

# ANNUAL REPORT

## TA ASIA ABSOLUTE ALPHA FUND

For the financial period from  
12 May 2020 (Date of Launch) to  
30 April 2021



TA INVESTMENT  
A MEMBER OF THE TA GROUP

199501011387 (340588-T)

# TA Asia Absolute Alpha Fund

(For the financial period ended 30 April 2021)

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# TA Asia Absolute Alpha Fund

(For the financial period ended 30 April 2021)

## Key Performance Data

Since Inception  
12/05/2020 to  
30/04/2021

### PORTFOLIO COMPOSITION (% OF NAV)

Quoted Equity	94.00
Cash (Net of Liabilities)	6.00
<b>Total Investment</b>	<b>100.00</b>

#### USD Class

Total Net Asset Value (USD'000)	22,158
Units In Circulation (Units '000)	31,384
Net Asset Value Per Unit (USD)	0.7060

#### MYR Class

Total Net Asset Value (USD'000)	58,356
Units In Circulation (Units '000)	354,390
Net Asset Value Per Unit (MYR)	0.6732

#### AUD Hedged Class

Total Net Asset Value (USD'000)	14,052
Units In Circulation (Units '000)	27,053
Net Asset Value Per Unit (AUD)	0.6738

#### SGD Hedged Class

Total Net Asset Value (USD'000)	14,422
Units In Circulation (Units '000)	27,854
Net Asset Value Per Unit (SGD)	0.6895

#### GBP Hedged Class

Total Net Asset Value (USD'000)	4,288
Units In Circulation (Units '000)	4,506
Net Asset Value Per Unit (GBP)	0.6896

#### MYR Hedged Class

Total Net Asset Value (USD'000)	287,597
Units In Circulation (Units '000)	1,686,419
Net Asset Value Per Unit (MYR)	0.6972

#### RMB Hedged Class

Total Net Asset Value (USD'000)	10,990
Units In Circulation (Units '000)	100,126
Net Asset Value Per Unit (RMB)	0.7109

Management Expense Ratio (MER) (%)	1.82
Portfolio Turnover Ratio (PTR) (times)	2.60

# TA Asia Absolute Alpha Fund

(For the financial period ended 30 April 2021)

Since Inception  
12/05/2020 to  
30/04/2021

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## UNIT PRICES

### USD Class

NAV Per Unit (USD)	0.7060
Highest NAV Per Unit for the Period (USD)	0.8353
Lowest NAV Per Unit for the Period (USD)	0.4927

### MYR Class

NAV Per Unit (MYR)	0.6732
Highest NAV Per Unit for the Period (MYR)	0.7881
Lowest NAV Per Unit for the Period (MYR)	0.4925

### AUD Hedged Class

NAV Per Unit (AUD)	0.6738
Highest NAV Per Unit for the Period (AUD)	0.7961
Lowest NAV Per Unit for the Period (AUD)	0.4805

### SGD Hedged Class

NAV Per Unit (SGD)	0.6895
Highest NAV Per Unit for the Period (SGD)	0.8155
Lowest NAV Per Unit for the Period (SGD)	0.4894

### GBP Hedged Class

NAV Per Unit (GBP)	0.6896
Highest NAV Per Unit for the Period (GBP)	0.8117
Lowest NAV Per Unit for the Period (GBP)	0.4855

### MYR Hedged Class

NAV Per Unit (MYR)	0.6972
Highest NAV Per Unit for the Period (MYR)	0.8289
Lowest NAV Per Unit for the Period (MYR)	0.4895

### RMB Hedged Class

NAV Per Unit (RMB)	0.7109
Highest NAV Per Unit for the Period (RMB)	0.8403
Lowest NAV Per Unit for the Period (RMB)	0.4916

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## DISTRIBUTION/UNIT SPLIT

### USD Class

Gross Distribution Per unit (USD)	0.04
Net Distribution Per unit (USD)	0.04
Date of Distribution	30/04/2021

### MYR Class

Gross Distribution Per unit (MYR)	0.04
Net Distribution Per unit (MYR)	0.04
Date of Distribution	30/04/2021

# TA Asia Absolute Alpha Fund

(For the financial period ended 30 April 2021)

Since Inception  
12/05/2020 to  
30/04/2021

## DISTRIBUTION/UNIT SPLIT

### AUD Hedged Class

Gross Distribution Per unit (AUD)	0.04
Net Distribution Per unit (AUD)	0.04
Date of Distribution	30/04/2021

### SGD Hedged Class

Gross Distribution Per unit (SGD)	0.04
Net Distribution Per unit (SGD)	0.04
Date of Distribution	30/04/2021

### GBP Hedged Class

Gross Distribution Per unit (GBP)	0.04
Net Distribution Per unit (GBP)	0.04
Date of Distribution	30/04/2021

### MYR Hedged Class

Gross Distribution Per unit (MYR)	0.04
Net Distribution Per unit (MYR)	0.04
Date of Distribution	30/04/2021

### RMB Hedged Class

Gross Distribution Per unit (RMB)	0.04
Net Distribution Per unit (RMB)	0.04
Date of Distribution	30/04/2021

## TOTAL RETURN (%)

### USD Class

Capital Return	41.20
Income Return	8.00
Total Return of Fund	49.20
Total Return of the Benchmark	7.71

### MYR Class

Capital Return	34.64
Income Return	8.00
Total Return of Fund	42.64
Total Return of the Benchmark	7.71

### AUD Hedged Class

Capital Return	34.76
Income Return	8.00
Total Return of Fund	42.76
Total Return of the Benchmark	7.71

# TA Asia Absolute Alpha Fund

(For the financial period ended 30 April 2021)

Since Inception  
12/05/2020 to  
30/04/2021

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## TOTAL RETURN (%)

### SGD Hedged Class

Capital Return	37.90
Income Return	8.00
Total Return of Fund	45.90
Total Return of the Benchmark	7.71

### GBP Hedged Class

Capital Return	37.92
Income Return	8.00
Total Return of Fund	45.92
Total Return of the Benchmark	7.71

### MYR Hedged Class

Capital Return	39.44
Income Return	8.00
Total Return of Fund	47.44
Total Return of the Benchmark	7.71

### RMB Hedged Class

Capital Return	42.18
Income Return	8.00
Total Return of Fund	50.18
Total Return of the Benchmark	7.71

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## AVERAGE TOTAL RETURN (%)

	Fund	Benchmark
<b>USD Class</b>		
Since Inception (12/05/2020 to 30/04/2021)	51.24	7.99
<b>MYR Class</b>		
Since Inception (12/05/2020 to 30/04/2021)	44.37	7.99
<b>AUD Hedged Class</b>		
Since Inception (12/05/2020 to 30/04/2021)	44.50	7.99
<b>SGD Hedged Class</b>		
Since Inception (12/05/2020 to 30/04/2021)	47.79	7.99
<b>GBP Hedged Class</b>		
Since Inception (12/05/2020 to 30/04/2021)	47.81	7.99
<b>MYR Hedged Class</b>		
Since Inception (12/05/2020 to 30/04/2021)	49.40	7.99

# TA Asia Absolute Alpha Fund

(For the financial period ended 30 April 2021)

## AVERAGE TOTAL RETURN (%)

### RMB Hedged Class

Since Inception (12/05/2020 to 30/04/2021)	52.27	7.99
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## ANNUAL TOTAL RETURN (%)

	Fund	Benchmark
<b>USD Class</b>		
Since Inception (12/05/2020 to 30/04/2021)	49.20	7.71
<b>MYR Class</b>		
Since Inception (12/05/2020 to 30/04/2021)	42.64	7.71
<b>AUD Hedged Class</b>		
Since Inception (12/05/2020 to 30/04/2021)	42.76	7.71
<b>SGD Hedged Class</b>		
Since Inception (12/05/2020 to 30/04/2021)	45.90	7.71
<b>GBP Hedged Class</b>		
Since Inception (12/05/2020 to 30/04/2021)	45.92	7.71
<b>MYR Hedged Class</b>		
Since Inception (12/05/2020 to 30/04/2021)	47.44	7.71
<b>RMB Hedged Class</b>		
Since Inception (12/05/2020 to 30/04/2021)	50.18	7.71

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.

## Manager's Report

### TA Asia Absolute Alpha Fund (TAAAAF)

<b>Fund Category/Type</b>	Equity / Income and Growth
<b>Fund Objective</b>	<p>The Fund aims to generate long term positive return, which includes both capital appreciation and income.</p> <p><i>Any material change to the investment objective of the Fund would require Unit Holders' approval.</i></p>
<b>Performance Benchmark</b>	<p>The performance of this Fund cannot be compared directly with any specific publicly available benchmark. However, the Fund has a target return of 8% per annum.</p> <p><i>Note: This is not a guaranteed return and is only measurement of the Fund's performance. The Fund may not achieve the target return in a particular financial year but targets to achieve this over Medium to Long Term.</i></p>
<b>Base Currency</b>	United States Dollar (USD)
<b>Fund's Distribution Policy</b>	The Fund intends to distribute income, if any, on a quarterly basis.
<b>Fund's Performance and Investment Strategies Employed</b>	<p>The Fund was managed within its investment objective for the financial period since date of launch to 30 April 2021.</p> <p><b><u>USD Class</u></b></p> <p>The USD Class of the Fund was managed within its investment objective for the financial period under review and met its objective to generate long term positive returns. For the period since its launch, the USD Class of the Fund posted total returns of 49.20%, outperforming its target return of 7.71%.</p> <p><b><u>MYR Class</u></b></p> <p>The MYR Class of the Fund was managed within its investment objective for the financial period under review and met its objective to generate long term positive returns. For the period since its launch, the MYR Class of the Fund posted total returns of 42.64%, outperforming its target return of 7.71%.</p> <p><b><u>AUD Hedged Class</u></b></p> <p>The AUD Hedged Class of the Fund was managed within its</p>



# TA Asia Absolute Alpha Fund

(For the financial period ended 30 April 2021)

investment objective for the financial period under review and its objective to generate long term positive returns. For the period since its launch, the AUD Hedged Class of the Fund posted total returns of 42.76%, outperforming its target return of 7.71%.

## **SGD Hedged Class**

The SGD Hedged Class of the Fund was managed within its investment objective for the financial period under review and met its objective to generate long term positive returns. For the period since its launch, the SGD Hedged Class of the Fund posted total returns of 45.90%, outperforming its target return of 7.71%.

## **GBP Hedged Class**

The GBP Hedged Class of the Fund was managed within its investment objective for the financial period under review and met its objective to generate long term positive returns. For the period since its launch, the GBP Hedged Class of the Fund posted total returns of 45.92%, outperforming its target return of 7.71%.

## **MYR Hedged Class**

The MYR Hedged Class of the Fund was managed within its investment objective for the financial period under review and met its objective to generate long term positive returns. For the period since its launch, the MYR Hedged Class of the Fund posted total returns of 47.44%, outperforming its target return of 7.71%.

## **RMB Hedged Class**

The RMB Hedged Class of the Fund was managed within its investment objective for the financial period under review and met its objective to generate long term positive returns. For the period since its launch, the RMB Hedged Class of the Fund posted total returns of 50.18%, outperforming its target return of 7.71%.

### **Analysis of Fund's Performance**

**30/04/21    20/05/20    % Change**

#### **USD Class**

NAV/unit (USD)	0.7060	0.5000	41.20
Total NAV (USD'000)	22,158	-	-

# TA Asia Absolute Alpha Fund

(For the financial period ended 30 April 2021)

## MYR Class

NAV/unit (RM)	0.6732	0.5000	34.64
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Total NAV (USD'000)	58,356	-	-
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## AUD Hedged Class

NAV/unit (AUD)	0.6738	0.5000	34.76
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Total NAV (USD'000)	14,052	-	-
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## SGD Hedged Class

NAV/unit (SGD)	0.6895	0.5000	37.90
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Total NAV (USD'000)	14,422	-	-
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## GBP Hedged Class

NAV/unit (GBP)	0.6896	0.5000	37.92
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Total NAV (USD'000)	4,288	-	-
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## MYR Hedged Class

NAV/unit (RM)	0.6972	0.5000	39.44
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Total NAV (USD'000)	287,597	-	-
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## RMB Hedged Class

NAV/unit (RMB)	0.7109	0.5000	42.18
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Total NAV (USD'000)	10,990	-	-
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	Income Distribution (%)	Capital Return # (%)	Total Return (%)
<b>USD Class</b>	8.00	41.20	49.20
<b>MYR Class</b>	8.00	34.64	42.64
<b>AUD Hedged Class</b>	8.00	34.76	42.76

# TA Asia Absolute Alpha Fund

(For the financial period ended 30 April 2021)

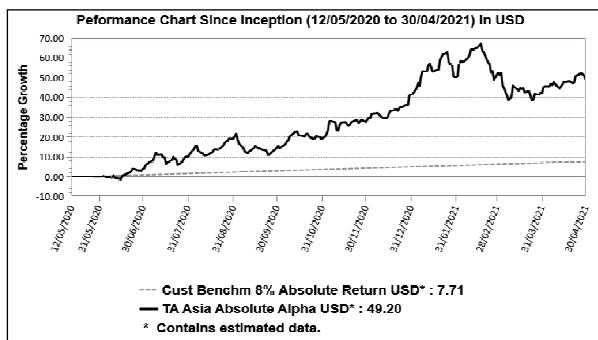
<b>SGD Hedged Class</b>	8.00	37.90	45.90
<b>GBP Hedged Class</b>	8.00	37.92	45.92
<b>MYR Hedged Class</b>	8.00	39.44	47.44
<b>RMB Hedged Class</b>	8.00	42.18	50.18

# Capital Return components:

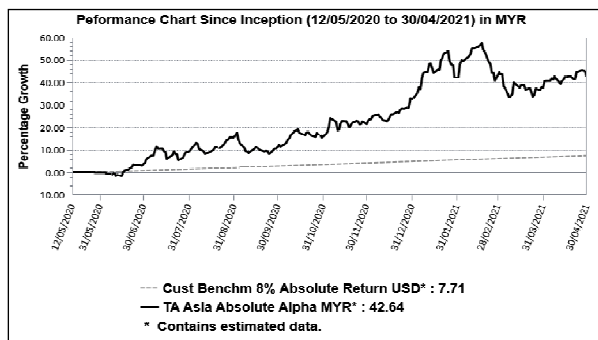
- ❖ Equity
- ❖ Cash & cash equivalents

## Performance Chart

### USD Class



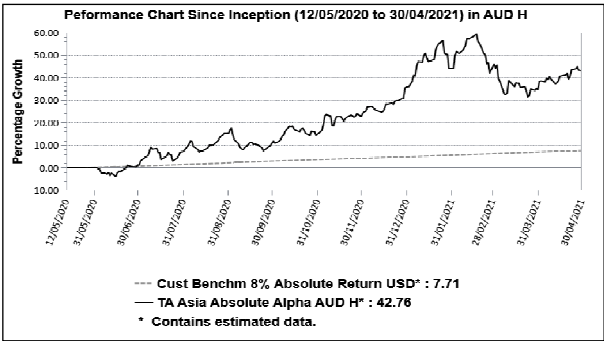
### MYR Class



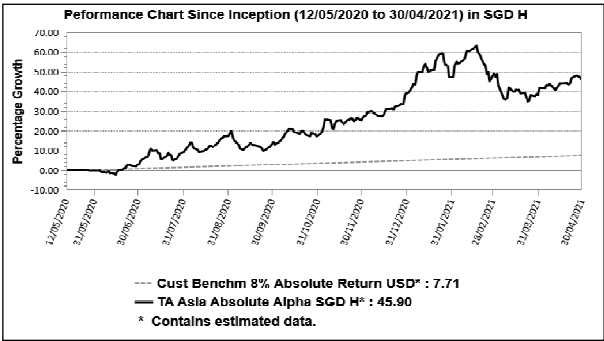
# TA Asia Absolute Alpha Fund

(For the financial period ended 30 April 2021)

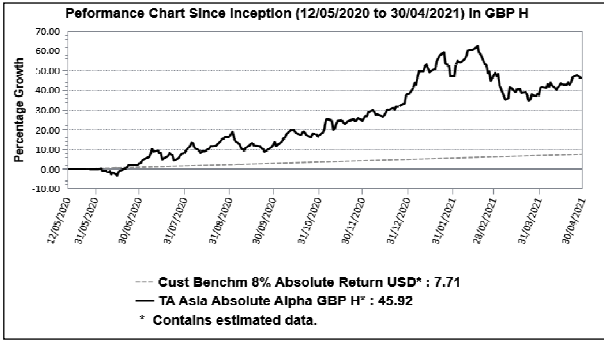
## AUD Hedged Class



## SGD Hedged Class



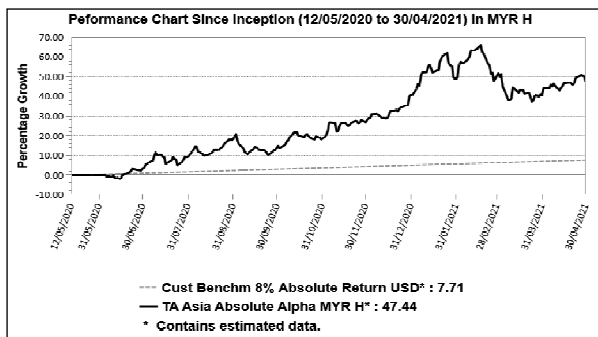
## GBP Hedged Class



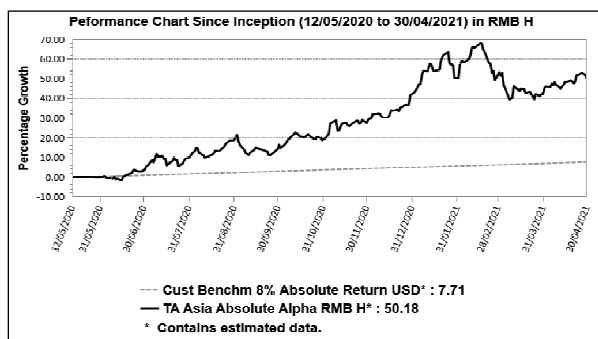
# TA Asia Absolute Alpha Fund

(For the financial period ended 30 April 2021)

## MYR Hedged Class



## RMB Hedged Class



Source: Lipper Investment Management

Past performance is not necessarily indicative of future performance.

## Distribution/Unit Split

During the financial year, the Fund declared a final distribution of 4.00 sen/cents per unit for each share class currency on 30 April 2021.

The effect on NAV arising from the distribution for the financial year ended 30 April 2021 is as follows:

Date	30/04/2021
<b>USD Class</b>	
NAV Before Distribution (USD)	0.7460
Gross Distribution (USD)	0.04

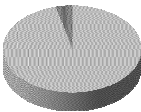
# TA Asia Absolute Alpha Fund

(For the financial period ended 30 April 2021)

NAV After Distribution (USD)	0.7060
<b>MYR Class</b>	
NAV Before Distribution (RM)	0.7132
Gross Distribution (RM)	0.04
NAV After Distribution (RM)	0.6732
<b>AUD Hedged Class</b>	
NAV Before Distribution (AUD)	0.7138
Gross Distribution (AUD)	0.04
NAV After Distribution (AUD)	0.6738
<b>SGD Hedged Class</b>	
NAV Before Distribution (SGD)	0.7295
Gross Distribution (SGD)	0.04
NAV After Distribution (SGD)	0.6895
<b>GBP Hedged Class</b>	
NAV Before Distribution (GBP)	0.7296
Gross Distribution (GBP)	0.04
NAV After Distribution (GBP)	0.6896
<b>MYR Hedged Class</b>	
NAV Before Distribution (RM)	0.7372
Gross Distribution (RM)	0.04
NAV After Distribution (RM)	0.6972
<b>RMB Hedged Class</b>	
NAV Before Distribution (RMB)	0.7509
Gross Distribution (RMB)	0.04
NAV After Distribution (RMB)	0.7109

# TA Asia Absolute Alpha Fund

(For the financial period ended 30 April 2021)

Asset Allocation	30/04/21	20/05/20
	<p>Cash (Net of Liabilities) 6.00%</p>  <p>Quoted Equity 94.00%</p> <p>The Fund continues to seek strong risk-adjusted returns across market conditions by taking a flexible and unconstrained approach to investing in a concentrated portfolio of stocks.</p> <p>Asset allocation during the financial period under review was primarily in quoted equity with the remainder in liquid assets.</p>	Not Applicable
Top Investment	As at 30/04/21	% NAV
	Taiwan Semiconductor Manufacturing Co Ltd (Taiwan)	6.10
	Tencent Holdings Ltd (Hong Kong)	5.59
	GlobalWafers Co Ltd (Taiwan)	4.53
	SEA Ltd (United States)	4.40
	Bilibili Inc – SP ADR (China)	4.31
	As at 20/05/20	% NAV
	Nil	Nil

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

# TA Asia Absolute Alpha Fund

(For the financial period ended 30 April 2021)

## Market Review

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Equity markets delivered strong performance during the period under review. However, this masks the underlying volatility as the market grappled with unprecedented economic shock from the Coronavirus Disease of 2019 ("COVID-19") on one hand, and one of the largest and swiftest monetary and fiscal policy response on the other. Strong performance was also attributed to a low base as the market had sold off sharply in February 2020 to March 2020 due to COVID-19 concerns.

During the second quarter of 2020, policy makers reacted to the pandemic in a globally coordinated manner, which was also unprecedented in terms of scale as well as the speed at which measures were implemented. Central banks and governments across the globe announced a combination of rate cuts, balance sheet expansions and large fiscal spending packages to help cushion the impact on the economy and prevent large scale bankruptcies. At the same time infection rate peaked in many parts of the world (especially in Asia) which allowed re-opening across countries and led to subsequent improvement in economic data points. The combination of the above factors drove a sharp rally in equities with markets almost recovering its entire losses from the sharp sell-down in March 2020.

Positive momentum for Asian equities continued into the third quarter of 2020 especially as North Asian economies led by China continued their path to economic recovery while policy environment remained benign.

While many countries continued to see elevated caseloads and multiple waves of COVID-19 infection, markets chose to focus on vaccines approvals which led to another sharp rally in the fourth quarter of 2020. Additionally, a decisive win for Biden in the United States ("US") elections also supported the ongoing rally as market started factoring in a large fiscal stimulus.

The first quarter of 2021 was marked by uncharacteristic market volatility, as inflationary fears stoked rising bond yields, which translated to a rotation out of more structural growth stocks to value or cyclical growth stocks and sectors. That said, the US Federal Reserve's ("Fed") dovish stance reassured markets that the next rate hike was not imminent, and could be pushed out 2024 at the earliest.

In Asia, there was a resurgence of COVID-19 cases across many countries in South Asia in April 2021, with India witnessing a brutal second wave which has translated to record cases and fatalities. Similarly, Thailand, Philippines and Indonesia also continue to see elevated case load which has led to concerns that the economic recovery may get derailed. Separately, many large internet companies in China were impacted by increased regulatory scrutiny which led to a valuation de-rating.

*(Source: Fullerton Fund Management Company Limited)*

## Economic Outlook

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We are positive on Asia's economic outlook even though growth remains uneven. North Asia is leading the recovery, benefitting from strong growth momentum in exports and



# TA Asia Absolute Alpha Fund

(For the financial period ended 30 April 2021)

consumption recovery. Pick-up in vaccine inoculation remains key to reducing sporadic resurgence, which in turn can lead to targeted mobility restrictions.

Specifically for China, Asia largest economy, positive economic growth is likely to be driven by 1) fixed investments (high tech manufacturing and green infrastructure), 2) consumption supported by improved labour market conditions, and 3) services sector recovery as vaccine rollouts get underway. We do not expect any sharp policy U-turns in the near term until growth becomes more 'balanced' in the eyes of policymakers (such as more domestic consumption over external demand driven).

Rising headline inflation reflects supply-side factors (such as rising oil prices) and less benign base effects, but is mostly within central banks' tolerance. Core inflation however stays benign. Expansionary fiscal policy also remains a key policy support. Asian central banks remain accommodative with low rates, easy liquidity conditions and bond buying.

*(Source: Fullerton Fund Management Company Limited)*

## Market Outlook And Investment Strategy

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We maintain our constructive view on Asian Equities on the back of healthy earnings growth. Strong domestic consumption in China, the favourable semi-conductor cycle as well as a recovery in the hardest hit economies in South Asia in the second half of 2021 underpin the earnings recovery narrative for Asia.

Valuations have pulled back from recent highs but still remain more than 1 standard deviation above the 5-year and 10-year mean. Further, a recent rise in bond yields imply that the scope for valuations to re-rate from current levels is fairly limited. Thus, market upside is likely to come mainly from earnings growth which is still robust. Factset consensus estimates indicate a healthy 33% Year-on-Year ("YoY") earnings growth for the MSCI Asia ex Japan for 2021.

Monetary tightening in China in the form of any premature withdrawal of liquidity support as well as the COVID-19 trajectory are the main risks to Asian equities. In addition, tensions between the US and China also remains a risk to Asia's supply-chain.

*(Source: Fullerton Fund Management Company Limited)*

# TA Asia Absolute Alpha Fund

(For the financial period ended 30 April 2021)

## Size Of Unitholdings

- As At 30 April 2021

### USD Class

Size of Holdings (units)	No. of Unitholders	% of Unitholders	No. of Units Held ('000)	% of Unit Held
5,000 and below	1	14.29%	2	0.01%
5,001-10,000	-	-	-	-
10,001-50,000	-	-	-	-
50,001-500,000	1	14.29%	455	1.45%
500,001 and above	5	71.42%	30,927	98.54%
<b>Total</b>	<b>7</b>	<b>100.00%</b>	<b>31,384</b>	<b>100.00%</b>

### MYR Class

Size of Holdings (units)	No. of Unitholders	% of Unitholders	No. of Units Held ('000)	% of Unit Held
5,000 and below	62	40.26%	146	0.04%
5,001-10,000	23	14.94%	201	0.06%
10,001-50,000	36	23.37%	1,019	0.28%
50,001-500,000	27	17.53%	3,392	0.96%
500,001 and above	6	3.90%	349,632	98.66%
<b>Total</b>	<b>154</b>	<b>100.00%</b>	<b>354,390</b>	<b>100.00%</b>

### AUD Hedged Class

Size of Holdings (units)	No. of Unitholders	% of Unitholders	No. of Units Held ('000)	% of Unit Held
5,000 and below	1	12.50%	2	0.01%
5,001-10,000	-	-	-	-
10,001-50,000	1	12.50%	44	0.16%
50,001-500,000	1	12.50%	65	0.24%
500,001 and above	5	62.50%	26,941	99.59%
<b>Total</b>	<b>8</b>	<b>100.00%</b>	<b>27,052</b>	<b>100.00%</b>

# TA Asia Absolute Alpha Fund

(For the financial period ended 30 April 2021)

## SGD Hedged Class

Size of Holdings (units)	No. of Unitholders	% of Unitholders	No. of Units Held ('000)	% of Unit Held
5,000 and below	1	14.29%	2	0.01%
5,001-10,000	-	-	-	-
10,001-50,000	-	-	-	-
50,001-500,000	2	28.57%	310	1.11%
500,001 and above	4	57.14%	27,542	98.88%
<b>Total</b>	<b>7</b>	<b>100.00%</b>	<b>27,854</b>	<b>100.00%</b>

## GBP Hedged Class

Size of Holdings (units)	No. of Unitholders	% of Unitholders	No. of Units Held ('000)	% of Unit Held
5,000 and below	1	20.00%	2	0.04%
5,001-10,000	-	-	-	-
10,001-50,000	1	20.00%	38	0.84%
50,001-500,000	-	-	-	-
500,001 and above	3	60.00%	4,466	99.12%
<b>Total</b>	<b>5</b>	<b>100.00%</b>	<b>4,506</b>	<b>100.00%</b>

## MYR Hedged Class

Size of Holdings (units)	No. of Unitholders	% of Unitholders	No. of Units Held ('000)	% of Unit Held
5,000 and below	53	23.14%	121	0.01%
5,001-10,000	40	17.47%	291	0.02%
10,001-50,000	67	29.26%	1,584	0.09%
50,001-500,000	57	24.89%	7,659	0.45%
500,001 and above	12	5.24%	1,676,764	99.43%
<b>Total</b>	<b>229</b>	<b>100.00%</b>	<b>1,686,419</b>	<b>100.00%</b>

# TA Asia Absolute Alpha Fund

(For the financial period ended 30 April 2021)

## RMB Hedged Class

Size of Holdings (units)	No. of Unitholders	% of Unitholders	No. of Units Held ('000)	% of Unit Held
5,000 and below	1	20.00%	2	0.00%
5,001-10,000	-	-	-	-
10,001-50,000	-	-	-	-
50,001-500,000	1	20.00%	496	0.50%
500,001 and above	3	60.00%	99,628	99.50%
<b>Total</b>	<b>5</b>	<b>100.00%</b>	<b>100,126</b>	<b>100.00%</b>

## Soft Commission

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The Manager retains soft commissions received from brokers only if the goods and services are of demonstrable benefits to the unitholders as allowed under the Securities Commission's Guidelines on Unit Trust Funds. The soft commission received include research and advisory services which are used to support the investment decision making process and are of demonstrable benefit to Unitholders of the Fund.

# TA Asia Absolute Alpha Fund

(For the financial period ended 30 April 2021)

## TRUSTEE'S REPORT

### TO THE UNITHOLDERS OF TA ASIA ABSOLUTE ALPHA FUND

We, **CIMB Commerce Trustee Berhad** being the trustee for **TA Asia Absolute Alpha Fund** ("the Fund"), are of the opinion that **TA Investment Management Berhad** ("the Manager"), acting in the capacity as the Manager of the Fund, has fulfilled its duties in the following manner for the financial period from 12 May 2020 (date of launch) to 30 April 2021.

- (a) The Fund has been managed in accordance with the limitations imposed on the investment powers of the Manager under the Deed, 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 Deed and relevant regulatory requirements;
- (c) Creation and cancellation of units have been carried out in accordance with the Deed and relevant regulatory requirements; and
- (d) The distribution of income by the Fund is appropriate and reflects the investment objective of the Fund.

For and on behalf of

**CIMB Commerce Trustee Berhad**

**Ng Lai Peng**

Authorised Signatory

Kuala Lumpur, Malaysia

Date: 28 July 2021

# TA Asia Absolute Alpha Fund

(For the financial period ended 30 April 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 financial statements set out on pages 25 to 52, are drawn up so as to give a true and fair view of the financial position of TA ASIA ABSOLUTE ALPHA FUND as at 30 April 2021 and of its financial performance and 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**

**MOHAMMED A'REEFF BIN ABDUL KHALID**

Kuala Lumpur, Malaysia

Date: 28 July 2021

# TA Asia Absolute Alpha Fund

(For the financial period ended 30 April 2021)

## **INDEPENDENT AUDITORS' REPORT TO THE UNITHOLDER OF TA ASIA ABSOLUTE ALPHA FUND** (Established in Malaysia)

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

#### **Opinion**

We have audited the financial statements of TA Asia Absolute Alpha Fund (hereinafter referred as "the Fund"), which comprise the statement of financial position as at 30 April 2021, and the statement of comprehensive income, statement of changes in net asset value and statement of cash flows for the financial period then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 25 to 52.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Fund as at 30 April 2021, and of its financial performance and its cash flows for the financial period then ended in accordance with Malaysian Financial Reporting Standards and International Financial Reporting Standards.

#### **Basis for Opinion**

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

#### **Independence and Other Ethical Responsibilities**

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

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

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

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

# TA Asia Absolute Alpha Fund

(For the financial period ended 30 April 2021)

## **INDEPENDENT AUDITORS' REPORT TO THE UNITHOLDER OF TA ASIA ABSOLUTE ALPHA FUND** (Established in Malaysia) (Continued)

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

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

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

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

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

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

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

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

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



# TA Asia Absolute Alpha Fund

(For the financial period ended 30 April 2021)

## INDEPENDENT AUDITORS' REPORT

### TO THE UNITHOLDER OF TA ASIA ABSOLUTE ALPHA FUND

(Established in Malaysia)

**(Continued)**

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

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

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

#### **Other Matter**

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

#### **KPMG PLT**

(LLP0010081-LCA & AF 0758)

Chartered Accountants

Petaling Jaya, Selangor

Date: 28 July 2021

#### **Chua See Guan**

Approval Number: 03169/02/2023 J

Chartered Accountant

# TA Asia Absolute Alpha Fund

(For the financial period ended 30 April 2021)

## STATEMENT OF COMPREHENSIVE INCOME FOR THE FINANCIAL PERIOD FROM 12 MAY 2020 (DATE OF LAUNCH) TO 30 APRIL 2021

		12.05.2020 to 30.04.2021 USD
	Note	
<b>INCOME</b>		
Interest income		219
Dividend income		1,328,353
Net gain on financial assets at fair value through profit or loss ("FVTPL")	6	74,359,304
		<u>75,687,876</u>
<b>EXPENSES</b>		
Manager's fee	3	3,360,587
Trustee's fee	4	74,674
Auditors' remuneration		2,205
Tax agent's fee		800
Brokerage fee		1,815,601
Administrative fees and expenses		99,183
		<u>5,353,050</u>
Net income before tax		70,334,826
Less: Income tax expense	5	(268,559)
Net income after tax, representing total comprehensive income for the financial period		<u>70,066,267</u>
Net income after tax is made up of the following:		
Net realised income	10(b)	31,681,630
Net unrealised income	10(c)	38,384,637
		<u>70,066,267</u>
<b>Distribution for the financial period:</b>		
Net distribution	9	23,762,145
Gross/Net distribution per unit in respective currency	9	<u>0.04</u>

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

# TA Asia Absolute Alpha Fund

(For the financial period ended 30 April 2021)

## STATEMENT OF FINANCIAL POSITION AS AT 30 APRIL 2021

	Note	30.04.2021 USD
<b>ASSETS</b>		
Investments	6	387,088,147
Amount due from the Manager	8	16,728,131
Amount due from brokers		3,038,315
Cash at bank		39,411,343
<b>TOTAL ASSETS</b>		<b>446,265,936</b>
<b>LIABILITIES</b>		
Amount due to the Manager	8	9,445,018
Amount due to Trustee		13,604
Derivative financial liabilities	7	1,178,182
Distribution payable	9	23,762,145
Other payables and accruals		3,297
<b>TOTAL LIABILITIES</b>		<b>34,402,246</b>
<b>NET ASSET VALUE ("NAV")</b>		
Unitholder's capital	10 (a)	365,559,568
Retained earnings		46,304,122
<b>NAV ATTRIBUTABLE TO UNITHOLDERS</b>		<b>411,863,690</b>
<b>TOTAL NAV AND LIABILITIES</b>		<b>446,265,936</b>
<b>REPRESENTED BY:</b>		
<b>NET ASSET VALUE OF OUTSTANDING UNITS</b>		
USD Class		22,158,453
MYR Class		58,356,284
AUD Hedged Class		14,051,724
SGD Hedged Class		14,422,473
GBP Hedged Class		4,287,950
MYR Hedged Class		287,596,925
RMB Hedged Class		10,989,881
<b>NET ASSET VALUE ("NAV") OF THE FUND</b>		<b>411,863,690</b>

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

# TA Asia Absolute Alpha Fund

(For the financial period ended 30 April 2021)

## STATEMENT OF FINANCIAL POSITION AS AT 30 APRIL 2021 (CONTD.)

		30.04.2021
	Note	
<b>NUMBER OF UNITS IN CIRCULATION</b>		
	10 (d)	
USD Class		31,383,806
MYR Class		354,390,128
AUD Hedged Class		27,052,556
SGD Hedged Class		27,853,909
GBP Hedged Class		4,505,632
MYR Hedged Class		1,686,418,859
RMB Hedged Class		<u>100,126,390</u>
<b>NAV PER UNIT IN USD</b>		
USD Class		0.7060
MYR Class		0.1647
AUD Hedged Class		0.5194
SGD Hedged Class		0.5178
GBP Hedged Class		0.9517
MYR Hedged Class		0.1705
RMB Hedged Class		<u>0.1098</u>
<b>NAV PER UNIT IN RESPECTIVE CURRENCIES</b>		
USD Class		0.7060
MYR Class		0.6732
AUD Hedged Class		0.6738
SGD Hedged Class		0.6895
GBP Hedged Class		0.6896
MYR Hedged Class		0.6972
RMB Hedged Class		<u>0.7109</u>

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

# TA Asia Absolute Alpha Fund

(For the financial period ended 30 April 2021)

## STATEMENT OF CHANGES IN NET ASSET VALUE ("NAV") FOR THE FINANCIAL PERIOD FROM 12 MAY 2020 (DATE OF LAUNCH) TO 30 APRIL 2021

	Unitholders' capital USD	Retained earnings Note 10(b) and (c) USD	Total NAV USD
At 12 May 2020 (Date of launch)	-	-	-
Creation of units	750,733,937	-	750,733,937
Cancellation of units	(385,174,369)	-	(385,174,369)
Total comprehensive income for the financial period	-	70,066,267	70,066,267
Distribution	-	(23,762,145)	(23,762,145)
At 30 April 2021	<u>365,559,568</u>	<u>46,304,122</u>	<u>411,863,690</u>

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

# TA Asia Absolute Alpha Fund

(For the financial period ended 30 April 2021)

## STATEMENT OF CASH FLOWS

FOR THE FINANCIAL PERIOD FROM 12 MAY 2020 (DATE OF LAUNCH)  
TO 30 APRIL 2021

12.05.2020  
to  
30.04.2021  
USD

### CASH FLOWS FROM OPERATING AND INVESTING ACTIVITIES

Proceeds from sales of investments	354,243,743
Purchases of investments	(668,832,720)
Interest received	219
Dividend received	1,328,353
Management fee paid	(2,748,392)
Trustee's fee paid	(61,070)
Payments for other fees and expenses	(2,183,051)
Net cash used in operating and investing activities	<u>(318,252,917)</u>

### CASH FLOWS FROM FINANCING ACTIVITIES

Cash received from units created	734,005,806
Cash paid for units cancelled	(376,341,546)
Net cash generated from financing activities	<u>357,664,260</u>

### NET INCREASE IN CASH AND CASH EQUIVALENTS

39,411,343

### CASH AND CASH EQUIVALENTS AT THE DATE OF LAUNCH

-

### CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL PERIOD

39,411,343

### CASH AND CASH EQUIVALENTS COMPRISE:

Cash at bank	39,411,343
	<u>39,411,343</u>

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

# TA Asia Absolute Alpha Fund

(For the financial period ended 30 April 2021)

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE FINANCIAL PERIOD FROM 12 MAY 2020 (DATE OF LAUNCH) TO 30 APRIL 2021

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

TA Asia Absolute Alpha Fund ("the Fund") was constituted pursuant to the execution of a Deed of Trust ("the Deed") dated 29 January 2020 between the Manager, TA Investment Management Berhad, and the Trustee, CIMB Commerce Trustee Berhad.

The principal activity of the Fund is to invest in "Permitted Investments" as defined under Clause 6 of the Deed, which include collective investment schemes, money market instruments, deposits and derivatives instruments. The Fund commenced its operations on 12 May 2020 and will continue its operations until terminated by the Manager or the Trustee as provided under Clause 11 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. The Manager's 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 28 July 2021.

#### 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 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 June 2020***

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

###### ***MFRSs, interpretations and amendments effective for annual periods beginning on or after 1 January 2021***

- Amendments to MFRS 9, *Financial Instruments*, MFRS 139, *Financial Instruments: Recognition and Measurement*, MFRS 7, *Financial Instruments: Disclosures*, MFRS 4, *Insurance Contracts* and MFRS 16, *Leases – Interest Rate Benchmark Reform – Phase 2*

# TA Asia Absolute Alpha Fund

(For the financial period ended 30 April 2021)

## 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 April 2021***

- Amendment to MFRS 16, *Leases – Covid-19-Related Rent Concessions beyond 30 June 2021*

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

- 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 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 1 January 2023***

- MFRS 17, *Insurance Contracts*
- Amendments to MFRS 101, *Presentation of Financial Statements – Classification of Liabilities as Current or Non-current and Disclosures of Accounting Policies*
- Amendments to MFRS 108, *Accounting Policies, Changes in Accounting Estimates and Errors – Definition of Accounting Estimates*
- Amendments to MFRS 112, *Income Taxes – Deferred Tax related to Assets and Liabilities arising from a Single Transaction*

***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 Asia Absolute Alpha Fund

(For the financial period ended 30 April 2021)

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

### 2.1 Basis of Preparation (contd.)

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

The Fund plans to adopt 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 June 2020, 1 January 2021 and 1 April 2021 except for amendments to MFRS 3, MFRS 4 and MFRS 16 which are not applicable to the Fund.
- from the annual period beginning on 1 May 2022 for those amendments that are effective for annual periods beginning on or after 1 January 2022, except for amendments to MFRS 1, MFRS 3, MFRS 16, MFRS 116 and MFRS 141 which are not applicable to the Fund.
- from the annual period beginning on 1 May 2023 for the accounting standard and amendments that are effective for annual periods beginning on or after 1 January 2023, except for MFRS 17 which is not applicable to the Fund.

The initial application of the abovementioned accounting standards, amendments or interpretations is not expected to have any material 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, unless otherwise indicated in Note 2.2.

#### (c) Functional and presentation currency

The financial statements are presented in US Dollar ("USD"), which is the Fund's functional currency.

### 2.2 Significant Accounting Policies

#### (a) Financial Instruments

##### (i) Recognition and initial measurement

A financial asset or a financial liability is recognised in the statement of financial position when, and only when, the Fund becomes a party to the contractual provisions of the instrument.

# TA Asia Absolute Alpha Fund

(For the financial period ended 30 April 2021)

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

### 2.2 Significant Accounting Policies (contd.)

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

##### (i) Recognition and initial measurement (contd.)

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

##### (ii) Financial instrument categories and subsequent measurement

###### Financial assets

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

###### (a) Amortised cost

Amortised cost category comprises financial assets that are held within a business model whose objective is to hold assets to collect contractual cash flows and its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. The financial assets are not designated as fair value through profit or loss. Subsequent to initial recognition, these financial assets are measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

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

###### (b) Fair value through profit or loss

All financial assets not measured at amortised cost or fair value through other comprehensive income are measured at fair value through profit or loss. This includes derivative financial assets (except for a derivative that is designated and effective hedging instrument). On initial recognition, the Fund may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at fair value through other comprehensive income as at fair value through profit or loss if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

# TA Asia Absolute Alpha Fund

(For the financial period ended 30 April 2021)

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

### 2.2 Significant Accounting Policies (contd.)

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

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

###### Financial assets (contd.)

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

Financial assets categorised as fair value through profit or loss are subsequently measured at their fair value. Net gains or losses, including any interest or dividend income, are recognised in the profit or loss.

All financial assets, except for those measured at fair value through profit or loss are subject to impairment assessment (see Note 2.2(b)).

###### Financial liabilities

###### (a) Fair value through profit or loss

Fair value through profit or loss category comprises financial liabilities that are derivatives (except for a derivative that is a financial guarantee contract or a designated and effective hedging instrument), contingent consideration in a business combination and financial liabilities that are specifically designated into this category upon initial recognition.

On initial recognition, the Fund may irrevocably designate a financial liability that otherwise meets the requirements to be measured at amortised cost as at fair value through profit or loss.

- (a) if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise;
- (b) a group of financial liabilities or assets and financial liabilities is managed and its performance is evaluated on a fair value basis, in accordance with a documented risk management or investment strategy, and information about the Fund is provided internally on that basis to the Fund's key management personnel; or
- (c) if a contract contains one or more embedded derivatives and the host is not a financial asset in the scope of MFRS 9, where the embedded derivative significantly modifies the cash flows and separation is not prohibited.

Financial liabilities categorised as fair value through profit or loss are subsequently measured at their fair value with gains or losses, including any interest expense are recognised in the profit or loss.

# TA Asia Absolute Alpha Fund

(For the financial period ended 30 April 2021)

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

### 2.2 Significant Accounting Policies (contd.)

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

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

###### Financial Liabilities (contd.)

###### (a) Fair value through profit or loss (contd.)

For financial liabilities where it is designated as fair value through profit or loss upon initial recognition, the Fund recognise the amount of change in fair value of the financial liability that is attributable to change in credit risk in the other comprehensive income and remaining amount of the change in fair value in the profit or loss, unless the treatment of the effects of changes in the liability's credit risk would create or enlarge an accounting mismatch.

###### (b) Amortised cost

Financial liabilities not categorised as fair value through profit or loss are subsequently measured at amortised cost using the effective interest method.

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

##### (iii) Derecognition

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

A financial liability or part of it is derecognised when, and only when, the obligation specified in the contract is discharged, cancelled or expires. A financial liability is also derecognised when its terms are modified and the cash flows of the modified liability are substantially different, in which case, a new financial liability based on modified terms is recognised at fair value. On derecognition of a financial liability, the difference between the carrying amount of the financial liability extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

##### (iv) Offsetting

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

# TA Asia Absolute Alpha Fund

(For the financial period ended 30 April 2021)

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

### 2.2 Significant Accounting Policies (contd.)

#### (b) Impairment

##### **Financial assets**

The Fund recognises loss allowances for expected credit losses on financial assets measured at amortised cost.

The Fund measures loss allowances at an amount equal to lifetime expected credit loss, except for debt securities that are determined to have low credit risk at the reporting date, cash and bank balance and other debt securities for which credit risk has not increased significantly since initial recognition, which are measured at 12-month expected credit loss.

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

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

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

The gross carrying amount of a financial asset is written off (either partially or fully) to the extent that there is no realistic prospect of recovery. This is generally the case when the Fund determines that the obligor does not have assets or sources of income that could generate sufficient cash flows to pay the amounts subject to the write-off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Fund's procedures for recovery of amounts due.

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

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

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 Asia Absolute Alpha Fund

(For the financial period ended 30 April 2021)

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

### 2.2 Significant Accounting Policies (contd.)

#### (d) Foreign Currency Transactions

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

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

Non-monetary assets and liabilities denominated in foreign currencies are not retranslated at the end of the reporting date, except for those that are measured at fair value which are retranslated to the functional currency at the exchange rate at the date that the fair value was determined.

Foreign currency differences arising on retranslation are recognised in profit or loss, except for differences arising on the retranslation of equity instruments where they are measured at fair value through other comprehensive income or a financial instrument designated as a hedge of currency risk, which are recognised in other comprehensive income.

#### (e) Unitholders' Capital

The unitholders' capital of the Fund is classified as an equity instrument.

#### (f) Distribution

Distribution is at the discretion of the Fund. A distribution to the Fund's unitholders is accounted for as a deduction from realised reserves except where distribution is sourced out of distribution equalisation which is accounted for as a deduction from unitholders' capital. A proposed distribution is recognised as a liability in the period in which it is approved.

#### (g) Cash and Cash Equivalents

Cash and cash equivalents comprise cash at banks and short-term deposits with financial institution that are readily convertible to known amount of cash which have an insignificant risk of changes in fair value with original maturities of more than three months or less, and are used by the Fund in the management of its short-term commitments.

#### (h) Income Recognition

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

Dividend income is recognised in profit or loss on the date that the Fund's right to receive payment is established, which in the case of quoted securities is the ex-dividend date.

Interest income is recognised using the effective interest rate method.

# TA Asia Absolute Alpha Fund

(For the financial period ended 30 April 2021)

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

### 2.2 Significant Accounting Policies (contd.)

#### (i) Income Tax

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

Current 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 one main segments, namely quoted or listed equities and equity related instruments. 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 the segment.

#### (k) Significant Accounting Estimates and Judgments

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

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

# TA Asia Absolute Alpha Fund

(For the financial period ended 30 April 2021)

## 3. MANAGER'S FEE

The Manager's fee is computed on a daily basis at 1.80% of the NAV of the Fund, calculated and accrued on a daily basis, as agreed by the Trustee and the Manager.

## 4. TRUSTEE'S FEE

Trustee's fee is computed on a daily basis at 0.04% per annum of the NAV of the Fund, subject to minimum of USD12,000 per annum excluding foreign custodian fees and charges.

## 5. INCOME TAX EXPENSE

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

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>12.05.2020 to 30.04.2021 USD</b>
Net income before tax	<u>70,334,826</u>
Taxation at Malaysian statutory rate of 24%	16,880,358
Effects of interest and other income not subject to tax	(17,896,531)
Effects of expenses not deductible for tax purposes	447,662
Restriction on tax deductible expenses for unit trust funds	<u>807,070</u>
Income tax expense for the financial period	<u>238,559</u>

## 6. INVESTMENTS

	<b>30.04.2021 USD</b>
Financial assets at FVTPL:	
Quoted equity outside Malaysia	<u>387,088,147</u>
Net gain on financial assets at FVTPL comprises:	
Net realised gain on disposals	35,974,667
Net unrealised gain on changes in fair value	39,562,819
Net unrealised loss on forward currency contracts	<u>(1,178,182)</u>
	<u>74,359,304</u>



# TA Asia Absolute Alpha Fund

(For the financial period ended 30 April 2021)

## 6. INVESTMENTS (CONTD.)

Financial assets at FVTPL as at 30 April 2021 are as below:

### Quoted equity outside Malaysia

	Quantity Unit	Cost USD	Fair Value USD	% of NAV %
<b>China</b>				
Beijing Oriental Yuhong Waterproof Tech Co Ltd	11	56	98	-
Bilibili Inc - SPON ADR	160,056	16,484,912	17,743,808	4.31
East Money Info - A	2,169,145	10,127,047	10,797,691	2.62
Ganfeng Lithium Co Ltd	710,800	9,941,923	9,568,804	2.32
Pharmaron Beijing Co Ltd	89,100	1,701,500	1,847,361	0.45
Sany Heavy Industry Co Ltd	689,713	2,474,912	3,288,463	0.80
Sungrow Power Supply Co Ltd	848,911	8,432,987	11,783,360	2.86
Tongwei Co Ltd	1,568,175	8,063,398	8,530,107	2.07
Yunnan Energy New Material Ltd - A	116,182	2,588,491	2,413,625	0.59
Zai Lab Ltd - ADR	75,338	9,917,683	12,521,929	3.04
	6,427,431	69,732,909	78,495,246	19.06
<b>Hong Kong</b>				
AIA Group Ltd	908,000	11,144,608	11,557,415	2.81
Alibaba Health Information Technology Ltd	2,848,000	8,755,216	8,686,941	2.11
HKEX & Clearing Ltd	251,800	14,369,873	15,231,130	3.70
Meituan Dianping Ltd	354,700	14,074,016	13,603,667	3.30
Technic Industries Co Ltd	490,000	6,852,931	8,929,721	2.17
Tencent Holdings Ltd	287,200	26,347,717	23,027,725	5.59
Wuxi Biologics Cayman Inc	803,500	6,593,422	11,323,444	2.75
	5,943,200	88,137,783	92,360,043	22.43
<b>India</b>				
ICICI Bank Ltd - SP ADR	275,150	4,779,196	4,484,945	1.09
<b>Netherlands</b>				
ASML Holdings NV	26,578	13,917,427	17,225,202	4.18
STMicroelectronics SP ADR	290,048	10,542,878	10,815,890	2.63
	316,626	24,460,305	28,041,092	6.81
<b>South Korea</b>				
Daum Kakao Corp Ltd	155,355	11,923,411	15,763,717	3.83
Naver Corp Ltd	35,689	11,805,134	11,470,195	2.78
Samsung Electronics Co Ltd	225,515	14,361,504	16,431,249	3.99
SK Hynix Inc	142,623	14,876,126	16,320,635	3.96
	559,182	52,966,175	59,985,796	14.56

# TA Asia Absolute Alpha Fund

(For the financial period ended 30 April 2021)

## 6. INVESTMENTS (CONTD.)

### Quoted equity outside Malaysia (Contd.)

	Quantity Unit	Cost USD	Fair Value USD	% of NAV %
<b><i>Taiwan</i></b>				
Delta Electronics Inc	1,233,000	10,233,698	13,390,072	3.25
Feng Tay Enterprise Co Ltd	491,000	3,707,497	3,657,582	0.89
GlobalWafers Co Ltd	602,000	14,178,314	18,672,595	4.53
Taiwan Semiconductor Manufacturing Co Ltd	1,166,000	20,853,166	25,115,640	6.10
Vanguard International Semiconductor Co Ltd	2,909,000	11,125,376	12,479,755	3.03
Yageo Corporation Ltd	526,000	9,922,718	10,253,686	2.49
	6,927,000	70,020,769	83,569,330	20.29
<b><i>United States</i></b>				
Broadcom Inc	25,425	11,668,197	11,598,885	2.82
Nvidia Corp Ltd	17,393	8,821,798	10,442,409	2.54
SEA Ltd	71,713	13,635,816	18,110,401	4.40
	114,531	34,125,811	40,151,695	9.76
<b>Total quoted equity outside Malaysia</b>	<b>20,563,120</b>	<b>344,222,948</b>	<b>387,088,147</b>	<b>94.00</b>
<b>EXCESS OF FAIR VALUE OVER COST</b>			<b>42,865,199</b>	

## 7. DERIVATIVE FINANCIAL LIABILITIES

As at the date of statement of financial position, there were 61 forward currency contracts outstanding. The notional principal amount of the outstanding forward currency contracts amounted to USD354,376,000. The forward currency contracts entered into during the financial period were for hedging against the currency exposure arising from the creation and cancellation of units denominated in foreign currency. As the Fund has not adopted hedge accounting during the financial period, the change in the fair value of the forward currency contracts are recognised in the statement of comprehensive income.

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

Amount due from the Manager relates to amount receivable from the Manager arising from creation of units of USD16,728,131 at the end of the financial period. Amount due to the Manager relates to the amount payable to the Manager arising from cancellation of units amounting to USD8,832,823 and accruals for Manager's fee of USD612,195 at the end of the financial period. The normal credit term for creation/cancellation of units is 10 business days and the normal credit term for Manager's fee is 30 days.

# TA Asia Absolute Alpha Fund

(For the financial period ended 30 April 2021)

## 9. DISTRIBUTION

Distributions paid to unitholders during the financial period are as follows:

Dates	Classes	Unit In Circulation	Currency	Gross Distribution Per Unit	Net Distribution Per Unit
30.04.2021	USD	31,383,806	USD	0.0400	0.0400
30.04.2021	MYR	354,390,128	MYR	0.0400	0.0400
30.04.2021	AUD Hedged	27,052,556	AUD	0.0400	0.0400
30.04.2021	SGD Hedged	27,853,909	SGD	0.0400	0.0400
30.04.2021	GBP Hedged	4,505,632	GBP	0.0400	0.0400
30.04.2021	MYR Hedged	1,686,418,859	MYR	0.0400	0.0400
30.04.2021	RMB Hedged	100,126,390	RMB	0.0400	0.0400

Distributions to unitholders were made from the following sources:

	12.05.2020 to 30.04.2021 USD
Dividend income	794,906
Interest income	165
Net realised gain on sale of investment	25,621,262
	<hr/> 26,416,333
Less: Expenses	(2,654,188)
Distribution out of realised reserve (Note 10)	<hr/> 23,762,145
Analysed as:	
Cash distribution	186,351
Reinvestment of units	23,575,794
	<hr/> 23,762,145

## 10. NET ASSET VALUE ATTRIBUTABLE TO UNITHOLDERS

	Note	30.04.2021 USD
Unitholders' capital	(a)	365,559,568
Retained earnings		
- Realised reserve	(b)	7,919,485
- Unrealised reserve	(c)	38,384,637
		<hr/> 411,863,690

# TA Asia Absolute Alpha Fund

(For the financial period ended 30 April 2021)

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

### (a) Unitholders' capital

	<b>30.04.2021</b>
	<b>USD</b>
At beginning of the financial period	-
Creation of units	750,733,937
Cancellation of units	(385,174,369)
At end of the financial period	<u>365,559,568</u>

### (b) Realised reserve

	<b>30.04.2021</b>
	<b>USD</b>
At beginning of the financial period	-
Net realised income for the financial period	31,681,630
Distribution	(23,762,145)
At end of the financial period	<u>7,919,485</u>

### (c) Unrealised reserve

	<b>30.04.2021</b>
	<b>USD</b>
At beginning of the financial period	-
Net unrealised income for the financial period	38,384,637
At end of the financial period	<u>38,384,637</u>

### (d) Units in circulation

	<b>Units on</b>	<b>Creation of</b>	<b>Cancellation</b>	<b>Units on</b>
	<b>12.05.2020</b>	<b>units</b>	<b>of units</b>	<b>30.04.2021</b>
USD Class	-	52,772,587	(21,388,781)	31,383,806
MYR Class	-	724,479,265	(370,089,137)	354,390,128
AUD Hedged Class	-	52,778,676	(25,726,120)	27,052,556
SGD Hedged Class	-	46,216,521	(18,362,612)	27,853,909
GBP Hedged Class	-	5,856,837	(1,351,205)	4,505,632
MYR Hedged Class	-	3,431,917,213	(1,745,498,354)	1,686,418,859
RMB Hedged Class	-	165,226,839	(65,100,449)	100,126,390

# TA Asia Absolute Alpha Fund

(For the financial period ended 30 April 2021)

## 11. TRANSACTIONS WITH DEALER

Details of transactions with broker during the financial period are as follows:

Name of broker	Value of trade USD	Percentage to total value of trade %	Brokerage fee and other fees USD	Percentage to total fees %
Citigroup	237,294,547	23.46	312,828	17.23
Morgan Stanley	231,423,268	22.88	435,291	23.98
Credit Suisse	167,003,784	16.51	204,700	11.27
UBS Ltd	136,336,470	13.48	216,765	11.94
Goldman Sachs International	117,038,972	11.57	316,097	17.41
Sanford Bernstein & Co	32,401,117	3.20	93,046	5.12
Macquarie Securities	20,308,800	2.01	59,656	3.29
Credit Lyonnais Securities	14,293,479	1.41	41,049	2.26
ML Pierce Fenner & Smith	10,318,874	1.02	30,123	1.66
Others	45,156,474	4.46	106,046	5.84
	<u>1,011,575,785</u>	<u>100.00</u>	<u>1,815,601</u>	<u>100.00</u>

## 12. MANAGEMENT EXPENSE AND PORTFOLIO TURNOVER RATIOS

### (a) Management Expense Ratio

The management expense ratio for the financial period ended 30 April 2021 was 1.82%. This ratio represents total management expenses expressed as an annualised percentage of the Fund's average NAV, calculated on a daily basis.

### (b) Portfolio Turnover Ratio

The portfolio turnover ratio for the financial period ended 30 April 2021 was 2.60 times. This ratio represents the average of the total acquisitions and disposals of the Fund for the period over the average NAV of the Fund for the financial period calculated on a daily basis.

## 13. 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 organised into one main segment, which invest in quoted or listed equities and equity related instruments.

The investment objective is to provide long-term capital growth by investing primarily in quoted or listing equities and equity related instruments. There have been no changes in reportable segment in the current financial period.

# TA Asia Absolute Alpha Fund

(For the financial period ended 30 April 2021)

## 14. FINANCIAL INSTRUMENTS

### (a) Classification of financial instruments

The Fund's financial assets and financial liabilities are measured on an ongoing basis either at fair value or at amortised cost based on their respective classification. The significant accounting policies in Note 2 describe how the classes of financial instrument are measured, and how income and expenses, including fair value gains and losses, are recognised. The following table analyses the financial assets and financial liabilities of the Fund in the statement of financial position as at the end of reporting period by the class of financial instrument to which they are assigned, and therefore by the measurement basis.

	Financial assets and liabilities at FVTPL USD	Financial assets at amortised cost USD	Financial liabilities at amortised cost USD	Total USD
<b>30.04.2021</b>				
<b>Assets</b>				
Investments	387,088,147	-	-	387,088,147
Amount due from the Manager	-	16,728,131	-	16,728,131
Amount due from brokers	-	3,038,315	-	3,038,315
Cash at bank	-	39,411,343	-	39,411,343
Total financial assets	<u>387,088,147</u>	<u>59,177,789</u>	<u>-</u>	<u>446,265,936</u>
<b>Liabilities</b>				
Amount due to the Manager	-	-	9,445,018	9,445,018
Amount due to Trustee	-	-	13,604	13,604
Derivative financial liabilities	1,178,182	-	-	1,178,182
Distribution payable	-	-	23,762,145	23,762,145
Other payables and accruals	-	-	3,297	3,297
Total financial liabilities	<u>1,178,182</u>	<u>-</u>	<u>33,224,064</u>	<u>34,402,246</u>
<b>Income, expenses, gains and losses</b>				
Interest income	-	219	-	219
Dividend income	-	1,328,353	-	1,328,353
Net gain on financial assets at FVTPL	<u>74,359,304</u>	<u>-</u>	<u>-</u>	<u>74,359,304</u>

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

The Fund's financial assets and liabilities at FVTPL are carried at fair value. The fair values of these financial assets were determined using prices in active markets for identical assets.

# TA Asia Absolute Alpha Fund

(For the financial period ended 30 April 2021)

## 14. FINANCIAL INSTRUMENTS (CONTD.)

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

#### *Quoted equity securities*

For quoted equity securities, their fair value are determined directly by reference to their published market bid prices by Bloomberg at the end of the reporting period.

#### *Derivative financial liabilities*

The fair value of forward exchange contracts is estimated by discounting the difference between the contractual forward price and the current forward price for the residual maturity of the contract using a risk-free interest rate.

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

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

- Cash at bank
- Amount due from/(to) the Manager
- Amount due to Trustee
- Amount due from brokers
- Other payables and accruals
- Distributable payable

### (d) Fair value hierarchy

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

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

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

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

	Level 1 USD	Level 2 USD	Level 3 USD	Total USD
<b>30.04.2021</b>				
<b>Financial assets at FVTPL:</b>				
Quoted equity securities				
outside Malaysia	387,088,147	-	-	387,088,147
<b>Financial liabilities at FVTPL:</b>				
Derivative financial liabilities	-	(1,178,182)	-	(1,178,182)

# TA Asia Absolute Alpha Fund

(For the financial period ended 30 April 2021)

## 15. FINANCIAL RISKS AND MANAGEMENT OBJECTIVES AND POLICIES

### (a) Introduction

The Fund is exposed to various risks including market risk (which includes currency risk and equity price risk), credit risk and liquidity risk. Whilst these are the most important types of financial risks inherent in each type of financial instrument, the Manager and the Trustee would like to highlight that the list does not purport to constitute an exhaustive list of all the risks inherent in an investment in the Fund.

### (b) Risk management structure

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

### (c) Risk measurement and reporting system

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

### (d) Risk mitigation

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

### (e) Excessive risk concentration

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



# TA Asia Absolute Alpha Fund

(For the financial period ended 30 April 2021)

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

### (e) Excessive risk concentration (Contd.)

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

### (f) Market risk

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

### (i) Equity price risk

Equity price risk is the risk of unfavourable changes in the fair values of equities as the result of changes in the equity indices/prices and the value of individual investments. The equity price risk exposure arises from the Fund's investment in quoted equity securities.

#### Equity price risk sensitivity

Management's best estimate of the effect on the income due to a reasonably possible change in equity indices, with all other variables held constant is indicated in the table below:

	Change in equity indices %	Effect on net income USD	Effect on NAV USD
<b>30.04.2021</b>			
Quoted investments	+5.0	19,354,407	19,354,407

An opposite movement in the equity indices shown above would have resulted in an equivalent, but opposite, impact. In practice, the actual trading results may differ from the sensitivity analysis above and the difference could be material.

# TA Asia Absolute Alpha Fund

(For the financial period ended 30 April 2021)

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

### (f) Market risk (Contd.)

#### (i) Equity price risk (Contd.)

The following table set out the Fund's exposure to equity price risk based on its portfolio of equity instruments as at the reporting date:

	30.04.2021	
	USD	% of NAV
China	78,495,246	19.06
Hong Kong	92,360,043	22.43
India	4,484,945	1.09
Netherlands	28,041,092	6.81
South Korea	59,985,796	14.56
Taiwan	83,569,330	20.29
United States	40,151,695	9.76
	<b>387,088,147</b>	<b>94.00</b>

#### (ii) Currency risk

Currency risk is the risk that the value of financial instruments will fluctuate due to changes in foreign exchange rate. Accordingly, the value of the Fund's assets may be affected favourably or unfavourably by fluctuations in currency rates and therefore the Fund will be subject to foreign exchange risks.

#### Currency risk sensitivity

The following table indicates the currency to which the Fund has significant currency risk exposure at the end of reporting period on its financial assets. The analysis calculates the effect of a reasonably possible movement of the currency rate against USD on NAV and on income with all other variables held constant.

Exchange rates	Exchange rate USD	Change in currency rates %	Effect on income USD	Effect on NAV USD
<b>30.04.2021</b>				
AUD/USD	0.7709	+5.0	66,952	66,952
RMB/USD	0.1544	+5.0	4,014,236	4,014,236
EUR/USD	1.2016	+5.0	1,402,055	1,402,055
HKD/USD	0.1287	+5.0	4,618,002	4,618,002
INR/USD	0.0135	+5.0	224,247	224,247
MYR/USD	4.0880	+5.0	811,620	811,620
KRW/USD	0.0009	+5.0	3,151,206	3,151,206
TWD/USD	0.0359	+5.0	4,178,467	4,178,467
GBP/USD	1.3800	+5.0	10,570	10,570
SGD/USD	0.7510	+5.0	59,526	59,526

An opposite movement in each of the exchange rates shown above would have resulted in an equivalent, but opposite, impact.

# TA Asia Absolute Alpha Fund

(For the financial period ended 30 April 2021)

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

### (f) Market risk (Contd.)

#### (ii) Currency risk (Contd.)

##### Currency risk exposure

The following table sets out the Fund's exposure to foreign currency rates on its financial net assets based on foreign currency net position as at the reporting date.

	30.04.2021	
	USD	% of NAV
AUD	1,339,031	0.33%
RMB	80,284,711	19.49%
EUR	28,041,092	6.81%
HKD	92,360,043	22.42%
INR	4,484,945	1.09%
MYR	16,232,406	3.94%
KRW	63,024,111	15.30%
TWD	83,569,330	20.29%
GBP	211,403	0.05%
SGD	1,190,523	0.29%

### (g) Credit risk

Credit risk is the risk that the counterparty to a financial instrument will cause a financial loss for the Fund by failing to discharge its obligation. The Fund is exposed to the risk of credit related losses that can occur as a result of a counterparty or issuer being unable or unwilling to honour its contractual obligations to make timely payment of dividend, principal and proceeds from realisation of investments.

The Manager manages the Fund's credit risk by undertaking credit evaluation and close monitoring of any changes to the issuer/counterparty's credit profile to minimise such risk. It is the Fund's policy to invest with reputable counterparties. The Manager also closely monitors the creditworthiness of the Fund's counterparties (e.g. dealer, custodian, bank, etc) by reviewing their credit profile.

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

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

#### Credit risk exposure

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

# TA Asia Absolute Alpha Fund

(For the financial period ended 30 April 2021)

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

### (g) Credit risk (Contd.)

#### Credit quality of financial assets

Short-term credit rating of financial assets not at FVTPL	Rating by Rating Agency in Malaysia	Unrated USD	Total USD
	P1/A+ USD		
<b>30.04.2021</b>			
Amount due from the Manager	-	16,728,131	16,728,131
Amount due from brokers	-	3,038,315	3,038,315
Cash at bank	39,411,343	-	39,411,343
	<u>39,411,343</u>	<u>19,766,446</u>	<u>59,177,789</u>

### (h) Liquidity risk

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

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

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

30.04.2021	Less than 1 month USD	Total USD
<b>Assets</b>		
Investments	387,088,147	387,088,147
Other assets	59,177,789	59,177,789
Total undiscounted financial assets	<u>446,265,936</u>	<u>446,265,936</u>
<b>Liabilities</b>		
Other liabilities	34,402,246	34,402,246
Total undiscounted financial liabilities	<u>34,402,246</u>	<u>34,402,246</u>
Net assets value attributable to unitholders	<u>411,863,690</u>	<u>411,863,690</u>
Liquidity gap	<u>-</u>	<u>-</u>

# TA Asia Absolute Alpha Fund

(For the financial period ended 30 April 2021)

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

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

#### (i) Financial assets

Analysis of financial assets at FVTPL into maturity groupings is based on the expected date on which these assets can be realised. Quoted equity securities categorised as investments have been included in the "Less than 1 month" category on the assumption that these are highly liquid investments which can be realised immediately should all of the Fund's unitholders' capital be required to be redeemed. For other assets, the analysis into maturity grouping is based on the remaining period from the end of the reporting date to the contractual maturity date or if earlier, the expected date on which the assets will be realised.

#### (ii) Financial liabilities

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

#### (iii) Equity

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

## 16. CAPITAL MANAGEMENT

The primary objective of the Fund's capital management is to ensure that it maximises unitholder's value by expanding its fund size to benefit from economies of scale and achieving growth in NAV from the performance of its investments.

The Fund manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Fund may issue new or bonus units, make distribution payment, or return capital to unitholder by way of redemption of units.

No changes were made in the objectives, policies or processes during the financial period ended 30 April 2021.

## 17. COMPARATIVE FIGURES

The financial statements are for the financial period from 12 May 2020 (date of launch) to 30 April 2021. There are no comparative figures as this is the Fund's first set of financial statements.

# TA Asia Absolute Alpha Fund

(For the financial period ended 30 April 2021)

## Corporate Information

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<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) Mr. Chew Chin Guan (Independent / Non-Executive Director) Mr. Ngiam Kee Tong (Independent / Non-Executive Director)
<b>Investment Committee Members</b>	Choo Swee Kee (Non-Independent) Kaladher A/L Govindan (Non-Independent) Dato' Tay Kian Chuan (Independent) Ngiam Kee Tong (Independent)
<b>Trustee of the Fund</b>	CIMB Commerce Trustee Berhad Level 13, Menara CIMB Jalan Stesen Sentral 2 Kuala Lumpur Sentral 50470 Kuala Lumpur
<b>Auditor of the Manager and the Fund</b>	KPMG PLT Chartered Accountants Level 10, KPMG Tower 8 First Avenue, Bandar Utama 47800 Petaling Jaya Selangor
<b>Banker</b>	Malayan Banking Bhd Ground Floor, Wisma Genting Jalan Sultan Ismail 50250 Kuala Lumpur
<b>Secretaries</b>	Chuah Wen Pin (MAICSA 7014581) Tan Kit Yee (MAICSA 7061042)

# TA Asia Absolute Alpha Fund

(For the financial period ended 30 April 2021)

## Corporate Information (cont'd)

<b>Management Staff</b>	<b>Wong Mien</b> Chief Executive Officer	<b>Tee Ling Ling</b> Head of Sales & Marketing
	<b>Mohd Isyazwan Bin Fauzi</b> Compliance Officer	<b>Alicia Khor</b> Head of Operations
<b>Investment Team</b>	<b>Choo Swee Kee</b> Chief Investment Officer	
	<b>Jennifer Mak Fong Ching</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  Toll Free: 1-800-38-7147  Tel: (603) 2031 6603  Fax: (603) 2031 4479  Website: <a href="http://www.tainvest.com.my">http://www.tainvest.com.my</a>  E-mail: <a href="mailto:investor.taim@ta.com.my">investor.taim@ta.com.my</a>	

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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	L204, 1st Floor Jalan Tunku Abdul Rahman 93100 Kuching, Sarawak Tel: 082-233 203   Fax: 082-232 203
Miri Business Centre	Lot 1251, 1st Floor, Centrepoin 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

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