

MYETF MSCI SEA ISLAMIC DIVIDEND

ANNUAL REPORT

For the Financial Year Ended 31 December 2023



i-VCAP Management Sdn Bhd
Company No.: 200701034939 (792968-D)
(a wholly owned subsidiary of Kenanga Investors Berhad)

MYETF MSCI SEA ISLAMIC DIVIDEND

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INTRODUCTION

MyETF MSCI SEA Islamic Dividend, or MyETF-MSEAD, is i-VCAP's second style-based Shariah exchange-traded fund ("ETF") introduced globally that aims to capture market alpha via investment in dividend-yielding Shariah-compliant companies listed on the stock exchanges in Southeast Asia ("SEA"). As of the date of this annual report, the relevant stock exchanges are Bursa Securities, Singapore Exchange, The Stock Exchange of Thailand, Indonesia Stock Exchange and The Philippine Stock Exchange Inc. MyETF-MSEAD is designed to provide investment results that closely correspond to the performance of its Benchmark Index, i.e. MSCI AC ASEAN IMI Islamic High Dividend Yield 10/40 Index ("MIISOD40 Index").

Structured as an ETF, MyETF-MSEAD is a liquid and cost efficient financial instrument for investors who wish to get potential periodic income and capital gain from the vast universe of companies of the SEA countries. MyETF-MSEAD was listed on the Main Market of Bursa Securities on 7 May 2015. The short name and stock number for MyETF-MSEAD are "METFSID" and "0825EA" respectively.

The Benchmark Index, MIISOD40 Index, is a free-float-adjusted, market capitalisation weighted index, maintained and published by MSCI Inc. It may comprise of Shariah-compliant companies listed on the relevant stock exchanges in Southeast Asia countries with dividend yields that are at least 30% higher than average dividend yield of the SEA equity universe that are deemed sustainable and persistent by MSCI. The Benchmark Index is reviewed and rebalanced periodically by MSCI's Shariah Supervisory Committee and review committees to ensure the investability, Shariah-compliance and continuous representation of the dividend-yielding opportunity set of the index are maintained.

CORPORATE DIRECTORY

Manager: i-VCAP Management Sdn Bhd Company No. 200701034939 (792968-D)

Registered Office

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50400 Kuala Lumpur, Malaysia.
Tel: 03-2172 2888
Fax: 03-2172 2999

Business Office

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Tel: 03-2172 3000
Fax: 03-2172 3080
E-mail: ivcap@kenanga.com.my
Website: www.ivcap.com.my

Luk Wai Hong, William (**Chairman / Non-Independent Non-Executive Director**)
Imran Devindran Abdullah (**Independent Non-Executive Director**)
Norazian Ahmad Tajuddin (**Independent Non-Executive Director**)
Datuk Wira Ismitz Matthew De Alwis (**Non-Executive Director**)
Syed Umar Bin Abdul Rahman Alhadad (**Acting Chief Executive Officer / Executive Director**)

Company Secretary: Norliza Abd Samad (MAICSA 7011089)

Level 17, Kenanga Tower, 237, Jalan Tun Razak, 50400 Kuala Lumpur, Malaysia.

Trustee: Deutsche Trustees Malaysia Berhad Company No. 20070005591 (763590-H)

Registered/Business Address

Level 20, Menara IMC, 8, Jalan Sultan Ismail, 50250 Kuala Lumpur.
Tel: 03-2053 7522 Fax: 03-2053 7526

Auditor: Ernst & Young PLT Company No. 202006000003 (LLP0022760-LCA) & AF 0039

Level 23A, Menara Milenium, Jalan Damanlela, Pusat Bandar Damansara, 50490 Kuala Lumpur.
Tel: 03-7495 8000 Fax: 03-2095 5332

Tax Adviser: PricewaterhouseCoopers Taxation Services Sdn Bhd

Company No. 199801008604 (464731-M)

Level 15, 1 Sentral, Jalan Rakyat, Kuala Lumpur Sentral, 50706 Kuala Lumpur, Malaysia.
Tel: 03-2173 1188 Fax: 03-2173 1288

Participating Dealer: CGS-CIMB Securities Sdn Bhd Company No. 197901004504 (48703-W)

Level 12, Menara Bumiputra-Commerce, No. 11, Jalan Raja Laut, 50350 Kuala Lumpur.
Tel: 03-2635 8893 Fax: 03-2602 9783

Participating Dealer: RHB Investment Bank Berhad Company No. 197401002639 (19663-P)

Level 3A, Tower One, RHB Centre, Jalan Tun Razak, 50400 Kuala Lumpur.
Tel: 03-2635 6666 Fax: 03-7710 0121

Shariah Adviser: Amanie Advisors Sdn Bhd Company No. 200501007003 (684050-H)

Level 13A-2, Menara Tokio Marine Life, 189, Jalan Tun Razak, 50400 Kuala Lumpur.
Tel: 03-2161 0260 Fax: 03-2161 0262

Custodian: Deutsche Bank (Malaysia) Berhad Company No. 199401026871 (312552-W)
(Trustee's Delegate) (Please refer to page 62 for Trustee's Delegate Information)

Level 18, Menara IMC, 8, Jalan Sultan Ismail, 50250 Kuala Lumpur.
Tel: 03-2053 6788 Website: www.db.com Email: dbmb-dcs.cs@db.com

Fund Accountant: Deutsche Trustees Malaysia Berhad

Company No. 200701005591 (763590-H)

Level 20, Menara IMC, 8, Jalan Sultan Ismail, 50250 Kuala Lumpur.

Tel: 03-2053 6788 Fax: 03-2031 8710 Email: Malaysia.team@list.db.com

Website: www.db.com

Index Licensor: MSCI Inc.

One Chase Manhattan Plaza, 44th Floor New York, NY 10005 United States of America.

Tel: (+1) 212 804 3901 Fax: (+1) 212 809 1213

Share Registrar: Boardroom Share Registrars Sdn Bhd

Company No. 199601006647 (378993-D)

(formerly known as Symphony Share Registrars Sdn Bhd)

11th Floor, Menara Symphony, No. 5, Jalan Semangat (Jalan Professor Khoo Kay Kim)

Seksyen 13, 46200 Petaling Jaya, Selangor.

Helpdesk: 03-7849 0777 Fax: 03-7841 8151 / 8152

Email: bsr.helpdesk@boardroomlimited.com Website: www.boardroomlimited.com

1. FUND INFORMATION

1.1 Fund Name

MyETF MSCI SEA Islamic Dividend (“**MyETF-MSEAD**” or “**the Fund**”)

1.2 Fund Category / Type

Shariah-Compliant Equity / Exchange-traded fund

1.3 Investment Objective

MyETF-MSEAD aims to provide investment results that closely correspond to the performance of the Benchmark Index regardless of its performance.

1.4 Investment Strategy

The Manager will generally adopt a replication strategy to manage the Fund. The Manager may use techniques including indexing by way of full or partial replication in seeking to achieve the investment objective of the Fund, subject to conformity to the Shariah.

1.5 Benchmark Index

MSCI AC ASEAN IMI Islamic High Dividend Yield 10/40 Index (“**MIISOD40 Index**” or “**the Benchmark Index**”)

The Benchmark Index, namely the MSCI AC ASEAN Asia IMI Islamic High Dividend Yield 10/40 Index is a free-float adjusted, market capitalisation weighted, price return index calculated, maintained and published by MSCI. The Benchmark Index is designed as a performance benchmark for the high dividend-yielding segment of its Parent Index, the MSCI AC ASEAN IMI Islamic Index. The Parent Index is a free-float adjusted market capitalisation weighted index that is designed to measure the equity market performance of selected South East Asia countries.

The Benchmark Index shall comprise of Shariah-compliant companies listed on the stock exchanges in South East Asia countries with dividend yields that are at least 30% higher than the Parent Index yield that are deemed both sustainable and persistent by MSCI.

The weight of any single group entity in the Benchmark Index is capped at 10% of the Benchmark Index weight and the sum of the weights of all group entities representing more than 5% is capped at 40% of the Benchmark Index weight. The Benchmark Index is calculated and published in Ringgit Malaysia.

The Parent Index and Benchmark Index consist only of Shariah-compliant securities which are approved by the MSCI Shariah Supervisory Committee based on the MSCI Islamic Index Series Methodology. The MSCI Shariah Supervisory Committee will review and audit the Benchmark Index, the Parent Index as well as the MSCI Islamic Index Series Methodology on a regular basis to ensure compliance with Shariah.

1.6 Distribution Policy

Annual, subject to the discretion of the Manager

1.7 Commencement Date & Listing Date

2 April 2015 and 7 May 2015

1.8 Breakdown of unit holdings of the Fund as at 31 December 2023

| Size of holdings | No. of unit holders | No. of units held |
|------------------|---------------------|-------------------|
| Less than 100 | 7 | 200 |
| 100 - 1,000 | 237 | 126,100 |
| 1,001 - 10,000 | 182 | 818,700 |
| 10,001 - 100,000 | 47 | 1,265,400 |
| 100,001 - <5%* | 6 | 1,258,400 |
| > = 5%* | 2 | 55,531,200 |
| Total | 481 | 59,000,000 |

5%* - 5% of the units in circulation

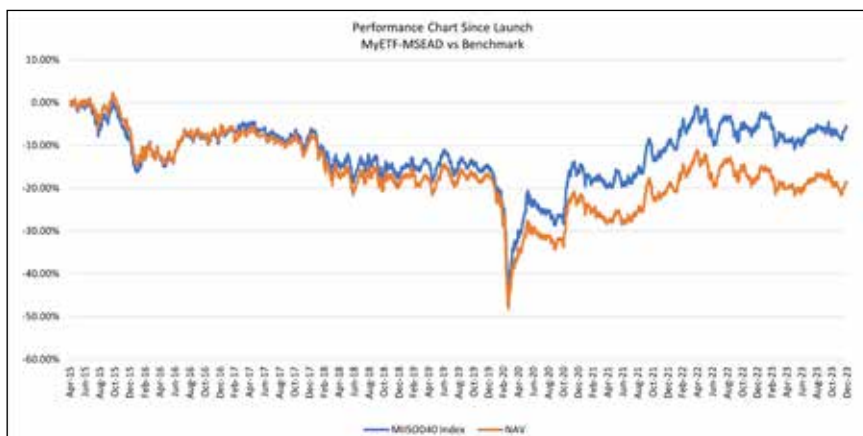
2. MANAGER'S REPORT

2.1 Explanation on whether the Fund has achieved its investment objective

For the financial year under review, the Fund achieved its investment objective to track closely the underlying benchmark index, i.e. MIISOD40 Index. As at 31 December 2023, the 3-year rolling tracking errors between the NAV per unit of the Fund and the Benchmark Index on Price Return and Total Return basis were at 0.15% and 0.14% respectively.

2.2 Comparison between the Fund's performance and performance of the Benchmark Index

**Performance Chart Since Launch
MyETF-MSEAD vs Benchmark**



Source: Bloomberg, i-VCAP

2.3 Investment strategies and policies employed during the financial year under review

The Manager adopted a replication strategy to manage the Fund. The Manager used techniques including indexing by way of full or partial replication and/or investing in certain authorised investments, in seeking to achieve the investment objective of the Fund, subject to conformity to the Shariah.

During the financial year under review, the Manager tracked the performance of the Benchmark Index by investing all, or substantially all, of the Fund's assets in the constituents of the Benchmark Index in largely the same weightings as they appear in the Benchmark Index.

2.4 The Fund's asset allocation as at 31 December 2023 and comparison with the previous financial year

| Asset | 31 Dec 2023 | 31 Dec 2022 |
|---|-------------|-------------|
| Listed Shariah-compliant investment securities | 91.5% | 99.7% |
| Listed Shariah-compliant collective investment scheme | 4.4% | - |
| Short term Islamic deposits and cash | 4.1% | 0.3% |

2.5 Fund performance analysis based on NAV per unit (adjusted for income distribution; if any) since last review year

| | Year under review |
|--|-------------------|
| MyETF-MSEAD- NAV Price Return ^(a) | -1.77% |
| MIISOD40- Price Return Index | -0.49% |
| MyETF-MSEAD- NAV Total Return ^(a) | -0.38% |
| MIISOD40- Total Return Index | 4.06% |

Sources: Bloomberg, i-VCAP

(a) Independently sourced from Novagni Analytics and Advisory.

The Fund's NAV per unit decreased by 1.77% to RM0.8106 from RM0.8252 for the financial year under review in line with the mixed performance of the equity market. The Fund had a strong start to the financial year as the Fund's NAV reached its highest of RM0.8521 on 18 January 2023. The Fund's NAV then trended lower to RM0.7831 on 1 June 2023 before closing the financial year at RM0.8106. The Benchmark Index (MIISOD40 Index) decreased by -0.49% while the Benchmark's Total Return Index (MIISOD40 Total Return Index) increased by 4.06%, respectively. The difference between the performance of the Fund and its Benchmark Index can largely be attributed to the Fund's operational costs.

2.6 Review of the market

Market review

Global equity markets were stronger after the turn of the year, with Nasdaq surging by 10.7%, followed by S&P 500, which gained 6.2% in January. The gains were primarily driven by stronger than expected economic data and 4Q2022 earnings results that exceeded expectations, resulting in mostly positive price reactions. In the US, 4Q Gross Domestic Product (GDP) growth reported a +2.9% quarter-on-quarter (QoQ) increase or a +1% year-on-year (YoY) rise, surpassing expectations. Locally, Bank Negara Malaysia (BNM) unexpectedly maintained the Overnight Policy Rate (OPR) at 2.75% during the January 2023 MPC meeting. In line with global markets, ASEAN equities advanced, with the MSCI ASEAN Index surging by 4.9%, although it lagged the broader Asian Index, MSCI Asia Ex-Japan (+8.2%). The outperformers were the Philippines (PSEI +3.5%) and Singapore (STI +3.5%). Underperformers included Malaysia (KLCI -0.7%), Indonesia (JCI -0.2%), and Thailand (SET +0.2%).

In February, the US markets experienced significant declines, with the S&P 500 down by 2.61%, Nasdaq by 1.11%, and the Dow Jones Index by 4.19%. This sell-off was triggered by concerns over rising inflation, fueling expectations that the Federal Reserve (Fed) would maintain higher interest rates for an extended period. Stronger than expected economic data, including the addition of 517,000 jobs and an unemployment rate of 3.4%, heightened worries about inflationary pressures, with the US annual inflation rate reaching 6.4% YoY in January. Back in ASEAN, equities started the month on a weak note due to re-escalating US-China tensions and a robust rally in the broad dollar index, resulting in a 5.75% decline for MSCI ASEAN. Among the ASEAN nations, Indonesia (JCI +0.06%) and Thailand (SET -2.94%) outperformed, while the Philippines (-3.49%) and Singapore (STI -3.06%) underperformed.

The US markets experienced a significant rebound in March, with the Nasdaq surging by 6.69%, the S&P 500 by 3.51%, and the Dow Jones Index by 1.89%. The market rebounded strongly amid the banking crisis caused by the collapse of Silicon Valley Bank. The Fed continued its trend of raising interest rates, announcing its ninth consecutive 25 basis points (bps) hike on 23 March 2023, aimed at curbing inflation. This move signaled the Fed's commitment to maintaining price stability, even as inflation rates showed signs of moderation. Meanwhile, in ASEAN, most equities are in the red despite the US market rally, with MSCI

2.6 Review of the market (contd.)

Market review (contd.)

ASEAN increasing by 3.1% in USD, primarily influenced by currency fluctuations. In local currency terms, underperformers included Thailand (SET -0.81%), Indonesia (JCI -0.55%), and Singapore (STI -0.11%). On the local front, Malaysia's central bank, BNM chose to keep its OPR steady at 2.75%, citing concerns about potential economic downside risks following the 100bps interest rate hike implemented last year to combat inflation.

Global equities were mixed in April, headlined by rising US indices with the Dow Jones Industrial 2.5%, S&P 500 1.5%, and the Nasdaq 0.04%. US market sentiment was soft for most of the month as several economic datapoints indicated less impetus for the Fed to pause its rate increases: flash composite Purchasing Managers Index (PMI) for April came in at 53.5, up from 52.6 in March and widely beating expectations of 51.2; and late April initial jobless claims of 230,000 also exceeded expectations of 248,000 after falling from the mid-month 245,000 read. However, stocks were lifted by a strong 1Q2023 results season, with 81% of S&P 500 companies beating expectations at end-April. Meanwhile in ASEAN, a notably laggard was Thailand with the SET -5.0%, impacted by de-risking ahead of looming elections in May. Most Asian currencies weakened against the USD in the month, the sole winner being the Indonesian Rupiah which strengthened 2%. Domestically, macroeconomic data was also less than favourable as March exports recorded its first YoY decline since late-2020 at -1.4%, albeit coming ahead of street expectations of -1.9%.

US equities mixed performance continues in May, with the Dow Jones falling 3.5% MoM while the S&P 500 slightly increased by 0.25% MoM. In stark contrast, the Nasdaq recorded a strong gain of 5.8% MoM as large tech companies outperformed the broader market, supported by better than expected earnings results and increasing investor attraction towards the future potential of Artificial Intelligence. The debt ceiling impasse between Republicans and Democrats was resolved with both the White House and Congress reaching an agreement to raise the federal debt limit and stave off a default on governmental obligations. The US services flash PMI survey for May rose to a 13-month high of 55.1 but the manufacturing PMI survey fell to 44.6 reaching its three-year low. The Fed also announced its tenth-straight rate hike of 25bps bringing rates to a target range of 5%-5.25%. Overall the MSCI ASEAN fell 5.3% MoM dragged by weakness in Indonesia (-4.1%), Singapore (-3.4%), Philippines (-2.2%) and Malaysia (-2.0%). Most Asian currencies weakened against the USD in the month.

US equities turned strongly positive in June. The S&P 500 gained 6.5%, marking its best monthly performance since October, while Nasdaq advanced 6.6%. Both indexes notched a fourth consecutive positive month. The Dow Jones Index climbed 4.6%, its best month since November. This advance came amid moderating inflation and signs that the US economy remains resilient despite higher interest rates. May's inflation data came in at 4.05%, the lowest level in two years. Amid softening inflation, the Fed kept the Target Federal Funds Rate unchanged at 5.25%, the first meeting without an increase in the last 11 meetings. Meanwhile, China's weak macro data was perceived as a catalyst for strong stimulus through mid-June, but policy actions by the end of June disappointed, driving the Asia ex Japan pullback in second half of June. Overall, the MSCI ASEAN fell by 0.16% MoM dragged by weakness in Thailand (-1.98%), Malaysia (-0.75%) and Philippines (-0.14%).

In July 2023, global equity markets experienced growth, with the US Dow Jones, S&P500, and Nasdaq gaining 3.4%, 3.1%, and 4.1% MoM. The US Consumer Price Index (CPI) further moderated to 3% year-on-year (YoY) in June, down from 4% in May. As widely expected, the Fed raised interest rates by 25bps at the July Federal Open Market Committee (FOMC) meeting to 5.25-5.50%, marking it the highest level in 22 years. In Asia, recorded positive performance in July, with ASEAN markets outperforming those in North Asia. Hong Kong, Malaysia, and Singapore were among the best-performing markets. Singapore's markets

2.6 Review of the market (contd.)

Market review (contd.)

achieved strong growth in July, driven by robust tourism data and positive performance by banks. The MSCI Asia ex-Japan index gained 5.7% month-on-month (MoM), underperforming the MSCI ASEAN, which rose by 6.9% in July. In local currency terms, Malaysia (+6.0%) and Singapore (+5.2%) were the outperformers among the ASEAN markets.

Global equity markets retraced in August, with the US S&P500, Nasdaq and Dow Jones ended lower. US CPI rose 3.2% YoY in July, slightly below expectations. Fitch Ratings downgraded the US debt rating, while Moody's downgraded several small to mid-sized US banks. Chinese equities were sharply lower on weaker economic activities, including retail sales, industrial output and investment. Heavily indebted Country Garden Holdings defaulted on bond coupon payments and was removed from the Hang Seng Stock Exchange. In ASEAN, Thailand market recovered 0.6% MoM after a new government was finally formed. Indonesia market also recovered 0.3% MoM as the President proposed a national budget 2024 emphasizing consumption spending. The MSCI ASEAN which was down by 5.7% in August, dragged by weakness in Philippines (-6.3%), Singapore (-4.2%) and Malaysia (-0.5%)

Global equity markets continued to retrace in September with notable declines in the US indices as the S&P500, Nasdaq, and Dow Jones registered drops of 4.9%, 5.1%, and 3.5% MoM, respectively. This market correction followed the FOMC's decision to maintain the Federal Funds Rate (FFR) target range at 5.25% to 5.5%. In Europe, the Euro STOXX 50 reported a 2.8% MoM decline in September. The European Central Bank (ECB) took the unexpected step of raising its deposit facility rate by 25bps to 4.00%, signaling a potential end to its tightening cycle. The MSCI ASEAN fell 3.2% MoM as Thailand's market fell 6.0%, weighed down by external factors such as the Fed's relatively hawkish guidance. Similarly, Malaysia experienced loss of 1.9% MoM and decline of 4.8% YoY. In contrast, the Philippines rose 2.4% MoM in September.

In October 2023, global equities, experienced a 3.0% MoM decline, primarily driven by significant drops in key US indices. The S&P 500, Nasdaq, and Dow Jones fell by 2.2%, 2.1%, and 1.4% MoM, respectively, marking their third consecutive negative month. The decline marked the first three-month losing streak for the Dow Jones and S&P 500 since 2020. The market downturn was also attributed to concerns that US policymakers might maintain high interest rates to curb inflation, potentially hampering economic growth. The MSCI ASEAN fell 4.6% MoM in October. Indonesia's market fell 2.7% MoM, undermined by Bank Indonesia's (BI) surprise rate hike by 25bps to 6.0% and weakness in FX. Meanwhile, the Philippines's market fell 5.5% MoM, dragged by weaknesses in consumer and financial sector. The Philippine central bank raised its benchmark interest rate by 25bps to 6.5% in an off-cycle meeting on 26th October. Thailand's market fell 6.1% MoM. In contrast, Malaysia's KLCI experienced a MoM jump of 1.3%.

Global markets concluded November on a positive note as MSCI World rose 9.2% MoM, driven by promising indications of economic moderation in the US and a decline in inflation across developed markets. The released data consistently reinforced the perspective that central banks have likely reached the peak of their tightening phases, providing support to both equity and fixed income markets. Conversely, China underperformed as various catalysts related to China, including plans to address Local Government Financing Vehicle (LGFV) debts and property easing policies, failed to maintain upward momentum in equities. Both HSI and SHSZ300 fell in November by 0.4% and 2.1% respectively. The MSCI ASEAN increased 3.3% MoM in November, mainly supported by the rise in Philippines (4.2%) and Indonesian (4.9%) equities. While both Malaysia's KLCI and Singapore's STI increased slightly by 0.7% and 0.2% respectively. In contrast, Thailand's SET fell by 0.1% MoM.

2.6 Review of the market (contd.)

Market review (contd.)

US equities ended the year on a high note as they achieved their most significant annual surge since 2019 with S&P 500, Nasdaq and Dow Jones gain 24.2%, 53.8% and 13.7%, respectively. The surge in worldwide stock markets during the last two months of 2023 was driven by anticipations of central bank interest rate reductions in the upcoming year, particularly in 2024. As widely anticipated, the Fed kept the overnight federal funds rate within the range of 5.25% to 5.5% during its latest policy meeting in December, marking its third consecutive meeting where the central bank has opted for stability, refraining from making any changes to monetary policy. The MSCI ASEAN increased 5.1% MoM in December, mainly contributed by the rise in Singapore (5.4%), Philippines (3.6%), Indonesia (2.7%) and Thailand (2.6%). Malaysia's KLCI was the weakest index in the region, reporting only 0.1% MoM growth in December.

Overall, the ASEAN equity markets showed weakness in 2023. MSCI ASEAN fell by 3.13% during the period, with only Indonesia (+6.16%) recorded an improved performance YoY, while the other four markets ended the year weaker, mainly dragged by Thailand (-15.15%). Most ASEAN currencies also weakened against the USD during the period.

The MIISOD40 Index started off strong, peaking to its highest point at 2,358 on 18 January 2023, before dropping to its lowest on 1 June 2023 at 2,150. The index rebounded slightly in the second half to close at 2,273, a decrease of 0.49% YoY in 2023.

Chart: MIISOD40 Index Performance for FY2023



Sources: Bloomberg, i-VCAP

Market outlook

Globally, the market expects that the Fed is on hold and will possibly shift to cut rates in the second quarter of 2024, with a similar pattern expected in the Eurozone. Easier monetary conditions globally are expected to support growth and liquidity, thus improving the outlook for equities. However, markets could remain volatile as the growth slowdown takes hold in major regions such as the US, Europe and China.

2.6 Review of the market (contd.)

Market outlook (contd.)

Meanwhile in Asia, markets in China could continue to remain range-bound. While China's additional fiscal stimulus have been supportive, further measures are necessary to revive the property market and restore market confidence. Market remain optimistic on the ASEAN market as the region benefits from easing global monetary conditions.

2.7 Distributions

For the financial year under review, the Fund has declared the following income distribution:

| | Gross/Net distribution per unit (sen) | Ex-NAV per unit (RM) |
|-----------------|--|-------------------------------------|
| 1 November 2023 | 1.15 | 0.8016 |

2.8 Details of any unit split exercise

The Fund did not carry out any unit split exercise during the financial year under review.

2.9 Significant changes in the state of affairs of the Fund during the financial year

There were no significant changes in the state of affairs of the Fund during the financial year and up until the date of the manager's report, not otherwise disclosed in the financial statements.

2.10 Circumstances that materially affect any interests of the unit holders

There were no circumstances that materially affected any interests of the unit holders during the financial year under review.

2.11 Rebates and soft commissions

It is the policy of the Manager to credit any rebates received into the account of the Fund. Any soft commissions received by investment manager on behalf of the Fund are in the form of research and advisory services that assist in the decision making process relating to the investment of the Fund which are of demonstrable benefit to unit holders of the Fund. Any dealing with the broker or dealer is executed on terms which are the most favourable for the Fund. Nevertheless, the Manager did not receive soft commissions from its stockbrokers during the financial year under review.

2.12 Cross-trade

During the financial year under review, no cross-trade transactions were undertaken by the Manager for the Fund.

2.13 Securities financing transactions

Securities financing transactions are transactions consisting of securities financing or repurchase. During the financial year under review, the Fund had not undertaken any securities financing transactions.

3. FUND PERFORMANCE

3.1 Details of portfolio composition of the Fund for the last three financial years as at 31 December are as follows:

The sector allocation of the Fund's listed investment based on weightage of the MIISOD40 Index's and the MSCI's sectors classification are as follows:

Sector Classification - MSCI

| | FY 2023 % | FY 2022 % | FY 2021 % |
|--------------------------------------|--------------------------|--------------------------|--------------------------|
| Consumer Staples | 30.9 | 39.5 | 24.8 |
| Utilities | 10.8 | 12.6 | 17.8 |
| Materials | 5.4 | 9.5 | 8.7 |
| Energy | 5.1 | 10.6 | 14.8 |
| Industrials | 6.1 | 8.5 | 7.3 |
| Information Technology | 7.2 | 4.5 | 2.8 |
| Telecommunication Services | 9.0 | 9.0 | 13.5 |
| Consumer Discretionary | 8.3 | 2.8 | - |
| Financials | 0.6 | 3.1 | 1.7 |
| Health Care | 5.8 | - | 5.8 |
| Real Estate | 6.7 | - | 3.0 |
| Short term Islamic deposits and cash | 4.1 | - | - |

Source: MSCI

Country Exposure - MSCI

| | FY 2023 % | FY 2022 % | FY 2021 % |
|-------------|--------------------------|--------------------------|--------------------------|
| Malaysia | 48.6 | 39.0 | 46.7 |
| Thailand | 20.9 | 33.5 | 13.8 |
| Indonesia | 13.0 | 19.1 | 30.5 |
| Singapore | 4.0 | 5.8 | 4.5 |
| Philippines | 13.5 | 2.7 | 4.5 |

Source: MSCI

3.1 Details of portfolio composition of the Fund for the last three financial years as at 31 December are as follows: (contd.)

During the financial year under review, MSCI performed quarterly review and rebalanced the composition of the Benchmark Index in accordance with its index methodology. The quarterly review had resulted in changes to the weightings of the component stocks in the Fund. The Manager had undertaken the rebalancing exercise in accordance to the respective quarterly review to ensure that the Fund's investments closely tracking the Benchmark Index.

In terms of sectoral weightings, notable changes to the Fund's sector composition as compared to end-December 2022 were the decrease in Consumer Staples by 8.1% and increase in Real Estate by 6.7%. Meanwhile the weighting of other sectors have changed during the period. As for country allocation, country weightings for Thailand decreased by 13.0% while Philippines increased by 9.5%.

Details of the changes for the reporting period as follows:

Table 1: List of Inclusions and Exclusions

| | Stock Inclusions | Country | Stock Exclusions | Country |
|--------|---|----------------|--|----------------|
| 1Q2023 | - | - | - | - |
| 2Q2023 | Manila Electric Company | Philippines | Ta Ann Holdings Berhad | Malaysia |
| | UMS Holdings Limited | Singapore | Thai Vegetable Oil PCL - NVDR | Thailand |
| | Petronas Chemicals Group Berhad | Malaysia | - | - |
| | Star Petroleum Refining PCL | Thailand | - | - |
| | AEM Holdings Limited | Singapore | - | - |
| 3Q2023 | - | - | PP London Sumatra Indonesia Tbk Pt Erajaya Swassenbada Tbk Pt | Indonesia |
| | | | Polyplex PCL | Thailand |
| | | | Bumitama Agri Ltd | Singapore |
| 4Q2023 | UMW Holdings Berhad Ta Ann Holdings Berhad TSH Resources Berhad | Malaysia | Charoen Pokphand Indonesia Tbk Pt Bank BTPN Syariah Tbk Pt | Indonesia |
| | Kalbe Farma Tbk Pt Telkom Indonesia Persero Tbk | Indonesia | | |
| | Bangkok Dusit Medical Services | Thailand | | |
| | Netlink NBN Trust | Singapore | The Hour Glass Ltd | Singapore |
| | Robinsons Land Corp | Philippines | Star Petroleum Refining PCL | Thailand |

3.1 Details of portfolio composition of the Fund for the last three financial years as at 31 December are as follows: (contd.)

Details of the key changes for the reporting period and the Fund's latest top holdings are as follows:

Table 2: Top Ten Holdings of the Fund as at 31 December 2023

| Stocks | % of NAV |
|--|-----------------|
| 1. Bangkok Dusit Medical Services | 9.3 |
| 2. Petronas Chemicals Group Berhad | 8.7 |
| 3. PTT Exploration and Production Public Company Limited | 8.3 |
| 4. TELKOM INDONESIA | 6.7 |
| 5. Manila Electric Company | 4.6 |
| 6. Intouch Holdings Public Company Limited | 4.5 |
| 7. Petronas Gas Berhad | 4.5 |
| 8. NETLINK NBN TRU | 4.4 |
| 9. PPB Group Berhad | 4.4 |
| 10. IOI Corporation Berhad | 4.4 |
| Total | 59.8 |

Table 3: Fund's Sector Allocation

| | As at 31-Dec-23 (%) | As at 31-Dec-22 (%) | Change (%) |
|--------------------------------------|------------------------------------|------------------------------------|-----------------------|
| Consumer Discretionary | 8.3 | 2.6 | 5.7 |
| Consumer Staples | 30.9 | 39.1 | -8.1 |
| Energy | 5.1 | 10.2 | -5.1 |
| Financials | 0.6 | 2.8 | -2.2 |
| Industrials | 6.1 | 9.5 | -3.4 |
| Information Technology | 7.2 | 4.1 | 3.1 |
| Materials | 5.4 | 9.4 | -4.0 |
| Telecommunication Services | 9.0 | 9.4 | -0.4 |
| Utilities | 10.8 | 12.6 | -1.8 |
| Health Care | 5.8 | - | 5.8 |
| Real Estate | 6.7 | - | 6.7 |
| Short term Islamic deposits and cash | 4.1 | 0.3 | 3.8 |

Sources: Bursa Malaysia, i-VCAP

3.1 Details of portfolio composition of the Fund for the last three financial years as at 31 December are as follows: (contd.)

Table 4: Change in Fund's Country Exposure

| | As at 31-Dec-23 (%) | As at 31-Dec-22 (%) | Change (%) |
|-------------|------------------------------------|------------------------------------|-----------------------|
| Indonesia | 12.5 | 18.1 | -5.6 |
| Malaysia | 46.6 | 39.9 | 6.7 |
| Philippines | 12.9 | 3.4 | 9.5 |
| Singapore | 3.9 | 5.3 | -1.4 |
| Thailand | 20.0 | 33.0 | -13.0 |

Details of the Fund's quoted investments as at 31 December 2023 are disclosed under Note 4 of the financial statements.

3.2 Performance details of the Fund for the last five financial years ended 31 December are as follows:

| | FY2023 | FY2022 | FY2021 | FY2020 | FY2019 |
|--|--------------------|--------------------|--------------------|--------------------|--------------------|
| NAV per unit (RM) | 0.8106 | 0.8252 | 0.7999 | 0.7654 | 0.8264 |
| NAV per unit (RM) (before distribution) | 0.8131 | 0.8492 | 0.7543 | 0.6830 | 0.8229 |
| NAV per unit (RM) (after distribution) | 0.8016 | 0.8362 | 0.7357 | 0.6613 | 0.8030 |
| - Highest | 0.8521 (18 Jan) | 0.8889 (29 Apr) | 0.8233 (18 Oct) | 0.8313 (03 Jan) | 0.8568 (05 Jul) |
| - Lowest | 0.7831 (01 Jun) | 0.7905 (31 Jan) | 0.7149 (28 Jun) | 0.5181 (23 Mar) | 0.7837 (17 May) |
| Price per unit (RM) | 1.0500 | 0.8200 | 0.8200 | 0.7800 | 0.8350 |
| - Highest | 1.050 (26 Dec) | 0.845 (12 Aug) | 0.830 (25 Mar) | 0.8350 (02 Jan) | 1.0000 (05 Jul) |
| - Lowest | 0.7850 (14 Jun) | 0.775 (06 Jul) | 0.7250 (02 Jun) | 0.3750 (21 Apr) | 0.7950 (03 Jun) |
| Units in Circulation | 59,000,000 | 59,000,000 | 59,000,000 | 60,000,000 | 88,000,000 |
| Total NAV (RM) | 47,824,193 | 48,684,653 | 47,196,876 | 45,925,851 | 72,725,799 |
| Total NAV (RM) (before distribution) | 47,970,148 | 50,100,645 | 45,256,845 | 42,345,347 | 72,413,367 |
| Total NAV (RM) (after distribution) | 47,291,648 | 49,333,645 | 44,140,845 | 40,999,947 | 70,662,167 |
| Market Capitalisation (RM) | 61,950,000 | 48,380,000 | 48,380,000 | 46,800,000 | 73,480,000 |
| Income distribution per unit (sen) | 1.15 | 1.30 | 1.86 | 2.17 | 2.17 |
| Income distribution yield (%) | 1.41 | 1.53 | 2.47 | 3.18 | 2.60 |

3.2 Performance details of the Fund for the last five financial years ended 31 December are as follows: (contd.)

| | FY2023 | FY2022 | FY2021 | FY2020 | FY2019 |
|---|---------------|---------------|---------------|---------------|---------------|
| MIISOD40 Index | 2,273.40 | 2,284.60 | 2,176.70 | 2,102.66 | 2,040.17 |
| MIISOD40 Total Return Index | 4,970.80 | 4,776.86 | 4,359.83 | 3,895.79 | 3,772.96 |
| Tracking Error vs. Price Return MIISOD40 Index (%)* | 0.11 | 0.22 | 0.24 | 0.19 | 0.14 |
| Tracking Error vs. Total Return MIISOD40 Index (%)* | 0.10 | 0.23 | 0.25 | 0.20 | 0.14 |
| Total Expense Ratio (%) | 1.14 | 1.31 | 1.12 | 0.93 | 0.63 |

* The tracking error were calculated on daily basis between the NAV per unit of the Fund and the Price Return and Gross Return Benchmark Index.

The Fund's Total Expense Ratio (TER) decreased to 1.14 from the previous year's 1.31, primarily attributed to reduced operational and transaction costs.

The price of the Fund's units listed on Bursa Malaysia saw a notable surge, reaching RM1.0500 by the end of 2023 from RM0.8200 in December 2022. Although the unit price typically traded at a slight premium to the Fund's NAV throughout the year, a significant increase occurred in the final week of December. This rise was propelled by positive sentiment towards the ASEAN markets, resulting in the unit price reaching a premium of RM1.0500 compared to the NAV of RM0.8106.

3.3 Average total return for the Fund

| | Average Returns | | |
|-------------------------------|------------------------|--------------------|--------------------|
| | 1-Year (%) | 3-Years (%) | 5-Years (%) |
| MyETF-MSEAD- NAV Price Return | -1.77 | 1.98 | 0.14 |
| MIISOD40- Price Return Index | -0.49 | 4.32 | 2.83 |
| MyETF-MSEAD- NAV Total Return | -0.38 | 3.79 | 2.35 |
| MIISOD40- Total Return Index | 4.06 | 9.19 | 8.11 |

Sources: Bloomberg, i-VCAP

(a) Independently sourced from Novagmi Analytics and Advisory.

(b) Average returns for both MIISOD40 Price Return Index and MIISOD40 Total Return Index are annualised figures computed based on the price and total returns for the respective period.

3.4 Annual total return of the Fund

| | 1 Year | | | | |
|-------------------------------|-------------|-------------|-------------|-------------|-------------|
| | 2023 (%) | 2022 (%) | 2021 (%) | 2020 (%) | 2019 (%) |
| MyETF-MSEAD- NAV Price Return | -1.77 | 3.16 | 4.51 | -7.38 | 2.66 |
| MIISOD40- Price Return Index | -0.49 | 4.96 | 8.15 | -1.35 | 2.36 |
| MyETF-MSEAD- NAV Total Return | -0.38 | 4.74 | 7.15 | -4.16 | 5.20 |
| MIISOD40- Total Return Index | 4.06 | 9.57 | 11.91 | 3.26 | 6.69 |

Sources: Bloomberg, i-VCAP

(a) Independently sourced from Novagni Analytics and Advisory.

Investors are reminded that past performance is not necessarily indicative of future performance. Unit prices and investment returns may fluctuate.

MYETF MSCI SEA ISLAMIC DIVIDEND

**Audited Financial Statements Together with
Trustee's Report, Independent Auditors' Report,
Shariah Adviser's Report and Statement by the Manager
31 December 2023**

MYETF MSCI SEA ISLAMIC DIVIDEND

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**TRUSTEE'S REPORT
TO THE UNIT HOLDERS OF MYETF MSCI SEA ISLAMIC DIVIDEND ("Fund")**

We have acted as Trustee of the Fund for the financial year ended 31 December 2023 and we hereby confirm to the best of our knowledge, after having made all reasonable enquiries, i-VCAP Management Sdn. Bhd. has operated and managed the Fund during the year covered by these financial statements in accordance with the following:

1. Limitations imposed on the investment powers of the management company under the deed, securities laws and the Guidelines on Exchange-traded Funds;
2. Valuation and pricing is carried out in accordance with the deed; and
3. Any creation and cancellation of units are carried out in accordance with the deed and any regulatory requirement.

We are of the opinion that the distribution of income by the Fund is appropriate and reflects the investment objective of the Fund.

For Deutsche Trustees Malaysia Berhad

Soon Lai Ching
Senior Manager, Trustee Operations

Jiva Munusamy
Head, Client Management

Kuala Lumpur, Malaysia

29 February 2024

**SHARIAH ADVISER'S REPORT
TO THE UNIT HOLDERS OF MYETF MSCI SEA ISLAMIC DIVIDEND (Fund),**

We hereby confirm the following:

1. To the best of our knowledge, after having made all reasonable enquiries, i-VCAP Management Sdn. Bhd. has operated and managed the Fund during the period covered by these financial statements in accordance with Shariah principles and requirements and complied with the applicable guidelines, rulings or decisions issued by the Securities Commission Malaysia ("SC") pertaining to Shariah matters; and
2. The assets of the Fund comprises instruments that have been classified as Shariah-compliant.

For Amanie Advisors Sdn Bhd

Tan Sri Dr. Mohd Daud Bakar
Executive Chairman

Kuala Lumpur, Malaysia

29 February 2024

Independent auditors' report to the unit holders of MyETF MSCI Sea Islamic Dividend

Report on the audit of the financial statements

Opinion

We have audited the financial statements of MyETF MSCI SEA Islamic Dividend ("the Fund"), which comprise the statement of financial position as at 31 December 2023, and the statement of comprehensive income, statement of changes in net asset value and statement of cash flows of the Fund for the financial year then ended, and notes to the financial statements, including material accounting policy information and other explanatory information, as set out on pages 12 to 46.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Fund as at 31 December 2023 and of its financial performance and cash flows for the financial year 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 report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Independence and other ethical responsibilities

We are independent 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 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.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the Fund for the current financial year. These matters were addressed in the context of our audit of the financial statements of the Fund as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the *Auditors' responsibilities for the audit of the financial statements* section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis of our audit opinion on the accompanying financial statements.

Independent auditors' report to the unit holders of MyETF MSCI Sea Islamic Dividend (contd.)

Kay audit matters (contd.)

Financial assets at fair value through profit or loss ("FVTPL")

Description

The financial assets at fair value through profit or loss ("FVTPL") of the Fund comprise only of listed Shariah-compliant equity securities. and are valued at RM45,866,528 as at 31 December 2023.

The valuation and existence of the financial assets at FVTPL is the key driver of the Fund's net asset value. Incorrect pricing of financial assets at FVTPL could have a significant impact on its net asset value and, therefore, the return generated for unit holders.

The Fund's accounting policy on the financial assets at FVTPL is included in Note 3(c), and its disclosures about the fair values of the investments held at the reporting date are included in Notes 4 and 18 to the financial statements.

Our responses

Our audit work to address valuation and existence of the financial assets at FVTPL includes the following:

- Understanding processes and controls put in place by the Manager of the Fund ("the Manager") and the third party service provider to assess compliance with relevant accounting standards and performing walkthrough procedures to understand the operating effectiveness of relevant controls over the financial assets at FVTPL;
- Testing the valuation of the financial assets at FVTPL as at reporting date by independently agreeing the price used in the valuation to the published prices by the relevant stock exchange;
- Obtaining confirmation of the existence of the financial assets at FVTPL as at the reporting date directly from the Fund's custodian; and
- Reviewing the adequacy of the disclosures on the financial assets at FVTPL in the Fund's financial statements.

Information other than the financial statements and auditors' report thereon

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

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

In connection with our audit of the financial statements of the Fund, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements of the Fund or our knowledge obtained in the audit or otherwise appears to be materially misstated.

Independent auditors' report to the unit holders of MyETF MSCI Sea Islamic Dividend (contd.)

Information other than the financial statements and auditors' report thereon (contd.)

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Manager and the Trustee for the financial statements

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

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

The Trustee is responsible for overseeing the Fund's financial reporting process. The Trustee is also responsible for ensuring that the Manager maintains proper accounting and other records as are necessary to enable true and fair presentation of these financial statements.

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 judgment and maintain professional skepticism 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.
- 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 Fund's internal control.

Independent auditors' report to the unit holders of MyETF MSCI Sea Islamic Dividend (contd.)

Auditors' responsibilities for the audit of the financial statements (contd.)

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Manager.
- Conclude on the appropriateness of the Manager's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's ability 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 achieves fair presentation.

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 matters

This report is made solely to the unit holders of the Fund, as a body, in accordance with the Guidelines on Exchange-traded Fund issued by the Securities Commission Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

Ernst & Young PLT
202006000003 (LLP0022760-LCA) & AF 0039
Chartered Accountants

Kuala Lumpur, Malaysia

29 February 2024

Ng Sue Ean
No. 03276/07/2024 J
Chartered Accountant

STATEMENT BY THE MANAGER

I, Syed Umar Bin Abdul Rahman Alhadad, being a director of *i*-VCAP Management Sdn. Bhd., do hereby state that, in the opinion of the Manager, the accompanying statement of financial position as at 31 December 2023 and the related statement of comprehensive income, statement of changes in net asset value and statement of cash flows for the financial year ended 31 December 2023 together with notes thereto, are drawn up in accordance with Malaysian Financial Reporting Standards and International Financial Reporting Standards so as to give a true and fair view of the financial position of MyETF MSCI Malaysia SEA Dividend as at 31 December 2023 and of its financial performance and cash flows for the financial year then ended and comply with the requirements of the Deed.

For and on behalf of the Manager
i-VCAP MANAGEMENT SDN. BHD.

SYED UMAR BIN ABDUL RAHMAN ALHADAD
Executive Director/Acting Chief Executive Officer

Kuala Lumpur, Malaysia

29 February 2024

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023**

| | Note | 2023 RM | 2022 RM |
|--|-------------|--------------------|--------------------|
| INVESTMENT INCOME | | | |
| Dividend income | | 2,168,702 | 2,184,789 |
| Profit income | | 7,119 | 11,834 |
| Net (loss)/gain from Shariah-compliant investments: | | | |
| - Financial assets at fair value through profit or loss ("FVTPL") | 4 | (1,013,873) | 2,077,682 |
| Net loss on foreign currency exchange | | (514,183) | (695,248) |
| | | <u>647,765</u> | <u>3,579,057</u> |
| EXPENSES | | | |
| Manager's fee | 5 | 311,603 | 320,559 |
| Trustee's fee | 6 | 21,573 | 22,193 |
| Index license fee | 7 | 52,383 | 29,591 |
| Auditors' remuneration | | 16,304 | 15,369 |
| Tax agent's fee | | 9,723 | 9,723 |
| Administration expenses | | 134,289 | 248,161 |
| Brokerage and other transaction costs | | 100,231 | 142,291 |
| | | <u>646,106</u> | <u>787,887</u> |
| NET INCOME BEFORE TAX | | 1,659 | 2,791,170 |
| Income tax | 8 | <u>(183,619)</u> | <u>(536,393)</u> |
| NET (LOSS)/INCOME AFTER TAX, REPRESENTING TOTAL COMPREHENSIVE INCOME FOR THE FINANCIAL YEAR | | <u>(181,960)</u> | <u>2,254,777</u> |
| Net (loss)/income after tax is made up as follows: | | | |
| Realised (loss)/gain | | (1,944,873) | 6,152,710 |
| Unrealised gain/(loss) | | 1,762,913 | (3,897,933) |
| | | <u>(181,960)</u> | <u>2,254,777</u> |
| Distribution for the financial year: | | | |
| Net distribution (RM) | 9 | 678,500 | 767,000 |
| Gross/Net distribution per unit (sen) | 9 | <u>1.15</u> | <u>1.30</u> |

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

**STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2023**

| | Note | 2023 RM | 2022 RM |
|---|-------------|--------------------|--------------------|
| ASSETS | | | |
| INVESTMENTS | | | |
| Financial assets at FVTPL | 4 | 45,866,528 | 48,516,244 |
| Short term Islamic deposits | | - | 320,000 |
| | | <u>45,866,528</u> | <u>48,836,244</u> |
| OTHER ASSETS | | | |
| Other receivables | 10 | 2,914 | 43,740 |
| Tax recoverable | | 286,226 | - |
| Prepayments | | - | 6,907 |
| Cash at bank | | 1,906,605 | 2,531 |
| | | <u>2,195,745</u> | <u>53,178</u> |
| TOTAL ASSETS | | <u>48,062,273</u> | <u>48,889,422</u> |
| LIABILITIES | | | |
| Amount due to Manager | | 24,289 | 25,782 |
| Amount due to Trustee | | 1,682 | 1,785 |
| Amount due to Index Provider | | 1,848 | - |
| Provision for taxation | | - | 75,000 |
| Other payables | 11 | 210,261 | 102,202 |
| TOTAL LIABILITIES | | <u>238,080</u> | <u>204,769</u> |
| EQUITY | | | |
| Unit holders' contribution | | 57,557,300 | 57,557,300 |
| Accumulated losses | | (9,733,107) | (8,872,647) |
| NET ASSET VALUE ("NAV") ATTRIBUTABLE TO UNIT HOLDERS | 12 | <u>47,824,193</u> | <u>48,684,653</u> |
| TOTAL LIABILITIES AND EQUITY | | <u>48,062,273</u> | <u>48,889,422</u> |
| NUMBER OF UNITS IN CIRCULATION | 12(a) | <u>59,000,000</u> | <u>59,000,000</u> |
| NAV PER UNIT (RM) | | <u>0.8106</u> | <u>0.8252</u> |

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

**STATEMENT OF CHANGES IN NET ASSET VALUE
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023**

| | Note | Unit holders' contribution RM | Accumulated losses RM | Total NAV RM |
|------------------------------------|-------------|--|--------------------------------------|-------------------------|
| 2023 | | | | |
| At beginning of the financial year | | 57,557,300 | (8,872,647) | 48,684,653 |
| Total comprehensive loss | | - | (181,960) | (181,960) |
| Distribution | 9 | - | (678,500) | (678,500) |
| At end of the financial year | | <u>57,557,300</u> | <u>(9,733,107)</u> | <u>47,824,193</u> |
| 2022 | | | | |
| At beginning of the financial year | | 57,557,300 | (10,360,424) | 47,196,876 |
| Total comprehensive income | | - | 2,254,777 | 2,254,777 |
| Distribution | 9 | - | (767,000) | (767,000) |
| At end of the financial year | | <u>57,557,300</u> | <u>(8,872,647)</u> | <u>48,684,653</u> |

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

**STATEMENT OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023**

| | 2023 RM | 2022 RM |
|---|--------------------|--------------------|
| CASH FLOWS FROM OPERATING AND INVESTING ACTIVITIES | | |
| Proceeds from sale of financial assets at FVTPL | 33,436,502 | 46,475,858 |
| Dividends received | 2,209,311 | 2,177,722 |
| Profit from short term Islamic deposits received | 7,336 | 11,638 |
| Tax agent's fee paid | (2,074) | (5,750) |
| Auditors' remuneration paid | (11,796) | (14,000) |
| Trustee's fee paid | (21,676) | (22,184) |
| Payment for other fees and expenses | (36,947) | (446,906) |
| Index license fee paid | (45,068) | (39,454) |
| Manager's fee paid | (313,096) | (320,431) |
| Purchase of financial assets at FVTPL | (31,900,890) | (46,137,682) |
| Cash generated from operating and investing activities | 3,321,602 | 1,678,811 |
| Income tax paid | (544,845) | (225,000) |
| Net cash generated from operating and investing activities | 2,776,757 | 1,453,811 |
| CASH FLOWS FROM FINANCING ACTIVITIES | | |
| Cash paid on units cancelled | - | - |
| Income distribution paid | (678,500) | (767,000) |
| Net cash used in financing activities | (678,500) | (767,000) |
| NET INCREASE IN CASH AND CASH EQUIVALENTS | 2,098,257 | 686,811 |
| EFFECT OF FOREIGN EXCHANGE RATE CHANGES | (514,183) | (695,248) |
| CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL YEAR | 322,531 | 330,968 |
| CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL YEAR | 1,906,605 | 322,531 |
| Cash and cash equivalents comprise: | | |
| Cash at bank | 1,906,605 | 2,531 |
| Short term Islamic deposits | - | 320,000 |
| | 1,906,605 | 322,531 |

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

1. THE FUND, THE MANAGER AND THEIR PRINCIPAL ACTIVITIES

MyETF MSCI SEA Islamic Dividend ("the Fund") was constituted pursuant to the executed Deed dated 6 February 2015 (collectively, together with deeds supplemental thereto, referred to as "the Deed") between the Manager, *i*-VCAP Management Sdn. Bhd. and Deutsche Trustees Malaysia Berhad ("the Trustee"). The Fund commenced operations on 8 April 2015 and will continue to be in operation until terminated by the Trustee as provided under Part 26 of the Deed.

The Fund is an exchange-traded fund that aims to provide investment results that closely correspond to the performance of the MSCI South East Asia IMI Islamic High Dividend Yield 10/40 Index ("Benchmark Index"), regardless of its performance. The Benchmark Index is a free-float adjusted, market capitalisation weighted, price return index representing securities of 30 leading Shariah-compliant companies listed in the stock exchanges in South East Asia countries as determined by MSCI Inc.

The immediate and ultimate holding companies of the Manager, *i*-VCAP Management Sdn. Bhd. are Kenanga Investors Berhad and Kenanga Investment Bank Berhad respectively, both of which are incorporated in Malaysia. The ultimate holding company is listed on the Main Market of Bursa Malaysia Securities Berhad.

The principal place of business of the Manager is Level 14, Kenanga Tower, 237, Jalan Tun Razak, 50400 Kuala Lumpur.

The financial statements were authorised for issue by the Chief Executive Officer of the Manager on 29 February 2023.

2. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Fund is exposed to a variety of risks including market risk (which includes interest rate risk, price risk and currency risk), credit risk, liquidity risk and Shariah status reclassification risk. Whilst these are the most important types of financial risks inherent in each type of financial instruments, the Manager and the Trustee would like to highlight that this list does not purport to constitute an exhaustive list of all the risks inherent in Shariah-compliant investment in the Fund.

The Fund has an approved set of investment guidelines and policies as well as internal controls which sets out its overall business strategies to manage these risks to optimise returns and preserve capital for the unit holders, consistent with the long term objectives of the Fund.

a. Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk includes interest rate risk, price risk and currency risk.

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

a. Market risk (contd.)

Market risk arises when the value of the Shariah-compliant investments fluctuates in response to the activities of individual companies, general market or economic conditions. It stems from the fact that there are economy-wide perils, which threaten all businesses. Hence, investors are exposed to market uncertainties. Fluctuation in the Shariah-compliant investments' prices caused by uncertainties in the economic, political and social environment will affect the NAV of the Fund.

The Manager manages the risk of unfavourable changes in prices by cautious review of the Shariah-compliant investments and continuous monitoring of their performance and risk profiles.

i. Interest rate risk

Interest rate risk refers to how the changes in the interest rate environment would affect the valuation of Shariah-compliant instruments. In the event of a rising interest rate environment, the performance of Shariah-compliant instruments may decrease, and vice versa. Interest rate, such as the Overnight Policy Rate set by Bank Negara Malaysia, will have an impact on the investment decisions of the Fund regardless of whether it is an Islamic fund or otherwise. It does not in any way suggest that the Fund will invest in conventional financial instruments.

The Fund is not exposed to significant interest rate risk as its Islamic deposits are short term in nature and have fixed profit rates.

Interest rate risk exposure

The following table analyses the Fund's interest rate risk exposure. The Fund's financial assets and financial liabilities are disclosed at fair value and categorised by the earlier of contractual re-pricing or maturity dates.

| | Up to 1 year RM | Non- exposure to interest rate movement RM | Total RM | Weighted average effective rate of return* % |
|-----------------------------------|--------------------|--|-------------|---|
| 2023 | | | | |
| Assets | | | | |
| Financial assets at FVTPL | - | 45,866,528 | 45,866,528 | - |
| Short term Islamic deposits | - | - | - | - |
| Other financial assets | - | 2,195,745 | 2,195,745 | |
| | - | 48,062,273 | 48,062,273 | |

* Calculated based on Shariah-compliant assets with exposure to interest rate movement only.

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

a. Market risk (contd.)

i. Interest rate risk (contd.)

Interest rate risk exposure (contd.)

| | Up to 1 year RM | Non- exposure to interest rate movement RM | Total RM | Weighted average effective rate of return* % |
|--|--------------------|--|-------------------|---|
| 2023 (contd.) | | | | |
| Liabilities | | | | |
| Other financial liabilities | - | 27,819 | 27,819 | |
| Total interest rate sensitivity gap | - | 48,034,454 | 48,034,454 | |
| 2022 | | | | |
| Assets | | | | |
| Financial assets at FVTPL | - | 48,516,244 | 48,516,244 | |
| Short term Islamic deposits | 320,000 | - | 320,000 | 2.8 |
| Other financial assets | - | 46,271 | 46,271 | |
| | <u>320,000</u> | <u>48,562,515</u> | <u>48,882,515</u> | |
| Liabilities | | | | |
| Other financial liabilities | - | 27,567 | 27,567 | |
| Total interest rate sensitivity gap | <u>320,000</u> | <u>48,534,948</u> | <u>48,854,948</u> | |

* Calculated based on Shariah-compliant assets with exposure to interest rate movement only.

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

a. Market risk (contd.)

ii. Price risk

Price risk is the risk of unfavourable changes in the fair values of listed Shariah-compliant equity securities. The Fund invests in listed Shariah-compliant equity securities and listed Shariah-compliant collective investment scheme which are exposed to price fluctuations. This may then affect the NAV of the Fund.

Price risk sensitivity

The Manager's best estimate of the effect on the (loss)/income for the financial year due to a reasonably possible change in investments in listed Shariah-compliant equity securities and listed Shariah-compliant collective investment scheme with all other variables held constant is indicated in the table below:

| | Changes in price Increase/(Decrease) Basis points | Effects on (loss)/income for the financial year Gain/(Loss) RM |
|---------------------------|---|---|
| 2023 | | |
| Financial assets at FVTPL | 5/(5) | 22,933/(22,933) |
| 2022 | | |
| Financial assets at FVTPL | 5/(5) | 24,258/(24,258) |

In practice, the actual trading results may differ from the sensitivity analysis above and the difference could be material.

Price risk concentration

The following table sets out the Fund's exposure and concentration to price risk based on its portfolio of Shariah-compliant financial instruments as at the reporting date.

| | Fair value | | Percentage of NAV | |
|------------------------------|------------|------------|-------------------|-----------|
| | 2023 RM | 2022 RM | 2023 % | 2022 % |
| Financial assets at FVTPL | 45,866,528 | 48,516,244 | 95.9 | 99.7 |

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

a. Market risk (contd.)

ii. Price risk (contd.)

Price risk concentration (contd.)

The Fund's concentration of Shariah-compliant investment security price risk from the Fund's listed Shariah-compliant equity securities and listed Shariah-compliant collective investment scheme analysed by sector is as follows:

| | Fair value | | Percentage of NAV | |
|----------------------------------|-------------------|-------------------|-------------------|-------------|
| | 2023 | 2022 | 2023 | 2022 |
| | RM | RM | % | % |
| Industrial Products and Services | 8,942,952 | 6,552,162 | 18.7 | 13.6 |
| Consumer Product and Services | 6,963,485 | 16,858,337 | 14.6 | 34.6 |
| Health Care | 6,801,236 | - | 14.2 | - |
| Telecommunications and Media | 5,364,391 | 4,555,884 | 11.2 | 9.4 |
| Plantation | 5,128,931 | 5,589,353 | 10.7 | 11.5 |
| Energy | 4,326,880 | 4,974,887 | 9.0 | 10.2 |
| Utilities | 2,994,498 | 6,154,899 | 6.3 | 12.6 |
| Technology | 2,766,733 | 2,443,434 | 5.8 | 5.0 |
| Real Estate | | | | |
| Investments Trust | 2,089,634 | - | 4.4 | - |
| Property | 260,978 | - | 0.5 | - |
| Financial Services | 226,810 | 1,387,288 | 0.5 | 2.8 |
| | <u>45,866,528</u> | <u>48,516,244</u> | <u>95.9</u> | <u>99.7</u> |

iii. Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

When the foreign currencies fluctuate in an unfavourable movement against Ringgit Malaysia, the investment face currency loss in addition to capital gain/(loss). This will lead to lower NAV of the Fund.

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

a. Market risk (contd.)

iii. Currency risk (contd.)

The Manager may consider managing the currency risk using currency hedging. However, this would be subject to the current market outlook on the currency exposure risk as well.

Currency risk sensitivity

The Fund did not have any financial liabilities denominated in foreign currencies as at the reporting date. The following table indicates the currencies to which the Fund had significant exposure at the reporting date on its financial assets. The analysis calculates the effect of a reasonably possible movement of the currency rate against Ringgit Malaysia on income with all other variables held constant.

| | Changes in currency rate Increase/(Decrease) Basis points | Effects on income for the financial year Gain/(Loss) RM |
|-------------|--|--|
| 2023 | | |
| IDR/MYR | 5/(5) | 3,288/(3,288) |
| PHP/MYR | 5/(5) | 1,494/(1,494) |
| SGD/MYR | 5/(5) | 2,025/(2,025) |
| THB/MYR | 5/(5) | 7,090/(7,090) |
| 2022 | | |
| IDR/MYR | 5/(5) | 4,403/(4,403) |
| PHP/MYR | 5/(5) | 816/(816) |
| SGD/MYR | 5/(5) | 1,298/(1,298) |
| THB/MYR | 5/(5) | 8,025/(8,025) |

In practice, the actual trading results may differ from the sensitivity analysis above and the difference could be material.

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

a. Market risk (contd.)

iii. Currency risk (contd.)

Currency risk concentration

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

| | Fair value | | Percentage of NAV | |
|-----|-------------------|-------------------|-------------------|-------------|
| | 2023 RM | 2022 RM | 2023 % | 2022 % |
| IDR | 6,576,886 | 8,805,293 | 13.8 | 18.0 |
| PHP | 2,987,004 | 1,631,600 | 6.2 | 3.4 |
| SGD | 4,050,984 | 2,595,355 | 8.5 | 5.3 |
| THB | 14,180,688 | 16,049,476 | 29.7 | 33.0 |
| | <u>27,795,562</u> | <u>29,081,724</u> | <u>58.1</u> | <u>59.7</u> |

b. Credit risk

Credit risk is the risk that the counterparty to a financial instrument will cause a financial loss to the Fund by failing to discharge an obligation. The Manager manages the credit risk by undertaking credit evaluation to minimise such risk.

i. Credit risk exposure

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

ii. Financial assets that are either past due or impaired

As at the reporting date, there are no financial assets that are either past due or impaired.

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

b. Credit risk (contd.)

iii. Credit quality of financial assets

The Fund invests in Islamic deposits with financial institutions licensed under the Islamic Financial Services Act 2013. The following table analyses the licensed financial institutions by rating category:

Short term Islamic deposits

| | Percentage of total short term Islamic deposits | | Percentage of NAV | |
|---------------|---|-------|-------------------|------|
| | 2023 | 2022 | 2023 | 2022 |
| | % | % | % | % |
| Rating | | | | |
| P1/MARC-1 | 0.0 | 100.0 | 0.0 | 0.7 |

c. Liquidity risk

Liquidity risk is defined as the risk that the Fund will encounter difficulty in meeting obligations associated with financial liabilities that are to be 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 cancel its units earlier than expected. The Fund is exposed to cancellation of its units on a regular basis. Units sold to unit holders by the Manager are cancellable at the unit holders' option based on the Fund's NAV per unit at the time of cancellation calculated in accordance with the Deed.

The Islamic liquid assets comprise cash at bank, short term Islamic deposits with licensed financial institutions and other Shariah-compliant instruments, which are capable of being converted into cash within 7 days.

The following table analyses the maturity profile of the Fund's financial assets and financial liabilities in order to provide a complete view of the Fund's contractual commitments and liquidity.

| | Note | Up to 1 year 2023 RM | 2022 RM |
|-----------------------------|------|----------------------------|-------------------|
| Assets | | | |
| Financial assets at FVTPL | | 45,866,528 | 48,516,244 |
| Short term Islamic deposits | | - | 320,000 |
| Other financial assets | | 2,195,745 | 46,271 |
| | i. | <u>48,062,273</u> | <u>48,882,515</u> |

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

c. Liquidity risk (contd.)

| | Note | Up to 1 year 2023 RM | 2022 RM |
|-----------------------------|------|----------------------------|------------|
| Liabilities | | | |
| Other financial liabilities | ii. | 27,819 | 27,567 |
| Equity | iii. | 47,824,193 | 48,684,653 |
| Liquidity gap | | 210,261 | 170,295 |

i. Financial assets

Analysis of financial assets at FVTPL into maturity groupings is based on the expected date on which these assets will be realised. The Fund's investments in listed Shariah-compliant equity securities and listed Shariah-compliant collective investment scheme have been included in the "up to 1 year" category on the assumption that these are highly liquid Shariah-compliant investments which can be realised should all of the Fund's unit holders' equity be required to be redeemed. For other financial assets, the analysis into maturity groupings is based on the remaining period from the end of the reporting period 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 period to the contractual maturity date or if earlier, the date on which liabilities will be settled. When the counterparty has a choice of when the amount is paid, the liability is allocated to the earliest period in which the Fund can be required to pay.

iii. Equity

As the unit holders can request for redemption of their units, they have been categorised as having a maturity of "up to 1 year".

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

d. Shariah status reclassification risk

Shariah status reclassification risk is the risk that the currently held Shariah-compliant equity securities in the portfolio of the Fund may be reclassified as Shariah non-compliant in the periodic review of the securities by the Shariah Advisory Council of the Securities Commission Malaysia ("SACSC"), the Shariah Adviser or the Shariah boards of the Benchmark Index. If this occurs, the Manager will take the necessary steps to dispose of such securities.

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

- i. to dispose of such securities with immediate effect or within one calendar month if the value of the securities exceeds or is equal to the investment cost on the effective date of reclassification of the list of Shariah-compliant securities ("Reclassification") by the SACSC or date of review ("Review") by the Shariah Adviser or the Shariah boards of the Benchmark Index. The Fund is allowed to keep dividends received and capital gains from the disposal of the securities up to the effective date of Reclassification or Review. However, any dividends received and excess capital gains from the disposal of the Shariah non-compliant securities after the effective date of Reclassification or Review should be channelled to *baitulmal* and/or charitable bodies as advised by the Shariah Adviser;
- ii. to hold such securities if the value of the said securities is below the investment cost on the effective date of Reclassification or Review until the total subsequent dividends received (if any) and the market price of the securities is equal to the cost of investment at which time disposal has to take place within one calendar month, excess capital gains (if any) from the disposal of the securities should be channelled to *baitulmal* and/or charitable bodies as advised by the Shariah Adviser; or
- iii. to dispose of such securities at a price lower than the investment cost which will result in a decrease in the Fund's value.

e. Regulatory reportings

It is the Manager's responsibility to ensure full compliance of all requirements under the Guidelines on Exchange-traded Funds issued by the Securities Commission Malaysia. Any breach of any such requirement has been reported in the mandatory reporting to the Securities Commission Malaysia on a quarterly basis.

3. MATERIAL ACCOUNTING POLICY INFORMATION

a. Basis of accounting

The financial statements of the Fund have been prepared in accordance with Malaysian Financial Reporting Standards ("MFRS") as issued by the Malaysian Accounting Standards Board ("MASB") and International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB").

The financial statements have been prepared on the historical cost basis except as disclosed in the accounting policies below.

The accounting policies adopted are consistent with those of the previous financial year except for the adoption of the amended MFRS, which became effective for the Fund on 1 January 2023.

| Description | Effective for financial periods beginning on or after |
|---|---|
| MFRS 17: <i>Insurance Contracts</i> | 1 January 2023 |
| Amendments to MFRS 17: <i>Insurance Contracts</i> | 1 January 2023 |
| Amendment to MFRS 17: <i>Initial Application of MFRS 17 and MFRS 9 — Comparative Information</i> | 1 January 2023 |
| Amendments to MFRS 101: <i>Disclosure of Accounting Policies</i> | 1 January 2023 |
| Amendments to MFRS 108: <i>Definition of Accounting Estimates</i> | 1 January 2023 |
| Amendments to MFRS 112: <i>Deferred Tax related to Assets and Liabilities arising from a Single Transaction</i> | 1 January 2023 |
| Amendments to MFRS 112: <i>International Tax Reform — Pillar Two Model Rules</i> | 1 January 2023 |

The adoption of the amended MFRS did not have any significant impact on the financial position or performance of the Fund.

3. MATERIAL ACCOUNTING POLICY INFORMATION (CONTD.)

b. Amendments to standards issued but not yet effective

As at the reporting date, the following amendments to standards that have been issued by MASB will be effective for the Fund in future financial periods. The Fund intends to adopt the relevant amendments to standards when they become effective.

| Description | Effective for financial periods beginning on or after |
|--|---|
| Amendments to MFRS 16: <i>Lease Liability in a Sale and Leaseback</i> | 1 January 2024 |
| Amendments to MFRS 101: <i>Classification of Liabilities as Current or Non-current</i> | 1 January 2024 |
| Amendments to MFRS 101: <i>Non-current Liabilities with Covenants</i> | 1 January 2024 |
| Amendments to MFRS 107 and MFRS 7: <i>Supplier Finance Arrangements</i> | 1 January 2024 |
| Amendments to MFRS 121: <i>Lack of Exchangeability</i> | 1 January 2025 |
| Amendments to MFRS 10 and MFRS 128: <i>Sale or Contribution of Assets between an Investor and its Associate or Joint Venture</i> | To be announced by MASB |

These pronouncements are not expected to have any significant impact to the financial statements of the Fund upon their initial application.

c. Financial instruments

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

i. Initial recognition

The classification of financial instruments at initial recognition depends on their contractual terms and the business model for managing the instruments, as described in Notes 3(c)(ii) and (iii).

3. MATERIAL ACCOUNTING POLICY INFORMATION (CONTD.)

c. Financial instruments (contd.)

ii. Measurement categories of financial assets and liabilities

The Fund classifies all of its financial assets based on the business model for managing the assets and the asset's contractual terms, measured at either:

- Amortised cost;
- Fair value through other comprehensive income; and
- Fair value through profit or loss.

The Fund may designate financial instruments at FVTPL, if so doing eliminates or significantly reduces measurement or recognition inconsistencies.

Financial assets are initially measured at their fair values plus, except in the case of financial assets recorded at FVTPL, transaction costs.

The Fund's other financial assets include cash at banks, short term Islamic deposits, trade receivables and other receivables.

Financial liabilities are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability. Financial liabilities are classified as either financial liabilities at FVTPL or other financial liabilities.

The Fund's other financial liabilities include trade payables and other payables.

Other financial liabilities are recognised and initially measured at fair values, net of directly attributable transaction costs and subsequently measured at amortised cost using the effective yield rate ("EYR"). Gains or losses are recognised in profit or loss when the liabilities are derecognised, and through the amortisation process.

iii. Due from banks, short term Islamic deposits, trade receivables and other receivables at amortised cost

The Fund only measures the cash at banks, short term Islamic deposits, trade receivables and other receivables at amortised cost if both of the following conditions are met:

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and profit ("SPPP") on the principal amount outstanding.

The details of these conditions are outlined below.

3. MATERIAL ACCOUNTING POLICY INFORMATION (CONTD.)

c. Financial instruments (contd.)

iii. Due from banks, short term Islamic deposits, trade receivables and other receivables at amortised cost (contd.)

Business model assessment

The Fund determines its business model at the level that best reflects how it manages groups of financial assets to achieve its business objective.

The Fund's business model is not assessed on an instrument-by-instrument basis, but at a higher level of aggregated portfolios and is based on observable factors such as:

- How the performance of the business model and the financial assets held within that business model are evaluated and reported to the entity's key management personnel;
- The risks that affect the performance of the business model (and the financial assets held within that business model) and, in particular, the way those risks are managed;
- How managers of the business are compensated (for example, whether the compensation is based on the fair value of the assets managed or on the contractual cash flows collected); and
- The expected frequency, value and timing of sales are also important aspects of the Fund's assessment.

The business model assessment is based on reasonably expected scenarios without taking 'worst case' or 'stress case' scenarios into account. If cash flows after initial recognition are realised in a way that is different from the Fund's original expectations, the Fund does not change the classification of the remaining financial assets held in that business model but incorporates such information when assessing newly originated or newly purchased financial assets going forward, unless it has been determined that there has been a change in the original business model.

The SPPP test

As a second step of its classification process, the Fund assesses the contractual terms of financial assets to identify whether they meet the SPPP test.

'Principal' for the purpose of this test is defined as the fair value of the financial asset at initial recognition and may change over the life of the financial asset (for example, if there are repayments of principal or amortisation/accretion of the premium/discount).

3. MATERIAL ACCOUNTING POLICY INFORMATION (CONTD.)

c. Financial instruments (contd.)

iii. Due from banks, short term Islamic deposits, trade receivables and other receivables at amortised cost (contd.)

The SPPP test (contd.)

The most significant elements of profit within a financing arrangement are typically the consideration for the time value of money and credit risk. To make the SPPP assessment, the Fund applies judgment and considers relevant factors such as the currency in which the financial asset is denominated, and the period for which the profit rate is set.

In contrast, contractual terms that introduce a more than de minimis exposure to risks or volatility in the contractual cash flows that are unrelated to a basic financing arrangement do not give rise to contractual cash flows that are solely payments of principal and profit on the amount outstanding. In such cases, the financial asset is required to be measured at FVTPL.

iv. Financial investments

Financial assets in this category are those that are managed in a fair value business model, or that have been designated by management upon initial recognition, or are mandatorily required to be measured at fair value under MFRS 9. This category includes debt instruments whose cash flow characteristics fail the SPPP criterion or are not held within a business model whose objective is either to collect contractual cash flows, or to both collect contractual cash flows and sell.

d. Derecognition of financial assets

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is derecognised when the rights to receive cash flows from the financial asset have expired. The Fund also derecognises the financial asset if it has both transferred the financial asset and the transfer qualifies for derecognition.

The Fund has transferred the financial asset if, and only if, either:

- The Fund has transferred its contractual rights to receive cash flows from the financial asset; or
- It retains the rights to the cash flows but has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement.

3. MATERIAL ACCOUNTING POLICY INFORMATION (CONTD.)

d. Derecognition of financial assets (contd.)

Pass-through arrangements are transactions whereby the Fund retains the contractual rights to receive the cash flows of a financial asset (the 'original asset'), but assumes a contractual obligation to pay those cash flows to one or more entities (the 'eventual recipients'), when all of the following three conditions are met:

- The Fund has no obligation to pay amounts to the eventual recipients unless it has collected equivalent amounts from the original asset, excluding short-term advances with the right to full recovery of the amount financed plus accrued profit at market rates;
- The Fund cannot sell or pledge the original asset other than as security to the eventual recipients; and
- The Fund has to remit any cash flows it collects on behalf of the eventual recipients without material delay. In addition, the Fund is not entitled to reinvest such cash flows, except for investments in cash or cash equivalents including profit earned, during the period between the collection date and the date of required remittance to the eventual recipients.

A transfer only qualifies for derecognition if either:

- The Fund has transferred substantially all the risks and rewards of the asset; or
- The Fund has neither transferred nor retained substantially all the risks and rewards of the asset but has transferred control of the asset.

The Fund considers control to be transferred if, and only if, the transferee has the practical ability to sell the asset in its entirety to an unrelated third party and is able to exercise that ability unilaterally and without imposing additional restrictions on the transfer.

When the Fund has neither transferred nor retained substantially all the risks and rewards and has retained control of the asset, the asset continues to be recognised only to the extent of the Fund's continuing involvement, in which case, the Fund also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Fund has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration the Fund could be required to pay.

If continuing involvement takes the form of a written or purchased option (or both) on the transferred asset, the continuing involvement is measured at the value the Fund would be required to pay upon repurchase. In the case of a written put option on an asset that is measured at fair value, the extent of the entity's continuing involvement is limited to the lower of the fair value of the transferred asset and the option exercise price.

3. MATERIAL ACCOUNTING POLICY INFORMATION (CONTD.)

e. Offsetting of financial assets and liabilities

Financial assets and financial liabilities are offset and the net amount is reported in the statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis and to realise the assets and settle the liabilities simultaneously.

f. Impairment of financial assets

i. Overview of the expected credit loss (“ECL”) principles

The Fund measures its receivables impairment using the forward-looking ECL approach in accordance with the requirements of MFRS 9.

ii. Write-offs

Financial assets are written off either partially or in their entirety only when the Fund has stopped pursuing the recovery. If the amount to be written off is greater than the accumulated loss allowance, the difference is first treated as an addition to the allowance that is then applied against the gross carrying amount. Any subsequent recoveries are credited to credit loss expense.

g. Income

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.

Profit income is recognised using the effective yield method.

Dividend income is recognised on declared basis, when the right to receive the dividend is established. The income is presented gross of withholding tax which is disclosed separately.

The realised gain or loss on sale of Shariah-compliant investments is measured as the difference between the net disposal proceeds and the carrying amount of the Shariah-compliant investments.

h. Cash and cash equivalents

For the purpose of the statement of cash flows, cash and cash equivalents include cash at banks and short term Islamic deposits with licensed financial institutions with maturities of three months or less, which have an insignificant risk of changes in value.

3. MATERIAL ACCOUNTING POLICY INFORMATION (CONTD.)

i. Income tax

Income tax on the profit or loss for the financial year comprises current tax. Current tax is the expected amount of income taxes payable in respect of the taxable profit for the financial year.

As no temporary differences have been identified, no deferred tax has been recognised.

The Fund may also incur withholding taxes on income received on the financial instruments.

j. Unrealised reserves

Unrealised reserves represent the net gain or loss arising from carrying Shariah-compliant investments at their fair values and unrealised gain or loss from translating foreign currency monetary items at exchange rates prevailing at reporting date. This reserve is not distributable.

k. Unit holders' contribution – NAV attributable to unit holders

The unit holders' contribution to the Fund is classified as equity instruments.

l. Functional and presentation currency

i. Functional and presentation currency

The financial statements of the Fund are measured using the currency of the primary economic environment in which the Fund operates ("the functional currency"). The financial statements are presented in Ringgit Malaysia ("RM"), which is also the Fund's functional currency.

ii. Foreign currency transaction

In preparing the financial statements of the Fund, transactions in currencies other than the Fund's functional currency (foreign currencies) are recorded in the functional currency using exchange rates prevailing at the dates of the transactions. At each reporting date, monetary items denominated in foreign currencies are translated at the rates prevailing on the reporting date. All exchange gain or loss is recognised in profit or loss.

3. MATERIAL ACCOUNTING POLICY INFORMATION (CONTD.)

I. Functional and presentation currency (contd.)

ii. Foreign currency transaction (contd.)

Exchange differences arising on the settlement of monetary items, and on the translation of monetary items, are included in profit or loss for the financial year.

The principal exchange rate for each respective units of foreign currency ruling at reporting date is as follows:

| | 2023 RM | 2022 RM |
|-----------|------------|------------|
| 1,000 IDR | 0.2840 | 0.2826 |
| 1 PHP | 0.0828 | 0.0791 |
| 1 SGD | 3.4739 | 3.2784 |
| 100 THB | 13.3500 | 12.7021 |

m. Distributions

Distributions are at the discretion of the Manager. A distribution to the Fund's unit holders is accounted for as a deduction from retained earnings.

n. Significant accounting judgments and estimates

The preparation of financial statements requires the use of certain accounting estimates and exercise of judgment. Estimates and judgments are continually evaluated and are based on past experience, reasonable expectations of future events and other factors.

i. Critical judgments made in applying accounting policies

There are no major judgments made by the Manager in applying the Fund's accounting policies.

ii. Key sources of estimation uncertainty

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.

4. FINANCIAL ASSETS AT FVTPL

| | 2023 RM | 2022 RM |
|--|--------------------|-------------------|
| Financial assets held for trading, at FVTPL: | | |
| Listed Shariah-compliant equity securities in Malaysia | 18,070,966 | 19,434,520 |
| Listed Shariah-compliant equity securities in Indonesia | 6,576,886 | 8,805,293 |
| Listed Shariah-compliant equity security in Philippines | 2,987,004 | 1,631,600 |
| Listed Shariah-compliant equity securities in Singapore | 1,961,350 | 2,595,355 |
| Listed Shariah-compliant equity securities in Thailand | 14,180,688 | 16,049,476 |
| Listed Shariah-compliant collective investment scheme in Singapore | 2,089,634 | - |
| | <u>45,866,528</u> | <u>48,516,244</u> |
| Net (loss)/gain on financial assets at FVTPL comprised: | | |
| Realised (loss)/gain on disposals | (2,776,786) | 5,975,892 |
| Unrealised changes in fair values | 1,762,913 | (3,898,210) |
| | <u>(1,013,873)</u> | <u>2,077,682</u> |

Details of financial assets at FVTPL as at 31 December 2023:

| | Quantity | Aggregate cost RM | Fair value RM | Percentage of NAV % |
|---|----------|-------------------------|------------------|---------------------------|
| Listed Shariah-compliant equity securities in Malaysia | | | | |
| Plantation | | | | |
| IOI Corporation Berhad | 529,800 | 2,046,379 | 2,082,114 | 4.3 |
| Kuala Lumpur Kepong Berhad | 95,400 | 2,201,418 | 2,081,628 | 4.4 |
| Ta Ann Holdings Berhad | 48,600 | 173,502 | 177,876 | 0.4 |
| TSH Resources Berhad | 166,700 | 165,066 | 162,533 | 0.3 |
| United Plantations Berhad | 35,100 | 531,492 | 624,780 | 1.3 |
| | | <u>5,117,857</u> | <u>5,128,931</u> | <u>10.7</u> |
| Consumer Products & Services | | | | |
| Fraser & Neave Holdings Berhad | 31,000 | 640,022 | 872,960 | 1.8 |
| PPB Group Berhad | 143,900 | 2,418,969 | 2,083,672 | 4.4 |
| Sime Darby Berhad | 660,000 | 1,497,438 | 1,551,000 | 3.2 |
| UMW Holdings Berhad | 98,400 | 483,439 | 490,032 | 1.0 |
| | | <u>5,039,868</u> | <u>4,997,664</u> | <u>10.4</u> |

4. FINANCIAL ASSETS AT FVTPL (CONTD.)

Details of financial assets at FVTPL as at 31 December 2023 (contd.):

| | Quantity | Aggregate cost RM | Fair value RM | Percentage of NAV % |
|--|-----------|-------------------------|-------------------|---------------------------|
| Listed Shariah-compliant equity securities in Malaysia (contd.) | | | | |
| Industrial Products & Services | | | | |
| Petronas Chemicals Group Berhad | 585,300 | 3,860,953 | 4,190,748 | 8.8 |
| Scientex Berhad | 151,500 | 532,353 | 577,215 | 1.2 |
| | | <u>4,393,306</u> | <u>4,767,963</u> | <u>10.0</u> |
| Utilities | | | | |
| Mega First Corporation Berhad | 120,000 | 427,269 | 442,800 | 0.9 |
| Petronas Gas Berhad | 122,800 | 2,105,347 | 2,136,720 | 4.5 |
| | | <u>2,532,616</u> | <u>2,579,520</u> | <u>5.4</u> |
| Energy | | | | |
| Hibiscus Petroleum Berhad | 145,700 | 411,603 | 370,078 | 0.8 |
| Financial Services | | | | |
| Syarikat Takaful Malaysia Keluarga Berhad | 61,300 | 244,608 | 226,810 | 0.5 |
| Total listed equity securities in Malaysia | | <u>17,739,858</u> | <u>18,070,966</u> | <u>37.8</u> |
| Listed Shariah-compliant equity securities in Thailand | | | | |
| Health Care | | | | |
| Bangkok Dusit Medical Services | 1,210,000 | 4,187,339 | 4,481,555 | 9.4 |
| Energy | | | | |
| PTT Exploration and Production Public Company Limited | 198,300 | 3,894,781 | 3,956,802 | 8.3 |

4. FINANCIAL ASSETS AT FVTPL (CONTD.)

Details of financial assets at FVTPL as at 31 December 2023 (contd.):

| | Quantity | Aggregate cost RM | Fair value RM | Percentage of NAV % |
|--|----------|-------------------------|------------------|---------------------------|
| Listed Shariah-compliant equity securities in Thailand (contd.) | | | | |
| Telcom & Media | | | | |
| Intouch Holdings Public Company Limited | 224,500 | 2,065,552 | 2,142,411 | 4.5 |
| Technology | | | | |
| KCE Electronics Public Company Limited | 200,800 | 1,218,603 | 1,474,032 | 3.1 |
| Consumer Products & Services | | | | |
| Ichitan Group | 159,000 | 315,273 | 333,179 | 0.6 |
| Osotspa Public Company Limited | 328,300 | 1,449,630 | 963,993 | 2.0 |
| | | 1,765,353 | 1,297,172 | 2.6 |
| Utilities | | | | |
| TTW Public Company Limited | 339,800 | 381,639 | 414,978 | 0.9 |
| Industrial Products & Services | | | | |
| Dynasty Ceramic Public Company Limited | 992,400 | 323,468 | 189,410 | 0.4 |
| Eastern Polymer Group Public Company Limited | 202,500 | 219,549 | 224,328 | 0.5 |
| | | 543,017 | 413,738 | 0.9 |
| Total listed Shariah-compliant equity securities in Thailand | | 14,056,284 | 14,180,688 | 29.6 |

4. FINANCIAL ASSETS AT FVTPL (CONTD.)

Details of financial assets at FVTPL as at 31 December 2023 (contd.):

| | Quantity | Aggregate cost RM | Fair value RM | Percentage of NAV % |
|--|-----------|-------------------------|------------------|---------------------------|
| Listed Shariah-compliant equity securities in Indonesia | | | | |
| Telcom & Media | | | | |
| Telkom Indonesia Persero Tbk | 2,736,300 | 3,154,887 | 3,221,980 | 6.7 |
| Health Care | | | | |
| Industri Jamu Dan Farmasi | 1,831,300 | 491,954 | 286,603 | 0.6 |
| Kalbe Farma Tbk Pt | 4,236,100 | 2,067,117 | 2,033,078 | 4.3 |
| | | 2,559,071 | 2,319,681 | 4.9 |
| Industrial Products & Services | | | | |
| PT Aneka Tambang Tbk | 2,036,800 | 1,170,737 | 1,035,225 | 2.2 |
| Total listed Shariah-compliant equity securities in Indonesia | | 6,884,695 | 6,576,886 | 13.8 |
| Listed Shariah-compliant equity securities in Philippines | | | | |
| Industrial Products & Services | | | | |
| DMCI Holdings Inc. | 649,300 | 381,652 | 525,350 | 1.1 |
| Manila Electric Company | 66,600 | 1,778,079 | 2,200,676 | 4.6 |
| | | 2,159,731 | 2,726,026 | 5.7 |
| Property | | | | |
| Robinsons Land Corp | 197,700 | 249,528 | 260,978 | 0.5 |
| Total listed Shariah-compliant equity securities in Philippines | | 2,409,259 | 2,987,004 | 6.2 |

4. FINANCIAL ASSETS AT FVTPL (CONTD.)

Details of financial assets at FVTPL as at 31 December 2023 (contd.):

| | Quantity | Aggregate cost RM | Fair value RM | Percentage of NAV % |
|--|----------|-------------------------|-------------------|---------------------------|
| Listed Shariah-compliant equity securities in Singapore | | | | |
| Technology | | | | |
| AEM Holdings Limited | 60,300 | 752,232 | 724,788 | 1.5 |
| UMS Holdings Limited | 122,000 | 453,450 | 567,913 | 1.2 |
| | | <u>1,205,682</u> | <u>1,292,701</u> | <u>2.7</u> |
| Consumer Products & Services | | | | |
| First Resources Limited | 134,600 | <u>724,576</u> | <u>668,649</u> | <u>1.4</u> |
| Total listed Shariah-compliant equity securities in Singapore | | | | |
| | | <u>1,930,258</u> | <u>1,961,350</u> | <u>4.1</u> |
| Listed collective investment scheme in Singapore | | | | |
| Telcom & Media | | | | |
| Netlink NBN Trust | 716,100 | <u>2,104,981</u> | <u>2,089,634</u> | <u>4.4</u> |
| Total listed collective investment scheme in Singapore | | | | |
| | | <u>2,104,981</u> | <u>2,089,634</u> | <u>4.4</u> |
| Total financial assets at FVTPL | | | | |
| | | <u>45,125,335</u> | <u>45,866,528</u> | <u>95.9</u> |
| Unrealised gain on financial assets at FVTPL | | | | |
| | | | <u>741,193</u> | |

5. MANAGER'S FEE

The Manager's fee is calculated on a daily basis at a rate not exceeding 3.00% per annum on the NAV of the Fund as provided under Clause 15.1(b) of the Deed.

The Manager is currently charging Manager's fee of 0.65% per annum of the NAV of the Fund (2022: 0.65% per annum).

6. TRUSTEE'S FEE

The Trustee's fee is calculated on a daily basis at a rate not exceeding 0.20% per annum on the NAV of the Fund and subject to a minimum fee of RM12,000 per annum as provided under Clause 15.2(b) of the Deed.

The Trustee's fee is currently calculated at 0.045% per annum of the NAV of the Fund (2022: 0.045% per annum).

7. INDEX LICENSE FEE

Index license fee is payable to MSCI Inc., the benchmark Index Provider.

The index license fee is currently calculated at 0.06% per annum of the NAV of the Fund (2022: 0.06% per annum).

8. INCOME TAX

Income tax is calculated at the Malaysian statutory tax rate of 24% of the estimated assessable income for the current and previous financial years.

Income tax is calculated on investment income less partial deduction for permitted expenses as provided for under Section 63B of the Income Tax Act, 1967.

Pursuant to the Finance Act 2021, foreign-sourced income derived by a resident person from sources outside Malaysia and received in Malaysia will be taxed at the prevailing tax rate(s) of the taxpayer and based on applicable tax rules. Bilateral or unilateral tax credits may be allowed if the same income has suffered foreign tax, and where relevant conditions are met.

8. INCOME TAX (CONTD.)

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

| | 2023 RM | 2022 RM |
|---|-------------|-------------|
| Net income before tax | 1,659 | 2,791,170 |
| Tax at Malaysian statutory tax rate of 24% (2022: 24%) | 398 | 669,881 |
| Tax effect of: | | |
| Income not subject to tax | (1,140,276) | (1,961,404) |
| Losses not deductible for tax purposes | 984,812 | 1,102,430 |
| Expenses not deductible for tax purposes | 56,836 | 72,123 |
| Restriction on tax deductible expenses for exchange traded fund | 98,230 | 116,970 |
| Foreign Withholding tax | 183,619 | 536,393 |
| Income tax for the financial year | 183,619 | 536,393 |

9. DISTRIBUTION

Distribution to unit holders was made on the following date:

| | 2023 RM | 2022 RM |
|---------------------------------------|------------|------------|
| 10 November 2023/11 November 2022 | 678,500 | 767,000 |
| Gross/Net distribution per unit (sen) | 1.15 | 1.30 |

In the previous financial year, the Fund had recorded unrealised losses of RM3,897,933 for the year and RM1,021,565 as at reporting date.

10. OTHER RECEIVABLES

| | 2023 RM | 2022 RM |
|--|------------|------------|
| Dividend receivables | 2,914 | 43,523 |
| Profit receivable from short term Islamic deposits | - | 217 |
| | 2,914 | 43,740 |

11. OTHER PAYABLES

| | 2023 RM | 2022 RM |
|---|----------------|----------------|
| Accrual for auditors' remuneration | 20,508 | 16,000 |
| Accrual for tax agent's fees | 27,997 | 20,348 |
| Provision for printing and other expenses | 161,756 | 65,854 |
| | <u>210,261</u> | <u>102,202</u> |

12. NET ASSET VALUE ATTRIBUTABLE TO UNIT HOLDERS

NAV attributable to unit holders is represented by:

| | Note | 2023 RM | 2022 RM |
|--------------------------------|------|--------------------|--------------------|
| Unit holders' contribution | (a) | <u>57,557,300</u> | <u>57,557,300</u> |
| <u>Accumulated losses:</u> | | | |
| Realised deficits | | (10,474,793) | (7,851,082) |
| Unrealised reserves/(deficits) | | <u>741,686</u> | <u>(1,021,565)</u> |
| | | <u>(9,733,107)</u> | <u>(8,872,647)</u> |
| | | <u>47,824,193</u> | <u>48,684,653</u> |

(a) Unit holders' contribution

| | 2023 | | 2022 | |
|--|--------------|------------|--------------|------------|
| | No. of units | RM | No. of units | RM |
| At beginning/end of the financial year | 59,000,000 | 57,557,300 | 59,000,000 | 57,557,300 |

The Manager, i-VCAP Management Sdn. Bhd., and other parties related to the Manager did not hold any units in the Fund, either legally or beneficially, as at 31 December 2023 (2022: nil).

13. SHARIAH INFORMATION OF THE FUND

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

- Investment in equity securities listed on Bursa Malaysia Securities Berhad which have been classified as Shariah-compliant by the SACSC for the financial year under review;
- Investment in foreign equity securities included in the Benchmark Index which have been classified as Shariah-compliant by the Shariah adviser; and
- Liquid assets in the local market, which have been placed in Shariah-compliant investments and/or instruments.

14. PORTFOLIO TURNOVER RATIO ("PTR")

PTR for the financial year is 0.68 times (2022: 0.94 times).

PTR is the ratio of average sum of acquisitions and disposals of Shariah-compliant investments of the Fund for the financial year to the average NAV of the Fund, calculated on a daily basis.

15. TOTAL EXPENSE RATIO ("TER")

TER for the financial year is 1.13 per annum (2022: 1.31% per annum).

TER is the ratio of total fees and recovered expenses of the Fund expressed as a percentage of the Fund's average NAV, calculated on a daily basis.

16. TRANSACTIONS WITH LICENSED FINANCIAL INSTITUTIONS

| | Transaction value RM | Percentage of total % | Brokerage, stamp duty and clearing fee RM | Percentage of total % |
|--|----------------------------|-----------------------------|---|-----------------------------|
| CLSA Securities Malaysia Sdn. Bhd | 19,699,427 | 30.2 | 24,542 | 24.5 |
| Maybank Investment Bank Berhad | 19,307,005 | 29.5 | 26,587 | 26.5 |
| Macquarie Capital Securities (M) Sdn. Bhd. | 12,611,701 | 19.3 | 16,906 | 16.9 |
| CGS-CIMB Securities Sdn Bhd | 7,427,631 | 11.4 | 17,966 | 17.8 |
| MIDF Amanah Investment Bank Berhad | 3,659,230 | 5.6 | 7,629 | 7.6 |
| Affin Investment Berhad | 2,638,386 | 4.0 | 6,601 | 6.6 |
| | <u>65,343,379</u> | <u>100.0</u> | <u>100,231</u> | <u>100.0</u> |

The above transaction values are in respect of listed Shariah-compliant equity securities and listed Shariah-compliant collective investment scheme.

17. SEGMENTAL REPORTING

a. Business segments

In accordance with the objective of the Fund, the Fund can invest at least 90% of its NAV in listed Shariah-compliant investment securities which correspond to the Benchmark Index and not more than 10% of its NAV in Islamic liquid assets. The following table provides an analysis of the Fund's revenue, results, assets and liabilities by business segments:

| | Listed Shariah- compliant investment securities RM | Other Shariah- compliant investments RM | Total RM |
|--|---|--|---------------------|
| 2023 | | | |
| Revenue | | | |
| Segment income | 1,154,829 | 7,119 | |
| Segment expenses | <u>(100,231)</u> | <u>-</u> | |
| Net segment income representing segment results | <u>1,054,598</u> | <u>7,119</u> | <u>1,061,717</u> |
| Unallocated loss on foreign currency exposure | | | <u>(514,183)</u> |
| | | | <u>547,534</u> |
| Unallocated expenditure | | | <u>(545,875)</u> |
| Income before tax | | | <u>1,659</u> |
| Income tax | | | <u>(183,619)</u> |
| Net loss after tax | | | <u>(181,960)</u> |

17. SEGMENTAL REPORTING (CONTD.)

a. Business segments (contd.)

| | Listed Shariah- compliant investment securities RM | Other Shariah- compliant investments RM | Total RM |
|--|---|---|-------------------|
| 2023 (contd.) | | | |
| Assets | | | |
| Financial assets at FVTPL | 45,866,528 | - | |
| Short term Islamic deposits | - | - | |
| Other segment assets | 2,914 | - | |
| Total segment assets | <u>45,869,442</u> | <u>-</u> | 45,869,442 |
| Unallocated assets | | | 2,192,831 |
| | | | <u>48,062,273</u> |
| Liabilities | | | |
| Unallocated liabilities | | | <u>238,080</u> |
| 2022 | | | |
| Revenue | | | |
| Segment income | 4,262,471 | 11,834 | |
| Segment expenses | <u>(142,291)</u> | <u>-</u> | |
| Net segment income representing segment results | <u>4,120,180</u> | <u>11,834</u> | 4,132,014 |
| Unallocated loss on foreign currency exposure | | | (695,248) |
| | | | <u>3,436,766</u> |
| Unallocated expenditure | | | <u>(881,989)</u> |
| Income before tax | | | 2,554,777 |
| Income tax | | | <u>(300,000)</u> |
| Net income after tax | | | <u>2,254,777</u> |
| Assets | | | |
| Financial assets at FVTPL | 48,516,244 | - | |
| Short term Islamic deposits | - | 320,000 | |
| Other segment assets | 43,523 | 217 | |
| Total segment assets | <u>48,559,767</u> | <u>320,217</u> | 48,879,984 |
| Unallocated assets | | | 9,438 |
| | | | <u>48,889,422</u> |
| Liabilities | | | |
| Unallocated liabilities | | | <u>204,769</u> |

17. SEGMENTAL REPORTING (CONTD.)

b. Geographical segments

The Fund seeks to achieve its investment objective by investing in a diversified portfolio of Shariah-compliant equities of the countries in the South East Asian region. The following table provide an analysis of the Fund's revenue, results, assets and liabilities by geographical segments:

| | Local investments RM | Foreign investments RM | Total RM |
|--|----------------------------|------------------------------|-------------------|
| 2023 | | | |
| Revenue | | | |
| Segment income | 1,043,278 | 118,670 | |
| Segment expenses | <u>(43,994)</u> | <u>(56,237)</u> | |
| Net segment income representing segment results | <u>999,284</u> | <u>62,433</u> | 1,061,717 |
| Unallocated loss on foreign currency exchange | | | <u>(514,183)</u> |
| | | | 547,534 |
| Unallocated expenditure | | | <u>(545,875)</u> |
| Income before tax | | | 1,659 |
| Income tax | | | <u>(183,619)</u> |
| Net loss after tax | | | <u>(181,960)</u> |
| Assets | | | |
| Financial assets at FVTPL | 18,070,966 | 27,795,562 | |
| Short term Islamic deposits | - | - | |
| Other segment assets | <u>2,914</u> | <u>-</u> | |
| Total segment assets | <u>18,073,880</u> | <u>27,795,562</u> | 45,869,442 |
| Unallocated assets | | | <u>2,192,831</u> |
| | | | <u>48,062,273</u> |
| Liabilities | | | |
| Unallocated liabilities | | | <u>238,080</u> |

17. SEGMENTAL REPORTING (CONTD.)

b. Geographical segments (contd.)

| | Local investments RM | Foreign investments RM | Total RM |
|--|----------------------------|------------------------------|-------------|
| 2022 | | | |
| Revenue | | | |
| Segment income | 241,007 | 4,033,298 | |
| Segment expenses | (59,547) | (319,137) | |
| Net segment income representing segment results | 181,460 | 3,714,161 | 3,895,621 |
| Unallocated loss on foreign currency exchange | | | (695,248) |
| | | | 3,200,373 |
| Unallocated expenditure | | | (645,596) |
| Income before tax | | | 2,554,777 |
| Income tax | | | (300,000) |
| Net income after tax | | | 2,254,777 |
| Assets | | | |
| Financial assets at FVTPL | 19,434,520 | 29,081,724 | |
| Short term Islamic deposits | 320,000 | - | |
| Other segment assets | 43,740 | - | |
| Total segment assets | 19,798,260 | 29,081,724 | 48,879,984 |
| Unallocated assets | | | 9,438 |
| | | | 48,889,422 |
| Liabilities | | | |
| Unallocated liabilities | | | 204,769 |

18. FINANCIAL INSTRUMENTS

a. Classification of financial instruments

The Fund's financial assets and financial liabilities are measured on an ongoing basis at either fair value or at amortised cost based on their respective classification. The significant accounting policies in Note 3 describe how the classes of financial instruments are measured, and how income and expenses, including fair value gains and losses, are recognised.

18. FINANCIAL INSTRUMENTS (CONTD.)

a. Classification of financial instruments (contd.)

The following table analyses the financial assets and financial liabilities of the Fund in the statement of financial position by the class of financial instruments to which they are assigned and therefore by the measurement basis.

| | Financial assets at FVTPL RM | Financial assets at amortised cost RM | Other financial liabilities RM | Total RM |
|---|---------------------------------------|---|---|-------------------|
| 2023 | | | | |
| Assets | | | | |
| Listed Shariah-compliant equity securities | 43,776,894 | - | - | 43,776,894 |
| Listed Shariah-compliant collective investment scheme | 2,089,634 | - | - | 2,089,634 |
| Other receivables | - | 2,914 | - | 2,914 |
| Cash at bank | - | 1,906,605 | - | 1,906,605 |
| | <u>45,866,528</u> | <u>1,909,519</u> | <u>-</u> | <u>47,776,047</u> |
| Liabilities | | | | |
| Amount due to Manager | - | - | 24,289 | 24,289 |
| Amount due to Trustee | - | - | 1,682 | 1,682 |
| Amount due to Index Provider | - | - | 1,848 | 1,848 |
| | <u>-</u> | <u>-</u> | <u>27,819</u> | <u>27,819</u> |
| 2022 | | | | |
| Assets | | | | |
| Listed Shariah-compliant equity securities | 48,516,244 | - | - | 48,516,244 |
| Short term Islamic deposits | - | 320,000 | - | 320,000 |
| Other receivables | - | 43,740 | - | 43,740 |
| Cash at bank | - | 2,531 | - | 2,531 |
| | <u>48,516,244</u> | <u>366,271</u> | <u>-</u> | <u>48,882,515</u> |

18. FINANCIAL INSTRUMENTS (CONTD.)

a. Classification of financial instruments (contd.)

| | Financial assets at FVTPL RM | Financial assets at amortised cost RM | Other financial liabilities RM | Total RM |
|--------------------------|---------------------------------------|---|---|---------------|
| 2022 (contd.) | | | | |
| Liabilities | | | | |
| Amount due to Manager | - | - | 25,782 | 25,782 |
| Amount due to Trustee | - | - | 1,785 | 1,785 |
| | <u>-</u> | <u>-</u> | <u>27,567</u> | <u>27,567</u> |

b. Financial instruments that are carried at fair value

The Fund's financial assets at FVTPL are carried at fair value.

The following table shows the fair value measurements by level of the fair value measurement hierarchy:

| | Level 1 RM | Level 2 RM | Level 3 RM | Total RM |
|--|-------------------|---------------|---------------|-------------------|
| Investments: | | | | |
| 2023 | | | | |
| Listed Shariah- compliant equity securities | 43,776,894 | - | - | 43,776,894 |
| Listed Shariah- compliant collective investment scheme | <u>2,089,634</u> | <u>-</u> | <u>-</u> | <u>2,089,634</u> |
| | <u>45,866,528</u> | <u>-</u> | <u>-</u> | <u>45,866,528</u> |
| 2022 | | | | |
| Listed Shariah- compliant equity securities | <u>48,516,244</u> | <u>-</u> | <u>-</u> | <u>48,516,244</u> |

Level 1: Listed prices in active market

Level 2: Model with all significant inputs which are observable market data

Level 3: Model with inputs not based on observable market data

The fair values of listed Shariah-compliant equity securities and listed Shariah-compliant collective investment scheme are determined by reference to Bursa Malaysia Securities Berhad's and respective foreign stock exchanges of the respective countries' last traded prices at reporting date.

18. FINANCIAL INSTRUMENTS (CONTD.)

c. Financial instruments not carried at fair value and for which their carrying amounts are reasonable approximations of fair value

The carrying amounts of the Fund's other financial assets and financial liabilities are not carried at fair value but approximate fair values due to the relatively short term maturity of these financial instruments.

19. CAPITAL MANAGEMENT

The capital of the Fund can vary depending on the demand for creation and cancellation of units to the Fund.

The Fund's objectives for managing capital are:

- a. To invest in Shariah-compliant investments meeting the description, risk exposure and expected return indicated in its prospectus;
- b. To maintain sufficient liquidity to meet the expenses of the Fund, and to meet cancellation requests as they arise; and
- c. To maintain sufficient fund size to make the operations of the Fund cost-efficient.

No changes were made to the capital management objectives, policies or processes during the current and previous financial years.

DIRECTORS' PROFILE

| | |
|--|---|
| Name | Luk Wai Hong, William |
| Age | 59 |
| Gender | Male |
| Nationality | Hong Kong |
| Position | Chairman / Non-Independent Non-Executive Director ("NINED") |
| Date of Appointment | <ul style="list-style-type: none"> 12 April 2021 (Chairman/ Independent Non-Executive Director ("INED")) 1 November 2022 (Re-Designated as a NINED) |
| Membership of Board Committee(s) | Nil |
| Directorship of Other Public Companies | <ul style="list-style-type: none"> Kenanga Investment Bank Berhad ("KIBB") Kenanga Investors Berhad ("KIB") Cotton Tree Capital Ltd |
| Length of Tenure as Director (As at 31 December 2023) | Two (2) Years and Eight (8) Months |
| Number of Board Meetings Attended in the Financial Year (1 January 2023 to 31 December 2023) | Five (5)/ Five (5) (100%) |
| Academic Qualifications | <ul style="list-style-type: none"> Executive Fellowship awarded by the State of Washington, United States of America ("USA") Master of Urban Planning from University of Michigan, USA Bachelor of Arts (Honors) from Concordia University, Canada |
| Present Appointments | <ul style="list-style-type: none"> NINED of KIBB Member of the Group Board Risk Committee, KIBB Member of the Group Board Digital Innovation & Technology Committee, KIBB NINED of KIB Member of the Audit and Risk Committee of KIB Chairman of the Investment Committee of KIB Non-Executive Director of 1.57 Pte Ltd Director of Investment of Cotton Tree Capital Ltd Non-Executive Director of Far East Mining Pte Ltd |
| Past Relevant Experiences | <ul style="list-style-type: none"> Member of the Employees' Share Scheme Committee, KIBB Member of the Group Governance, Nomination & Compensation Committee, KIBB Member of the Audit Committee, KIBB Chairman of the Group Board Risk Committee, KIBB INED, K & N Kenanga Holdings Berhad Non-Executive Director of Rakuten Trade Singapore Pte Ltd (Formerly known as Kenanga Singapore Pte Ltd) Principal and Portfolio Manager of Pacific Advantage Capital, Hong Kong and Singapore Managing Director and Co-Head of Saba Proprietary Trading Group Asia, Deutsche Bank AG, Hong Kong Managing Director and Co-Head of Global Credit Trading and Principal Finance Asia, Deutsche Bank AG, Singapore Director and Head of Structured Credit Trading and Principal Finance Asia, Deutsche Bank AG, Singapore |

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| Past Relevant Experiences (contd.) | <ul style="list-style-type: none"> • Senior Associate Director and Senior Credit and Derivatives Trader, Deutsche Bank AG, Singapore • Senior Fixed Income Trader, HSBC Markets, Hong Kong • Fixed Income and Credit Trader, Lehman Brothers Asia, Hong Kong and Japan • Executive Fellow and Transportation Finance Specialist, Office of Financial Management, State of Washington, USA |
| Family relationship with any Director and/or major shareholder | Nil |
| Conflict of interest with the Fund | Nil |
| List of convictions for offences within the last five (5) years and particulars of any public sanction or penalty imposed by the relevant regulatory bodies, other than traffic offences | Nil |

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| Name | Imran Devindran Abdullah |
| Age | 57 |
| Gender | Male |
| Nationality | Malaysian |
| Position | Independent Non-Executive Director ("INED") |
| Date of Appointment | 19 February 2021 |
| Membership of Board Committee(s) | Nil |
| Directorship of Other Public Companies | Kenanga Investors Berhad ("KIB") |
| Length of Tenure as Director (As at 31 December 2023) | Two (2) Years and Ten (10) Months |
| Number of Board Meetings Attended in the Financial Year (1 January 2023 to 31 December 2023) | Five (5)/ Five (5) (100%) |
| Academic Qualifications | <ul style="list-style-type: none"> • Admitted to the Malaysian Bar, High Court Malaya • Certificate of Legal Practice, University of Malaya • Bachelor of Law (Hons) (LLB), University of Buckingham, England • GCE A-Levels, Raffles Junior College, Singapore |
| Present Appointments | <ul style="list-style-type: none"> • INED of KIB • Chairman of the Audit and Risk Committee of KIB • Member of the Investment Committee ("IC") of KIB • Senior Associate of BH Lawrence & Co, Advocates and Solicitors |
| Past Relevant Experiences | <ul style="list-style-type: none"> • Independent Non-Executive Director of Libra Invest Berhad ("LIB") • Member of the IC of LIB • Partner in Imran Shahareen & Co. • Legal Assistant of Messrs. Miranda & Co. • Legal Assistant of Dass, Jainab & Associate • Legal Assistant of Messrs. Riza, Leong & Partners |

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| Family relationship with any Director and/or major shareholder | Nil |
| Conflict of interest with the Fund | Nil |
| List of convictions for offences within the last five (5) years and particulars of any public sanction or penalty imposed by the relevant regulatory bodies, other than traffic offences | Nil |

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| Name | Norazian Binti Ahmad Tajuddin |
| Age | 63 |
| Gender | Female |
| Nationality | Malaysian |
| Position | Independent Non-Executive Director ("INED") |
| Date of Appointment | 1 November 2022 |
| Membership of Board Committee(s) | Nil |
| Directorship of Other Public Companies | <ul style="list-style-type: none"> • Kenanga Investment Bank Berhad ("KIBB") • Kenanga Investors Berhad ("KIB") • Kenanga Islamic Investors Berhad ("KIIB") |
| Length of Tenure as Director (As at 31 December 2023) | One (1) Year and One (1) Month |
| Number of Board Meetings Attended in the Financial Year (1 January 2023 to 31 December 2023) | Five (5)/ Five (5) (100%) |
| Academic Qualifications | <ul style="list-style-type: none"> • Bachelor of Science (Honours) in Mathematics from the University of Leeds, United Kingdom • Master of Business Administration (Finance) from the Edith Cowan University, Australia |
| Present Appointments | <ul style="list-style-type: none"> • INED of KIBB • Member of the Group Governance, Nomination & Compensation Committee, KIBB • Chairman of the Group Board Risk Committee, KIBB • Member of the Audit Committee, KIBB • Member of the Employees' Share Scheme Committee, KIBB • INED of KIB • INED of KIIB • Member of the Investment Committee, KIB • Member of the Audit and Risk Committee, KIB |

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| Past Relevant Experiences | <ul style="list-style-type: none"> • Chairman of the Board of KIB • Chairman of the Group Governance, Nomination & Compensation Committee and the Employees' Share Scheme Committee as well as Member of the Group Board Digital Innovation & Technology Committee, KIBB • Chairman and INED of Pacific & Orient Insurance Co. Berhad ("POI"), a subsidiary of Pacific & Orient Berhad • Member of the Nomination Committee, Remuneration Committee, Audit Committee and Risk Management Committee of POI • Non-Independent Non-Executive Director and Member of the Risk Management Committee and Nomination & Remuneration Committee of Prudential BSN Takaful Bhd • Deputy Chief Executive Officer of Bank Simpanan Nasional Berhad • Manager, Treasury of Daimlerchrysler (M) Sdn Bhd • Assistant General Manager, Treasury of KAF Discount Bhd • Deputy Chief Operating Officer, Group Treasury & International Banking of EON Bank Berhad Group • Senior Dealer, Treasury of Bank Bumiputra (M) Bhd |
| Family relationship with any Director and/or major shareholder | Nil |
| Conflict of interest with the Fund | Nil |
| List of convictions for offences within the last five (5) years and particulars of any public sanction or penalty imposed by the relevant regulatory bodies, other than traffic offences | Nil |

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| Name | Datuk Wira Ismitz Matthew De Alwis |
| Age | 50 |
| Gender | Male |
| Nationality | Malaysian |
| Position | Non-Executive Director |
| Date of Appointment | 19 February 2021 |
| Membership of Board Committee(s) | Nil |
| Directorship of Other Public Companies | <ul style="list-style-type: none"> • Kenanga Investors Berhad ("KIB") • Kenanga Islamic Investors Berhad ("KIIB") • Kenanga Trustees Berhad (Formerly Known as Kenanga Funds Berhad) ("KTB") • Federation of Investment Managers Malaysia ("FIMM") |
| Length of Tenure as Director (As at 31 December 2023) | Two (2) Years and Ten (10) Months |
| Number of Board Meetings Attended in the Financial Year (1 January 2023 to 31 December 2023) | Five (5)/ Five (5) (100%) |

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| Academic Qualifications | <ul style="list-style-type: none"> • Islamic Financial Planner, Islamic Business & Finance Institute Malaysia • Cambridge Summer School Programme-Executive Programme, Asian Banking School, University of Cambridge • Advanced Business Management Program, International Institute of Management Development, Lausanne, Switzerland • Capital Markets Services Representative's Licence for Fund Management, Securities Commission Malaysia • Certified Financial Planner, U.S. • Person Dealing Unit Trust, Federation of Malaysian Unit Trust Manager • Master in Business Administration with Distinction, Southern Cross University Australia • Graduate Diploma in Marketing (UK), Chartered Institute of Marketing, United Kingdom |
| Present Appointments | <ul style="list-style-type: none"> • Chief Executive Officer/ Executive Director of KIB • Member of the Investment Committee of KIB • Non-Executive Director of KIIB • Non-Executive Director of KTB • Non-Executive Director of KUT Nominees (Asing) Sdn Bhd • Non-Executive Director of KUT Nominees (Tempatan) Sdn Bhd • Board Member of FIMM • Chairperson of the Malaysia Association of Asset Managers (MAAM) • Vice Chairman of the Institutional Investors Council Malaysia (IIC) • Member of Securities Market Consultative Panel, Bursa Malaysia Berhad • Member of the Joint Committee (Bank Negara Malaysia and Securities Commission Malaysia) on Climate Change (JC3) • Member of the Sustainable Investment Platform Steering Committee – Malaysia Sustainable Investment Initiative • Member of the Industry Competency Framework Advisory Panel for the Malaysian Capital Market, Security Industry Development Corporation • Member of the Licensing Examinations Review Committee for the Securities Commission Malaysia's Licensing Examination Module 10: Asset & Funds Management • Investment Adviser for the Olympic Council of Malaysia's Trust Management Committee • Investment Adviser to Kebawah Duli Yang Teramat Mulia Tengku Mahkota Pahang Children Trust • Chairman of the Investment Advisory Committee for Ericsenz Capital Pte Ltd (Singapore) on Ericsenz-K2 Global Unicorn Fund II • Chairman of the Investment Advisory Committee for Ericsenz Capital Pte Ltd (Singapore) on Ericsenz Frontier Fund |

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| Past Relevant Experiences | <ul style="list-style-type: none"> • President of the Board of Governors for the Financial Planning Association of Malaysia • Member of the FTSE Bursa Malaysia Index Advisory Committee • Non-Executive Director of Libra Invest Berhad (“LIB”) • Member of the Investment Committee of LIB • Deputy Chief Executive Officer of KIB • Executive Director/ Country Head of ING Investment Management Malaysia/ ING Funds Berhad • Senior Vice President, Head, Business Development of ING Funds Berhad • Vice President-Head, Retail Distribution of ING Funds Berhad • Assistant Vice President – Head, Agency Channel of ING Funds Berhad • Senior Manager – Marketing and Business Development of ING Insurance Berhad/ ING Funds Berhad • Head Sales & Marketing of MBF Unit Trust Management Berhad • Senior Manager, Investment Services of MBF Cap/ MBF Asset Management • Asia Pacific Relationship Manager/ Account Director of ARA (Asia Research & Consultancy) Consultancy Ltd |
| Family relationship with any Director and/or major shareholder | Nil |
| Conflict of interest with the Fund | Nil |
| List of convictions for offences within the last five (5) years and particulars of any public sanction or penalty imposed by the relevant regulatory bodies, other than traffic offences | Nil |

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| Name | Syed Umar Bin Abdul Rahman Alhadad |
| Age | 43 |
| Gender | Male |
| Nationality | Malaysian |
| Position | Acting Chief Executive Officer/ Executive Director |
| Date of Appointment | 19 February 2021 |
| Membership of Board Committee(s) | Nil |
| Directorship of Other Public Companies | Nil |
| Length of Tenure as Director (As at 31 December 2023) | Two (2) Years and Ten (10) Months |
| Number of Board Meetings Attended in the Financial Year (1 January 2023 to 31 December 2023) | Five (5)/ Five (5) (100%) |

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| Academic Qualifications | <ul style="list-style-type: none"> • Capital Markets Services Representative's Licence for Fund Management, Securities Commission Malaysia • Certified Financial Planner, Financial Planning Association of Malaysia • Bachelor of Engineering (Hons) Electronics Majoring in Telecommunication from Multimedia University |
| Present Appointments | <ul style="list-style-type: none"> • Non-Executive Director, Global Turbine Asia Sdn Bhd |
| Past Relevant Experiences | <ul style="list-style-type: none"> • Head, Strategic Planning & Risk, Kenanga Investors Berhad • Senior Vice President, Group Transformation & Group Corporate Planning, Kenanga Investment Bank Berhad • Media Director, Spafax Airline Network • Operations Executive, Ramtronics Technology (M) Sdn Bhd |
| Family relationship with any Director and/or major shareholder | Nil |
| Conflict of interest with the Fund | Nil |
| List of convictions for offences within the last five (5) years and particulars of any public sanction or penalty imposed by the relevant regulatory bodies, other than traffic offences | Nil |

DIRECTORS' TRAINING

| Director | Program Title and Organiser | Date |
|---------------------------------|---|------------------------|
| Luk Wai Hong, William | Fatca Professional Services Briefing For Kenanga Investment Bank Berhad | 10 May 2023 |
| | Understanding the impact of Digital Transformation in the Financial Industry: What Board Members Need to Know by FIDE FORUM | 13 June 2023 |
| | Kenanga's Directors' In-House Training - ESG: Principles of Responsible Investment and Carbon Market by AGV Sustainability | 7 July 2023 |
| | Anti Money Laundering, Anti Terrorism Financing & Anti Profileration Financing – Board of Directors Briefing – Kenanga Group by Nature of Life Trading Sdn Bhd | 3 August 2023 |
| | Sharing Session with Directors of Kenanga Group on Latest Developments and Trends of Anti-Money Laundering in Malaysia by Datuk Mohamad Zamri Zainul Abidin, Director of Anti-Money Laundering Division, Malaysian Anti-Corruption Commission | 7 September 2023 |
| | Mandatory Accreditation Programme Part II: Leading for Impact | 19 - 20 September 2023 |
| | Directors' In-House Training - Cybersecurity Awareness for Kenaga Group's Board of Directors by Netassist | 6 November 2023 |
| | Singapore Fintech Festival 2023 | 15 - 17 November 2023 |
| Imran Devindran Abdullah | Suite Talk: Governing into the Future by Securities Industry Development Corporation ("SIDC") | 8 March 2023 |
| | Suite Talk: Inside Stories of Sustainability Champions by SIDC | 10 May 2023 |
| | Kenanga's Directors' In-House Training - ESG: Principles of Responsible Investment and Carbon Market by AGV Sustainability | 7 July 2023 |
| | Anti Money Laundering, Anti Terrorism Financing & Anti Profileration Financing – Board of Directors Briefing – Kenanga Group by Nature of Life Trading Sdn Bhd | 3 August 2023 |

| Director | Program Title and Organiser | Date |
|--|---|------------------|
| Imran Devindran Abdullah (contd.) | Sharing Session with Directors of Kenanga Group on Latest Developments and Trends of Anti-Money Laundering in Malaysia by Datuk Mohamad Zamri Zainul Abidin, Director of Anti-Money Laundering Division, Malaysian Anti-Corruption Commission | 7 September 2023 |
| | Directors' In-House Training - Cybersecurity Awareness for Kenanga Group's Board of Directors by Netassist | 6 November 2023 |
| Norazian Binti Ahmad Tajuddin | Can America Stop China's Rise? Will ASEAN Be Damaged by FIDE FORUM | 12 January 2023 |
| | Suite Talk: Governing into the Future by Securities Industry Development Corporation ("SIDC") | 8 March 2023 |
| | A 60-Minute Crisis Management - A guide for Board Members - Institute of Corporate Directors Malaysia ("ICDM") | 22 March 2023 |
| | Transformational Governance: Driving Responsible Business Conduct by UN Global Compact ("UNGC") Academy | 27 March 2023 |
| | The Net-Zero Standard by UNGC Academy | 7 April 2023 |
| | Navigating The ESG Risk In the Supply Chain by ICDM | 11 April 2023 |
| | FATCA Professional Services Briefing for Kenanga Investment Bank Berhad | 10 May 2023 |
| | Board Audit Committee ("BAC") Dialogue & Networking 2023 by ICDM | 6 June 2023 |
| | Understanding the impact of Digital Transformation in the Financial Industry: What Board Members Need to Know by FIDE FORUM | 13 June 2023 |
| | Kenanga's Directors' In-House Training - ESG: Principles of Responsible Investment and Carbon Market by AGV Sustainability | 7 July 2023 |
| | Bursa 2023 Market Intermediaries and Advocacy Programme: Understanding Cybersecurity by Bursa Academy | 11 July 2023 |
| | Anti Money Laundering, Anti Terrorism Financing & Anti Proliferation Financing – Board of Directors Briefing – Kenanga Group by Nature of Life Trading Sdn Bhd | 3 August 2023 |

| Director | Program Title and Organiser | Date |
|---|---|----------------------|
| Norazian Binti Ahmad Tajuddin (contd.) | Sharing Session with Directors of Kenanga Group on Latest Developments and Trends of Anti-Money Laundering in Malaysia by Datuk Mohamad Zamri Zainul Abidin, Director of Anti-Money Laundering Division, Malaysian Anti-Corruption Commission | 7 September 2023 |
| | In-house training for Directors on the topic of Sukuk Mudharabah Structure and Purchase Undertaking Mechanism | 11 October 2023 |
| | Mandatory Accreditation Programme Part II: Leading for Impact | 16 - 17 October 2023 |
| | JC3 Journey to Zero Conference 2023 by Joint Committee on Climate Change ("JC3") the event which has been co chaired by Bank Negara Malaysia and Securities Commission Malaysia | 23 - 25 October 2023 |
| | Directors' In-House Training - Cybersecurity Awareness for Kenaga Group's Board of Directors by Netassist | 6 November 2023 |
| | BNM-FIDE FORUM Virtual Dialogue | 22 November 2023 |
| Datuk Wira Ismitz Matthew De Alwis | Cybersecurity Awareness Training Part 1 - 2023 (Fake Profile Friend Request) by UES E-Solutions Sdn Bhd | 11 January 2023 |
| | Cybersecurity Awareness Training Part 2 - 2023 (Insider Threats) by UES E-Solutions Sdn Bhd | 15 February 2023 |
| | Monday Must-Know Quiz 01/2023: Business Ethics by Group Regulatory & Corporate Services | 6 March 2023 |
| | Invest Malaysia - Reshaping Malaysia's Narrative (Series 1: Strengthening Resilience & Sustaining Growth) by Bursa Malaysia | 8 March 2023 |
| | Cybersecurity Awareness Training Part 4 - 2023 (Identity Protection) by UES E-Solutions Sdn Bhd | 13 April 2023 |
| | Monday Must-Know Quiz 02/2023: What is Financial Crime? by Group Regulatory & Corporate Services | 8 May 2023 |
| | Cybersecurity Awareness Training Part 5 - 2023 (Catphishing) by UES E-Solutions Sdn Bhd | 16 May 2023 |
| | International Institutional Investor Series (IIIS) 2023 by MAAM | 15 June 2023 |

| Director | Program Title and Organiser | Date |
|--|--|-------------------|
| Datuk Wira Ismitz Matthew De Alwis (contd.) | Sustainable And Responsible Investment (SRI) Virtual Conference 2023 by Securities Industry Development Corporation | 21 June 2023 |
| | 13th PhillipCapital Investment Conference 2023 by Philip Capital | 15 July 2023 |
| | Cybersecurity Awareness Training Part 7- 2023 (401 Chaos) by UES E-Solutions Sdn Bhd | 17 July 2023 |
| | Monday Must-Know Quiz 03/2023: Kenanga Group's Speak Up Framework by Group Regulatory & Corporate Services | 7 August 2023 |
| | Cybersecurity Awareness Training Part 8 - 2023 (Bad Passwords) by UES E-Solutions Sdn Bhd | 11 August 2023 |
| | SIDC Business Foresight Forum (BFF) 2023 By SIDC | 13 September 2023 |
| | Monday Must-Know Quiz 04/2023: Group Gifts, Entertainment or Hospitality ("GEH") Policy by Group Regulatory & Corporate Services | 2 October 2023 |
| | Cybersecurity Awareness Training Part 10 - 2023 (Clone Fishing) by UES E-Solutions Sdn Bhd | 16 October 2023 |
| | Operational Risk Management E-learning Module 1 by Skillcast Connect | 8 November 2023 |
| | The Virtual Industry: Professional & Ethics Forum 2023 by MFPC | 8 November 2023 |
| | 8th Annual Regulatory Seminar by Group Regulatory & Corporate Services | 14 November 2023 |
| | Cybersecurity Awareness Training Part 11 - 2023 (Credential Hygiene) by UES E-Solutions Sdn Bhd | 20 November 2023 |
| | MFPC Webinar: Retirement Planning by MFPC | 23 November 2023 |
| | How to avoid Scams & Get Rich Quick Schemes by FPAM | 25 November 2023 |
| Syed Umar Bin Abdul Rahman Alhadad | Cybersecurity Awareness Training Part 1 - 2023 (Fake Profile Friend Request) by UES E-Solutions Sdn Bhd | 11 January 2023 |
| | Cybersecurity Awareness Training Part 2 - 2023 (Insider Threats) by UES E-Solutions Sdn Bhd | 15 February 2023 |

| Director | Program Title and Organiser | Date |
|--|--|------------------|
| Syed Umar Bin Abdul Rahman Alhadad (contd.) | Monday Must-Know Quiz 01/2023: Business Ethics by Group Regulatory & Corporate Services | 6 March 2023 |
| | Cybersecurity Awareness Training Part 4 - 2023 (Identity Protection) by UES E-Solutions Sdn Bhd | 13 April 2023 |
| | Monday Must-Know Quiz 02/2023: What is Financial Crime? by Group Regulatory & Corporate Services | 8 May 2023 |
| | Cybersecurity Awareness Training Part 5 - 2023 (Catphishing) by UES E-Solutions Sdn Bhd | 16 May 2023 |
| | Sustainability Roadshow by GMCS - Sustainability | 4 July 2023 |
| | Cybersecurity Awareness Training Part 7 - 2023 (401 Chaos) by UES E-Solutions Sdn Bhd | 17 July 2023 |
| | Managing Material Non-Public Information by Fund Management Companies by SECURITIES INDUSTRY DEVELOPMENT CORPORATION | 11 August 2023 |
| | Cybersecurity Awareness Training Part 8 - 2023 (Bad Passwords) by UES E-Solutions Sdn Bhd | 11 August 2023 |
| | Monday Must-Know Quiz 04/2023: Group Gifts, Entertainment or Hospitality ("GEH") Policy by Group Regulatory & Corporate Services | 2 October 2023 |
| | Cybersecurity Awareness Training Part 10 - 2023 (Clone Fishing) by UES E-Solutions Sdn Bhd | 16 October 2023 |
| | 8th Annual Regulatory Seminar by Group Regulatory & Corporate Services | 14 November 2023 |
| | Cybersecurity Awareness Training Part 11 - 2023 (Credential Hygiene) by UES E-Solutions Sdn Bhd | 20 November 2023 |

SHARIAH ADVISER'S PROFILE

Shariah Adviser : Amanie Advisors Sdn Bhd ("Amanie")
Incorporated in Kuala Lumpur, Malaysia in 2005 (Co. No. 200501007003 (684050-H)) under the Companies Act, 1965

Corporate Information : Principal Activities
Amanie is a Shariah advisory, consultancy, training and research and development boutique for institutional and corporate clientele focusing on Islamic financial services. Amanie is a registered Shariah adviser with the SC.

Amanie also focuses on organizational aspect of the development of human capital in Islamic finance worldwide through providing updated quality learning embracing both local and global issues on Islamic financial products and services.

Shareholding

The authorised & paid-up capital is RM500,000 divided into 500,000 shares of RM1.00 each.

The shareholders of Amanie are Tan Sri Dr Mohd Daud Bakar and En Abdul Aziz Bin Abd Jalal.

Experience as Adviser : The company is led by Tan Sri Dr. Mohd Daud Bakar and teamed by an active and established panel of consultants covering every aspect related to the Islamic banking and finance industry, both in Malaysia and the global market. Currently, the team comprises of nine (9) full-time consultants who represent dynamic and experienced professionals with a mixture of corporate finance, accounting, product development, Shariah law and education. As at 30 January 2024, Amanie has acquired over nineteen (19) years of experience in the advisory role in capital market including unit trust funds and funds management with more than 100 funds which Amanie acts as Shariah adviser.

Designated Person : The designated person responsible for Shariah advisory matters of the Fund is Tan Sri Dr. Mohd Daud Bakar as the Chairman. Another consultant are:
(1) Puan Suhaida Mahpot

Conflict of interest with the Fund : The Shariah Adviser does not have any conflict of interest with the Fund

List of convictions for offences within the past 5 years, other than traffic offences and any public sanction or penalty imposed by the relevant regulatory bodies during the financial year : None

Amanie is backed by its own respective Shariah Team comprises of the following members:

Tan Sri Dr. Mohd Daud Bakar

Shariah Adviser / Executive Chairman

Tan Sri Dr. Mohd Daud Bakar is the Founder and Executive Chairman of Amanie Group. One of its flagship companies namely Amanie Advisors, is operating in few cities globally. He serves as the Chairman of the Shariah Advisory Council (SAC) at the Central Bank of Malaysia, the Securities Commission of Malaysia, the Labuan Financial Services Authority, the Astana International Financial Centre (AIFC), Kazakhstan, the First Abu Dhabi Bank, and Permodalan Nasional Berhad (PNB).

Tan Sri Dr Daud is also a Shariah board member of various global financial institutions, including the National Bank of Oman (Oman), Amundi Asset Management (France), Bank of London and Middle East (London), BNP Paribas Najma (Bahrain), Natixis Bank (Dubai), Morgan Stanley (Dubai), Sedco Capital (Saudi and Luxembourg), and Dow Jones Islamic Market Index (New York) amongst many others.

Currently, Tan Sri serves as the Chairman of Federal Territory Islamic Religious Department [Majlis Agama Islam Persekutuan (MAIWP)]. In the corporate world, he is currently a member of the PNB Investment Committee. Previously, he served as a Board Director at Sime Darby Property Berhad and Chairman to Malaysia Islamic Economic Development Foundation (YaPEIM). In addition, he is the co-founder of Experts Analytics Centre Sdn Bhd and MyFinB Sdn. Bhd. He also serve as the Chairman of Berry Pay Sdn. Bhd., Data Sukan Consulting Sdn. Bhd., Bio Fluid Sdn. Bhd., KAB Gold Dynamics Sdn. Bhd., Bio-Angle Vacs Sdn. Bhd., Tulus Digital Sdn. Bhd., and Amanie-Afra Halal Capital Co (Bangkok). He is currently the 8th President of the International Islamic University of Malaysia (IIUM).

In 2014, he received the **"Most Outstanding Individual"** award by His Majesty, the King of Malaysia, in conjunction with the national-level Prophet Muhammad's birthday. Under his leadership, Amanie Advisors received the **"Islamic Economy Knowledge Infrastructure Award"** at the Global Islamic Economy Summit, Dubai 2015, by His Highness Sheikh Mohammed bin Rashid Al Maktoum, Vice President and Prime Minister of the UAE and Ruler of Dubai, Oct 2015. On 13 November 2021, he was conferred the Darjah Kebesaran Panglima Setia Mahkota (P.S.M.) which carries the title of **"Tan Sri"**.

He received his first degree in Shariah from University of Kuwait in 1988 and obtained his PhD from University of St. Andrews, United Kingdom in 1993. In 2002, he completed his external Bachelor of Jurisprudence at University of Malaya.

Tan Sri's first book entitled **"Shariah Minds in Islamic Finance: An Inside Story of A Shariah Scholar"** has won the **"Islamic Finance Book of the Year 2016"** by the Global Islamic Finance Award (GIFA) 2016. Then, his book on sukuk entitled **"An Insightful Journey to Emirates Airline Sukuk: Pushing The Boundaries of Islamic Finance"** has also won the **"Best Islamic Finance Case 2017"** by the GIFA 2017 in Kazakhstan. To date, Tan Sri has been authoring 28 books with different genre.

His latest books include **Insyirah: Kelapangan Hati dan Minda** (Feb 2021) novel, **Kembara Ilmu Dari Sg Korok ke St Andrews** (Jan 2021), **Covid 25: Kapsul Kehidupan dan Makhluq Mistik** (2020) novel, **Dhuha: Cahaya Pagi Yang Terang** (2020) novel, **Mindset Is Everything** (2019), **The Hard Truth Of Islamic Finance** (2019), **Ratiocination In Islamic Legal Theory** (2019), and **Corporate Matrimony** (2019), **Dukun Kegagalan** (2019), **Engsel Kehidupan** (2019) and **Sosialisasi Fekah Dalam Struktur Masyarakat** (2019).

His other books include **I Have 25 Hours A Day: The Smart Way to Create More Time** (2016), **Mainstreaming Islamic Finance: Unveiling The Critical Success and Failure Factors An Insider And Global Perspective** (2018), **Saya Ada 25 Jam Sehari** (2016), **Be The Eagle Amongst The Birds** (2018), **Shariah is Life** (2018), **PULUN** (2018), **Anak Desa ke Persada Antarabangsa** (2018), and **Membumikan Syariah: Menjelajahi Dimensi Syariah Secara 360 Darjah** (2018).

Suhaida Mahpot

Chief Executive Officer

Suhaida Mahpot is the Chief Executive Officer for Amanie Advisors in Kuala Lumpur office. She joined Amanie in 2008 and was amongst the pioneers in the company. She is a specialist in sukuk advisory and has been partnering with Tan Sri Dr Mohd Daud Bakar for the last 10 years to advise numerous sukuk locally and internationally.

One of the sukuk advised by her has been awarded as Best Securitisation Sukuk at The Asset Triple A Islamic Finance Award (2017). Apart from sukuk advisory, her primary focus is on Shariah governance, structuring, enhancement and conversion exercises, establishment of Islamic financial entities as well as development of Islamic products. She holds a Bachelor of Economics (Islamic Economic & Finance) from International Islamic University Malaysia, and currently pursuing MSc in Islamic Finance with INCEIF. Her career in banking & financial industry started as a trainee under Capital Market Graduated Trainee Scheme organized by the SC.

Prior to joining Amanie, she worked with Affin Investment Bank Bhd since 2006 as an executive for debt & capital markets department. She completed various project financing deals using private debt securities instruments ranging from infrastructure & utilities, real estate, plantation and many others.

TRUSTEE'S DELEGATE

The trustee has appointed Deutsche Bank (Malaysia) Berhad ("DBMB") as the custodian of the Fund assets. DBMB is a wholly-owned subsidiary of Deutsche Bank AG. DBMB offers its clients access to a growing domestic custody network that covers over 30 markets globally and a unique combination of local expertise backed by the resources of a global bank. In its capacity as the appointed custodian, DBMB's roles encompass safekeeping of the Fund assets, trade settlement management, corporate actions notification and processing, securities holding and cash flow reporting, and income collection and processing. All investments of the Fund are registered in the name of the Trustee for the Fund, or where the custodial function is delegated, in the name of the custodian to the order of the Trustee for the Fund. As custodian, DBMB shall act only in accordance with instructions from the Trustee.

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Investor Services Center

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