the next FOMC meeting in March 2024.

Back in Malaysia, BNM kept the OPR unchanged at 3.00% at the January 2024 Monetary Policy Committee (MPC) meeting. The policy decision matched market expectation, with a consensus estimate of 3.00% OPR through 2024. The policy statement struck a neutral tone, communicating the expectation of improved growth in domestic economy with modest inflation in 2024. Risks to the inflation outlook, as cited by BNM, include the Government's policy on price controls and subsidies, commodity prices, and financial market developments.



# TA Income Fund

(For the 6 months ended 31 January 2024)

## Market Outlook And Investment Strategy

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2024 started off well with the United States (US) market once again leading the way to its new highs. As the rising interest rate cycle reached its peak and with no new geopolitical crisis surfacing, investors' confidence seems to slowly be returning. We would expect more stability in global equity markets with countries likely to move in accordance to their respective economic potential and fundamental valuations.

We believe that Asia Pacific markets are well-positioned to attract investment in 2024 with superior earnings growth and depressed valuations compared to Western markets. The risk premium attributed to the US and Western markets should narrow as market and geopolitical conditions continue to stabilize. With an impending rate cut by the US Federal Reserve (Fed) coming soon, we expect some weakness in the US Dollar (USD), which could compel some funds to exit the US market and look for attractive markets to invest in. Overall, the key tenet to this expectation is that there is no further escalation in geopolitical risks.

Similarly, for the FBM KLCI, we expect a much better performance in 2024 with corporate earnings improvement and positive policy outcomes. We remain fully invested to ride on a favourable equity market. Going forward, the Fund intends to increase the equity exposure on market weakness riding on positive market momentum.

## Soft Commission

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

## State Of Affairs Of The Fund

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

# TA Income Fund

(For the 6 months ended 31 January 2024)

## TRUSTEE'S REPORT

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

We, **UNIVERSAL TRUSTEE (MALAYSIA) BERHAD ("the Trustee")**, being the Trustee of **TA INCOME 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 January 2024.

In our opinion:

- (a) The Fund has been managed in accordance with the limitations imposed on the investment powers of the Manager 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 31 January 2023;
- (b) Valuation and pricing of the Fund are 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 deed and relevant regulatory requirements.

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

**ONG TEE VANN**

Chief Executive Officer

Kuala Lumpur, Malaysia

22 March 2024

# TA Income Fund

(For the 6 months ended 31 January 2024)

## STATEMENT BY THE MANAGER

We, CHOO SWEE KEE and MOHAMMED A'REEFF BIN ABDUL KHALID, being two of the Directors of TA INVESTMENT MANAGEMENT BERHAD, do hereby state that, in the opinion of the Manager, the accompanying unaudited financial statements set out on page 11 to 25, are drawn up so as to give a true and fair view of the financial position of TA INCOME FUND as at 31 January 2024 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  
22 March 2024

MOHAMMED A'REEFF BIN  
ABDUL KHALID

# TA Income Fund

(For the 6 months ended 31 January 2024)

## UNAUDITED STATEMENT OF COMPREHENSIVE INCOME FOR THE FINANCIAL PERIOD ENDED 31 JANUARY 2024

		<b>01.08.2023 to 31.01.2024 RM</b>	<b>01.08.2022 to 31.01.2023 RM</b>
<b>INCOME</b>			
Dividend income		25,202	38,185
Interest income		25,937	20,752
Net gain on:			
- financial assets at fair value through profit or loss ("FVTPL")	7	<u>117,331</u>	<u>99,504</u>
		<u>168,470</u>	<u>158,441</u>
<b>EXPENSES</b>			
Manager's fee	4	23,821	29,993
Trustee's fee	5	1,271	1,599
Auditors' remuneration		5,100	3,000
Tax agent's fee		1,620	1,620
Investment committee's remuneration		3,600	3,600
Brokerage and other transaction fees		10,772	13,427
Administrative fees and expenses		<u>3,553</u>	<u>4,993</u>
		<u>49,737</u>	<u>58,232</u>
Net income before tax		118,733	100,209
Less: Income tax expense	6	<u>(222)</u>	<u>(139)</u>
Net income after tax, representing total comprehensive income for the financial period		<u>118,511</u>	<u>100,070</u>
Net income after tax is made up of the following:			
Net realised income/(loss)		48,011	(10,618)
Net unrealised income		<u>70,500</u>	<u>110,688</u>
		<u>118,511</u>	<u>100,070</u>

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

# TA Income Fund

(For the 6 months ended 31 January 2024)

## UNAUDITED STATEMENT OF FINANCIAL POSITION AS AT 31 JANUARY 2024

	Note	31.01.2024 RM	31.07.2023 RM
<b>ASSETS</b>			
Investments	7	1,609,696	1,784,065
Deposits with financial institutions	8	1,380,056	1,311,481
Dividend receivable		247	-
Interest receivable		3,476	27,167
Tax Recoverable		326	325
Amount due from stockbroker		-	-
Amount due from the Manager		-	99
Cash at banks		26,684	26,819
<b>TOTAL ASSETS</b>		<u>3,020,485</u>	<u>3,149,956</u>
<b>LIABILITIES</b>			
Amount due to stockbroker		-	-
Amount due to the Manager	9	3,888	15,745
Amount due to Trustee		207	212
Other payables and accruals		10,570	11,850
Distribution payable		-	-
<b>TOTAL LIABILITIES</b>		<u>14,665</u>	<u>27,807</u>
<b>NET ASSET VALUE</b>			
Unitholders' capital	10(a)	3,371,300	3,606,140
Accumulated loss	10(b),(c)	(365,480)	(483,991)
<b>NET ASSET VALUE ("NAV")</b>			
<b>ATTRIBUTABLE TO UNITHOLDERS</b>		<u>3,005,820</u>	<u>3,122,149</u>
<b>TOTAL EQUITY AND LIABILITIES</b>		<u>3,020,485</u>	<u>3,149,956</u>
<b>NUMBER OF UNITS IN CIRCULATION</b>	10(a)	<u>8,403,097</u>	<u>9,063,193</u>
<b>NAV PER UNIT</b>	11	<u>0.3577</u>	<u>0.3445</u>

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

# TA Income Fund

(For the 6 months ended 31 January 2024)

## UNAUDITED STATEMENT OF CHANGES IN NET ASSET VALUE ("NAV") FOR THE FINANCIAL PERIOD ENDED 31 JANUARY 2024

	<b>Unitholders' capital Note 10(a) RM</b>	<b>Accumulated losses Note 10(b) and (c) RM</b>	<b>Total NAV RM</b>
At 1 August 2022	4,070,252	(516,122)	3,554,130
Total comprehensive loss for the period	-	100,070	100,070
Creation of units	4,183,352	-	4,183,352
Reinvestment of units	-	-	-
Cancellation of units	<u>(2,618,861)</u>	-	<u>(2,618,861)</u>
At 31 January 2023	<u>5,634,743</u>	<u>(416,052)</u>	<u>5,218,691</u>
At 1 August 2023	3,606,140	(483,991)	3,122,149
Total comprehensive income for the period	-	118,511	118,511
Creation of units	1,237,513	-	1,237,513
Reinvestment of units	-	-	-
Cancellation of units	<u>(1,472,353)</u>	-	<u>(1,472,353)</u>
At 31 January 2024	<u>3,371,300</u>	<u>(365,480)</u>	<u>3,005,820</u>

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

# TA Income Fund

(For the 6 months ended 31 January 2024)

## UNAUDITED STATEMENT OF CASH FLOWS FOR THE FINANCIAL PERIOD ENDED 31 JANUARY 2024

	<b>01.08.2023</b>	<b>01.08.2022</b>
	<b>to</b>	<b>to</b>
	<b>31.01.2024</b>	<b>31.01.2023</b>
	<b>RM</b>	<b>RM</b>
<b>CASH FLOWS FROM OPERATING AND INVESTING ACTIVITIES</b>		
Proceeds from sales of investments	1,267,168	818,486
Purchases of investments	(975,468)	(1,717,028)
Placement of deposits with maturity of more than 3 months	73,876	(23,527)
Dividend received	24,955	38,185
Interest received	49,629	30,657
Manager's fee paid	(35,679)	(27,843)
Trustee's fee paid	(1,275)	(1,484)
Payments for other fees and expenses	(25,925)	(28,020)
Tax paid	(223)	(140)
Net cash generated from/(used in) operating and investing activities	<u>377,057</u>	<u>(910,714)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Cash proceeds from units created	1,237,612	4,105,555
Cash paid on units cancelled	(1,472,353)	(2,618,861)
Cash distribution paid	-	-
Net cash (used in)/generated from financing activities	<u>(234,741)</u>	<u>1,486,694</u>
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	<b>142,316</b>	<b>575,980</b>
<b>CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE FINANCIAL PERIOD</b>	<b>211,981</b>	<b>576,003</b>
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL PERIOD</b>	<b><u>354,297</u></b>	<b><u>1,151,983</u></b>
<b>CASH AND CASH EQUIVALENTS COMPRISE:</b>		
Cash at banks	26,684	26,900
Deposits with financial institutions	<u>327,613</u>	<u>1,125,083</u>
Cash and cash equivalents	<u>354,297</u>	<u>1,151,983</u>

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

# TA Income Fund

(For the 6 months ended 31 January 2024)

## NOTES TO THE UNAUDITED FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD ENDED 31 JANUARY 2023

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

TA Income Fund ("the Fund") was constituted pursuant to the execution of a Deed of Trust ("the Deed") dated 14 March 2002 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 stocks and shares of companies quoted on Bursa Malaysia Securities Berhad ("Bursa Malaysia") and other approved stock exchanges, unquoted fixed income securities, derivatives instruments and short term money market investments. The Fund commenced operations on 6 May 2002 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.

The financial statements were authorised for issue by the Board of Directors of the Manager in accordance with a resolution on 22 March 2024.

### 2. BASIS OF PREPARATION

#### (a) Statement of Compliance

The financial statements of the Fund have been prepared in accordance with Malaysian Financial Reporting Standards ("MFRSs") and IFRS Accounting Standards, collectively known as the "Standards" and the Guidelines on Unit Trust Funds.

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

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

- Amendments 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*



# TA Income Fund

(For the 6 months ended 31 January 2024)

## 2. BASIS OF PREPARATION (CONTD.)

### (a) Statement of Compliance (contd.)

#### ***MFRSs, interpretations and amendments effective for annual periods beginning on or after 1 January 2025***

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

#### ***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 abovementioned accounting standards, interpretations and amendments:

- from the annual period beginning on 1 January 2024 for the amendments that are effective for annual periods beginning on or after 1 January 2024, except for amendments to MFRS 16 which is not applicable to the Fund.
- from the annual period beginning on 1 January 2025 for the amendments that are effective for annual periods beginning on or after 1 January 2025.

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

### (b) Basis of measurement

The financial statements of the Fund have been prepared on the historical cost basis except for financial assets at fair value through profit or loss ("FVTPL") which are measured at their fair value.

### (c) Functional and presentation currency

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

# TA Income Fund

(For the 6 months ended 31 January 2024)

## **2. BASIS OF PREPARATION (CONTD.)**

### **(d) Significant Accounting Estimates and Judgments**

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

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

## **3. MATERIAL ACCOUNTING POLICIES**

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

Although the amendments did not result in any changes to the Fund's accounting policies, it impacted the accounting policy information disclosed in the financial statements. The material accounting policy information is disclosed in the respective notes to the financial statements when relevant.

## **4. MANAGER'S FEE**

The Manager's fee is computed on a daily basis at 1.5% (2023: 1.5%) per annum of the NAV of the Fund, as agreed by the Trustee and the Manager.

## **5. TRUSTEE'S FEE**

Trustee's fee is computed on a daily basis at 0.08% (2023: 0.08%) per annum of the NAV of the Fund.

# TA Income Fund

(For the 6 months ended 31 January 2024)

## 6. INCOME TAX EXPENSE

Domestic income tax is calculated at the Malaysian statutory tax rate of 24% (2023: 24%) of the estimated assessable profit for the financial period. Dividends, interest and other income derived from sources outside Malaysia are exempted from Malaysian income tax. However, such income may be subject to tax in the country from which they were derived.

The taxation charge for the financial period is on taxable dividend income derived from countries, calculated at the rate 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 income before tax at the statutory income tax rate to income tax expense at the effective income tax rate of the Fund is as follows:

	<b>01.08.2023 to 31.01.2024 RM</b>	<b>01.08.2022 to 31.01.2023 RM</b>
Net income before tax	118,733	100,209
Taxation at Malaysian statutory rate of 24%	28,496	24,051
Effects of tax withheld on income from other countries	(311)	(195)
Effects of interest and other income not subject to tax	(39,900)	(37,692)
Effects of expenses not deductible for tax purposes	4,996	6,057
Restriction on tax deductible expenses for unit trust funds	6,941	7,918
Income tax expense for the financial period	222	139

## 7. INVESTMENTS

	<b>31.01.2024 RM</b>	<b>31.07.2023 RM</b>
Financial assets at FVTPL:		
Quoted equity securities in Malaysia	1,521,196	1,694,565
Quoted collective investment scheme in Malaysia	88,500	89,500
	1,609,696	1,784,065
	<b>31.01.2024 RM</b>	<b>31.07.2023 RM</b>
Net gain on financial assets at FVTPL comprises:		
Net realised gain/(loss) on disposals	46,831	(201,066)
Net unrealised gain on changes in fair value	70,500	212,383
	117,331	11,317

# TA Income Fund

(For the 6 months ended 31 January 2024)

## 7. INVESTMENTS (CONTD.)

Financial assets at FVTPL as at 31 January 2024 are as detailed belows:

### (a) Quoted equity securities in Malaysia

<b>Name of Counter</b>	<b>Quantity Unit</b>	<b>Cost RM</b>	<b>Fair Value RM</b>	<b>% of NAV %</b>
<b><i>Energy</i></b>				
Bumi Armada Berhad	100,000	50,000	55,500	1.85
Hibiscus Petroleum Bhd	19,000	45,030	50,350	1.68
	<u>119,000</u>	<u>95,030</u>	<u>105,850</u>	<u>3.53</u>
<b><i>Financial Services</i></b>				
CIMB Group Holdings Bhd	20,822	125,152	129,305	4.30
Malayan Banking Bhd	21,845	187,996	202,066	6.72
	<u>42,667</u>	<u>313,148</u>	<u>331,371</u>	<u>11.02</u>
<b><i>Health Care</i></b>				
Supercomnet Technologies Bhd	89,000	134,660	117,480	3.91
<b><i>Industrial Products &amp; Services</i></b>				
Cape EMS Bhd	45,000	47,700	47,250	1.57
EG Industries Bhd	107,000	152,941	154,080	5.13
Kinergy Advancement Bhd	200,000	58,000	74,000	2.46
Petronas Chemical Group Bhd	13,800	108,847	93,426	3.11
Press Metal Aluminium Holdings Bhd	19,900	100,527	94,127	3.13
QES Group Bhd	240,000	140,150	117,600	3.91
	<u>625,700</u>	<u>608,165</u>	<u>580,483</u>	<u>19.31</u>
<b><i>Technology</i></b>				
Inari Amertron Bhd	17,000	48,790	54,060	1.80
Malaysian Pacific Industries Bhd	3,200	92,726	86,400	2.87
Unisem (M) Bhd	31,000	106,886	99,510	3.31
	<u>51,200</u>	<u>248,402</u>	<u>239,970</u>	<u>7.98</u>
<b><i>Utilities</i></b>				
Tenaga Nasional Bhd	13,700	167,821	146,042	4.86
<b>Total Quoted Equity Securities in Malaysia</b>				
	<u>941,267</u>	<u>1,567,226</u>	<u>1,521,196</u>	<u>50.61</u>

# TA Income Fund

(For the 6 months ended 31 January 2024)

## 7. INVESTMENTS (CONTD.)

### (b) Collective investment schemes in Malaysia

Name of Counter	Quantity Unit	Cost RM	Fair Value RM	% of NAV %
KIP REIT	100,000	83,500	88,500	2.94
<b>Total Collective Investment Schemes in Malaysia</b>	100,000	83,500	88,500	2.94
<b>TOTAL FINANCIAL ASSETS AT FVTPL</b>	1,041,267	1,650,726	1,609,696	53.55
<b>EXCESS OF COST OVER FAIR VALUE</b>			<b>41,030</b>	

## 8. DEPOSITS WITH FINANCIAL INSTITUTIONS

	31.01.2024 RM	31.07.2023 RM
These are placements with:		
- Licensed bank	830,056	1,311,481
- Licensed investment bank	550,000	-
Total deposit with financial institutions	1,380,056	1,311,481
Less: Deposit with maturity of more than 3 months	(1,052,443)	(1,126,319)
Deposit included in cash and cash equivalents	327,613	185,162

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

	WAEIR (% p.a.)		Average Remaining Maturity (Days)	
	31.01.2024	31.07.2023	31.01.2024	31.07.2023
Deposits with maturity of:				
- within 3 months	2.90	2.90	2	1
- more than 3 months	3.48	4.15	335	154

## 9. AMOUNT DUE FROM/(TO) THE MANAGER

Amount due from/(to) the Manager relate to amounts payable from/(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/cancellation of units is 7 days (2023: 10 days) and the normal credit term for Manager's fee is 30 days (2023: 30 days).

# TA Income Fund

(For the 6 months ended 31 January 2024)

## 10. NET ASSET VALUE ATTRIBUTABLE TO UNITHOLDERS

	Note	31.01.2024 RM	31.07.2023 RM
Unitholders' capital	(a)	3,371,300	3,606,140
Retained earnings			
- Realised loss	(b)	(315,188)	(363,199)
- Unrealised loss	(c)	(50,292)	(120,792)
		<u>3,005,820</u>	<u>3,122,149</u>

### (a) Unitholders' capital

	31.01.2024		31.07.2023	
	No of units	RM	No of units	RM
At beginning of the financial period/year	9,063,193	3,606,140	10,519,315	4,070,252
Creation of units	3,516,275	1,237,513	14,670,340	5,031,170
Reinvestment of units	-	-	-	-
Cancellation of units	<u>(4,176,371)</u>	<u>(1,472,353)</u>	<u>(16,126,462)</u>	<u>(5,495,282)</u>
At end of the financial period/year	<u>8,403,097</u>	<u>3,371,300</u>	<u>9,063,193</u>	<u>3,606,140</u>

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.

### (b) Realised loss

	31.01.2024 RM	31.07.2023 RM
At beginning of the financial period/year	(363,199)	(182,947)
Net realised gain for the financial period/year	48,011	-
Distribution out of realised reserve	-	-
Net increase/(decrease) in realised retained earnings for the financial period/year	<u>48,011</u>	<u>(180,252)</u>
At end of the financial period/year	<u>(315,188)</u>	<u>(363,199)</u>

The realised gains and losses on sale of 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 investments is based on the weighted average cost method.

# TA Income Fund

(For the 6 months ended 31 January 2024)

## 10. NET ASSET VALUE ATTRIBUTABLE TO UNITHOLDERS (CONTD.)

### (c) Unrealised loss

	31.01.2024 RM	31.07.2023 RM
At beginning of the financial period/year	(120,792)	(333,175)
Net unrealised income for the financial period/year	70,500	212,383
At end of the financial period/year	<u>(50,292)</u>	<u>(120,792)</u>

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

## 11. 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 end of reporting period and the NAV attributable to unitholders as disclosed in the financial statements is as follows:

	31.01.2024		31.07.2023	
	RM	RM/Unit	RM	RM/Unit
NAV attributable to unitholders for issuance/redemption of units	3,012,015	0.3584	3,131,142	0.3455
Effect from adopting bid prices as fair value	<u>(6,195)</u>	<u>(0.0007)</u>	<u>(8,993)</u>	<u>(0.0010)</u>
NAV attributable to unitholders as disclosed in the financial statements	<u>3,005,820</u>	<u>0.3577</u>	<u>3,122,149</u>	<u>0.3445</u>

# TA Income Fund

(For the 6 months ended 31 January 2024)

## 12. 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*	4,001,543	70.88	20,246	71.14
Public Investment Bank Bhd	936,031	16.58	4,736	16.64
CGS CIMB Securities (Singapore)	355,190	6.29	1,792	6.30
Phillip Capital Sdn Bhd	152,342	2.70	733	2.57
Kenanga Investment Bank Bhd	84,000	1.49	403	1.42
Aminvestment Bank Bhd	43,500	0.77	231	0.81
UOB Kay Hian Pte Ltd	40,294	0.71	194	0.68
RHB Investment Bank Bhd	32,700	0.58	125	0.44
	<b>5,645,600</b>	<b>100.00</b>	<b>28,460</b>	<b>100.00</b>

\* Immediate holding company to the Manager.

## 13. TOTAL EXPENSE AND PORTFOLIO TURNOVER RATIOS

### (a) Total Expense Ratio

The total expense ratio for the financial period ended 31 January 2024 is 1.24% (2023: 1.14%). This ratio represents total expenses expressed as an annualised percentage of the Fund's average NAV, calculated on a daily basis. Brokerage and other transaction fees on financial assets at FVTPL are trading related and are not classified as total expenses.

### (b) Portfolio Turnover Ratio

The portfolio turnover ratio for the financial period ended 31 January 2024 is 0.90 times (2023: 0.33 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 Income Fund

(For the 6 months ended 31 January 2024)

## 14. SEGMENT INFORMATION

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

- A portfolio of quoted equity securities; and
- A portfolio of money market instruments.

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

## 15. 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) 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 Income Fund

(For the 6 months ended 31 January 2024)

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

### (d) 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.

### (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 institution and other 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 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 Malaysia Ringgit 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.

## 16. 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 January 2024 and 31 July 2023, respectively.
- The Statement of Comprehensive Income, Statement of Changes in Net Asset Value ("NAV") and Statement of Cash Flows and its relevant notes are for the period from 1 August 2023 to 31 January 2024 and 1 August 2022 to 31 January 2023, respectively.

## 17. UNAUDITED ACCOUNT

The financial accounts for the six months ended 31 January 2024 are unaudited.

# TA Income Fund

(For the 6 months ended 31 January 2024)

## Corporate Information

<b>Manager</b>	TA Investment Management Berhad (340588-T)
<b>Registered Office</b>	34th Floor, Menara TA One 22 Jalan P. Ramlee 50250 Kuala Lumpur
<b>Board of Directors</b>	En. Mohammed A'reeff Bin Abdul Khalid (Non-Independent / Executive Director) Mr. Choo Swee Kee (Non-Independent / Executive Director) Puan Zainab Binti Ahmad (Non-Independent / Non-Executive Director) Puan Nor Asma Binti Mohamed (Non-Independent / Non-Executive Director) Mr. Chew Chin Guan (Independent / Non-Executive Director) Mr. Ngiam Kee Tong (Independent / Non-Executive Director)
<b>Investment Committee Members</b>	Kaladher A/L Govindan (Non-Independent) Dato' Tay Kian Chuan (Independent) Ngiam Kee Tong (Independent)
<b>Trustee of the Fund</b>	Universal Trustee (Malaysia) Bhd No. 1, Jalan Ampang (3rd Floor) 50450 Kuala Lumpur
<b>Auditor of the Manager and the Fund</b>	KPMG PLT Chartered Accountants Level 10, KPMG Tower 8 First Avenue, Bandar Utama 47800 Petaling Jaya Selangor
<b>Banker</b>	Malayan Banking Bhd Ground Floor, Wisma Genting Jalan Sultan Ismail 50250 Kuala Lumpur
<b>Secretaries</b>	Khoo Poh Kim @ Kimmy (LS0010314)

# TA Income Fund

(For the 6 months ended 31 January 2024)

## Corporate Information (cont'd)

<b>Management Staff</b>	<b>Wong Mien</b> Chief Executive Officer	<b>Ch'ng Soon Kim</b> Compliance Officer
	<b>Tee Ling Ling</b> Deputy Chief Executive Officer	<b>Alicia Khor</b> Head of Operations
	<b>Sammi Lim Shuey Shya</b> Head of Product Research & Development	<b>Lee Shi Chuan</b> Head of IUTA
	<b>Ranizaz Bin Mohd Razali</b> Head of Agency	<b>Rachel Lew Yen Peng</b> Head of Corporate & Institutional Business
	<b>Lucy Magdalene Lourdes</b> Head of Customer Service & Communications	
<b>Investment Team</b>	<b>Choo Swee Kee</b> Chief Investment Officer	<b>John Ng Jiunn Yuan</b> Head of Fixed Income
	<b>Vivien Loh Jee Wae</b> Assistant Vice President	<b>Mohammad Hafiz Bin Mahmud</b> Fund Manager
	<b>Lam Chee Mun</b> Fund Manager	
<b>Head Office</b>	23rd Floor, Menara TA One 22 Jalan P. Ramlee 50250 Kuala Lumpur	
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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