

# MYETF DOW JONES U.S TITANS 50

## ANNUAL REPORT

For the Financial Year Ended 30 June 2022



**i-VCAP Management Sdn Bhd**  
**Company No.: 200701034939**

*(a wholly owned subsidiary of Kenanga Investors Berhad)*



## MYETF DOW JONES U.S. TITANS 50

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## **INTRODUCTION**

MyETF Dow Jones U.S. Titans 50 or MyETF-US50 is the first USD denominator Shariah exchange-traded-fund ("ETF") introduced in Malaysia. It is designed to provide investment results that closely correspond to the performance of its Benchmark Index i.e. Dow Jones Islamic Market U.S. Titans 50 ("DJUS50 Index").

MyETF-US50 was listed on the Main Market of Bursa Securities on 20 February 2018. The stock short name and stock number for MyETF-US50 are "METFUS50" and "0827EA" respectively.

The benchmark index, Dow Jones Islamic Market U.S. Titans 50, shall comprise of 50 largest companies (by float-adjusted market capitalisation) listed on the relevant exchanges which have passed rules-based screens for Shariah compliance of S&P Dow Jones Indices. Provided by S&P Dow Jones, the index is constructed and computed based on the robust methodology established by S&P Dow Jones in terms of investability and Shariah aspects.

## CORPORATE DIRECTORY

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

**Registered Office**

Level 17, Kenanga Tower  
237, Jalan Tun Razak  
50400 Kuala Lumpur, Malaysia.  
Tel: 03-2172 2888  
Fax: 03-2172 2999

**Business Office**

Level 14, Kenanga Tower  
237, Jalan Tun Razak  
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Tel: 03-2172 3000  
Fax: 03-2172 3080  
E-mail: [ivcap@kenanga.com.my](mailto:ivcap@kenanga.com.my)  
Website: [www.ivcap.com.my](http://www.ivcap.com.my)

Luk Wai Hong, William (**Chairman**)

Imran Devindran Abdullah (**Independent Director**)

Ismitz Matthew De Alwis (**Non-Independent**)

Syed Umar Bin Abdul Rahman Alhadad (**Executive Director**)

**Company Secretary:** **Norliza Abd Samad** (MAICSA 7011089)

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

**Trustee:** **CIMB Islamic Trustee Berhad** Company No. 198801000556 (167913-M)

**Registered Office**

Level 13, Menara CIMB  
Jalan Stesen Sentral 2  
Kuala Lumpur Sentral  
50490 Kuala Lumpur.  
Tel: 03-2261 8888  
Fax: 03-2261 9894  
Website: [www.cimb.com](http://www.cimb.com)

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Level 21, Menara CIMB  
Jalan Stesen Sentral 2  
Kuala Lumpur Sentral  
50490 Kuala Lumpur.  
Tel: 03-2261 8888  
Fax: 03-2261 9894

**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

**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:** CIMB Islamic Bank Berhad Company No. 200401032872 (671380-H)  
(Trustee's Delegate) (Please refer to page 62 for Trustee's Delegate Information)

**Registered Address**

Level 13, Menara CIMB  
Jalan Stesen Sentral 2  
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50490 Kuala Lumpur.  
Tel: 03-2261 8888  
Fax: 03-2261 9894

**Business Office**

Level 21, Menara CIMB  
Jalan Stesen Sentral 2  
Kuala Lumpur Sentral  
50490 Kuala Lumpur.

**Fund Accountant:** Citibank N.A. Singapore Branch

8, Marina View, Asia Square, Tower 1, Singapore 018960.  
Tel: (+65) 6225 5225 Email: APAC.FA.MYS.FUNDACCT@citi.com  
Website: www.citibank.com.sg

**Index Licensor:** S&P Opcp, LLC

55 Water Street, New York, New York 10041, United States of America.  
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**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 Dow Jones U.S. Titans 50 (“**MyETF-US50**” or “**the Fund**”)

## 1.2 Fund Category / Type

Shariah-Compliant Equity / Exchange-traded fund

## 1.3 Investment Objective

The Fund aims to provide investment results that closely correspond to the performance of the Benchmark Index.

## 1.4 Investment Strategy

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

## 1.5 Benchmark Index

Dow Jones Islamic Market U.S. Titans 50 Index (“**DJUS50 Index**” or “**Benchmark Index**”)

DJUS50 Index is a float-adjusted market capitalisation weighted, price return index calculated, maintained and published by S&P Dow Jones Indices.

The Benchmark Index was created with a base date of 29 December 1995 by S&P Dow Jones Indices and was constructed based on a reference value of 1000. The Benchmark Index is designed as a performance benchmark of blue-chip companies that are listed on primary stock exchanges in the U.S. The Benchmark Index consists of the 50 largest companies by float-adjusted market capitalisation listed on the Relevant Exchanges which have passed rules-based screens for Shariah compliance.

During the reporting period, the constituent securities of the Benchmark Index are listed on the New York Stock Exchange (“NYSE”) and National Association of Securities Dealers Automated Quotation System (“Nasdaq”).

The universe for selection of the constituents of the Benchmark Index is the constituents of the Parent Index. The Parent Index, namely the Dow Jones Islamic Market World Index, is a float-adjusted market capitalisation weighted index that is designed to measure performance of the global universe of investable equities that pass screens for Shariah compliance.

The Benchmark Index employs a modified market capitalization weighting scheme \*. The weight of each individual constituent is capped at 10% of the Benchmark Index. The Parent Index and Benchmark Index consist only of companies that passed the Shariah Compliance Screens published under the Dow Jones Islamic Market Indices Methodology. The Shariah Compliance Screens has been approved by the Shariah Supervisory Board of S&P Dow Jones Indices which consists of experienced Shariah scholars from around the world. The Shariah Supervisory Board determines the Shariah compliance framework of the Benchmark Index and shall review, propose or advise S&P Dow Jones Indices on matters relating to the said Shariah compliance framework.

\* Maximum weights on the effective rebalancing dates are equal to the lesser of the companies’ float-adjusted market capitalization weight or 10% of the Benchmark Index.

## 1.6 Distribution Policy

The Fund may distribute to the Unit Holders all or a substantial portion of the Fund's Distributable Income, pro-rated based on the number of Units held by each Unit Holder as at the entitlement date of the income distribution.

Income distributions (if any) are expected to be made annually. The amount to be distributed will be at the discretion of the Manager. However, if the distribution available is too small or insignificant, any distribution may not be of benefit to the Unit Holders as the total cost to be incurred in any such distribution may be higher than the amount for distribution. During the financial year under review, there was no income distribution being declared.

## 1.7 Commencement Date & Listing Date

20 February 2018 & 28 February 2018

## 1.8 Breakdown of unit holdings of the Fund as at 30 June 2022

Size of holdings	No. of unit holders	No. of units held
Less than 100	2	100
100 - 1,000	241	76,300
1,001 - 10,000	47	152,700
10,001 - 100,000	4	77,100
100,001 and above	3	15,106,100
<b>Total</b>	<b>297</b>	<b>15,412,300</b>



## 2. MANAGER'S REPORT

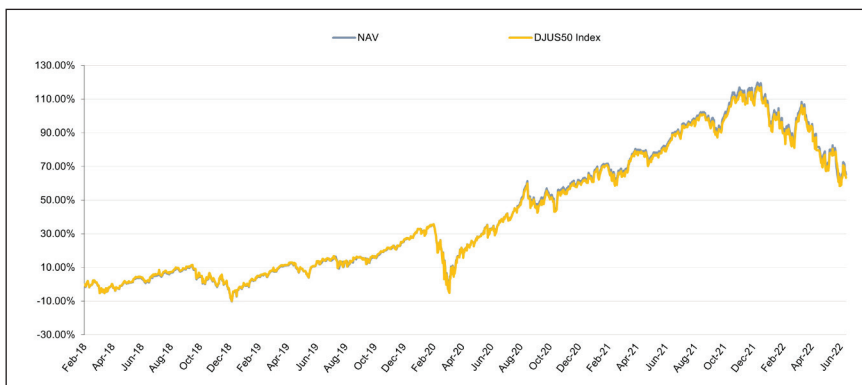
### 2.1 Explanation on whether the Fund has achieved its investment objective

MyETF-US50 aims to provide investment results that closely correspond to the performance of the Benchmark Index.

For the financial year under review, the Fund achieved its investment objective to closely track the performance of the underlying benchmark, i.e. DJUS50 Index. As at 30 June 2022 the 3-year rolling tracking error of the Fund and the Benchmark Index on both Price Return and Total Return basis were 0.49%.

### 2.2 Comparison between the Fund's performance and performance of the benchmark

**Performance Chart Since Launch  
MyETF-US50 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 via full or partial replication in seeking to achieve the investment objective of the Fund, subject to conformity with Shariah Investment Guidelines.

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

Asset	Cumulative Returns <sup>(b)</sup>		
	1 Year (%)	3 Years (%)	Since inception * (%)
MyETF-US50 - NAV Price Return <sup>(a)</sup>	-11.60	47.08	64.11
DJUS50 - Price Return Index	-12.09	45.01	61.87
MyETF-US50 - NAV Total Return <sup>(a)</sup>	-11.60	47.08	64.11
DJUS50 - Total Return Index	-11.38	49.47	69.88

Sources: Bloomberg, i-VCAP

(a) Independently sourced from Novagni Analytics and Advisory Sdn. Bhd.

(b) Cumulative returns are up to 30 June 2022.

\* The Fund commencement date on 20 February 2018

The Fund's NAV per unit declined by 11.60% to USD1.6511 from USD1.8678 for the financial year ended 30 June 2022. Similarly, the Benchmark Index and Benchmark's Total Return Index (DJUS50 Total Return Index) declined by 12.09% and 11.38% respectively. The difference between the performance of the Fund and its Benchmark Index can largely be attributed to the Fund's operational costs. The decreased in the Fund's NAV during the financial year was in line with the weak performance of the broader US equity markets.

## 2.5 Market review and outlook

### Market review

Overall, US stock markets retraced from its record high in the second half 2021 and struggled in the first half of 2022. The Russia-Ukraine war triggered global political instability, supply chain disruptions, and increased commodity prices. Countries around the world were being hit by decades-high inflations which caused hawkish interventions from central banks. The US Federal Reserve (Fed) raised interest rate by 50 basis point in May, followed by another aggressive 75 basis point hike in June, marks the largest upward step since 1994. Central bankers worldwide followed in the Fed's footsteps in lifting interest rates. The soaring inflation, tightening monetary policy and the war in Ukraine were arguably creating a perfect storm for recession which led to investors pulling trillions of dollars out from the equity markets. The S&P 500 was 20.9% down as of end-June 2022, registered its worst first half since 1970 while Nasdaq slumped 29.2%.

All three major indices in the US charted new highs in July 2021 as mega cap tech stocks and positive corporate earnings helped drive main indices up again. The Fed remained constructive that inflation remains transitory despite June CPI accelerating 5.4%. The Fed officials unanimously agreed to hold policy rate at the July Federal Open Market Committee (FOMC) meeting and signalled it could tolerate higher inflation for some time citing substantial further progress on inflation and employment as a benchmark for tapering and expect to raise interest rates as soon as late 2022 or early 2023. The yield on the benchmark 10-year Treasury note briefly shot up before retreating as investors concluded that the Fed would likely maintain its ultra-easy monetary policy stance for a while. US markets continued to reach new highs again in August with the S&P500 posting a near 3% rise for the month. This came with the Fed Chairman Jerome Powell signalling no rush for tightening of monetary policy. Over in the political scene, the Senate had passed a US\$1trn bipartisan infrastructure bill which will be spread over five years. The bill was moved to the House of Representatives for approval.

## 2.5 Market review and outlook (contd.)

### Market review (contd.)

Most global equity markets fell in September with US and Europe ending their winning streaks. Investors' sentiment was spooked by concern over persistent high inflation, slower economic growth, upcoming tapering by the Fed, compounded by worries on global supply chain problems and contagion impact from debt-laden property developer China Evergrande Group.

US markets recouped its losses from September and surged to an all-time high in October, on the back of strong corporate earnings and optimism on global economic recovery. Global Covid-19 cases continue to decline and mobility restrictions continue to be eased – with Singapore announcing new travel easing, and Australia and Thailand allowing international travel. US equities dropped towards the tail-end of November despite having charted new highs early in the month, sinking alongside most other global markets on emergence of the new 'Omicron' Covid-19 variant. Swiftly designated a 'variant of concern' by the WHO, Omicron stoked fears of renewed public health risks and re-imposition of lockdown measures globally, as several countries placed travel bans on selected southern African nations. As expected, the Fed announced its tapering plan of reducing monthly asset purchases by \$15 billion in November.

Investors continued to focus on central banks' monetary policy in December. The Fed announced that it will reduce monthly asset purchases by \$30bil effective January after Chairman Jerome Powell said that he no longer considers high inflation as "transitory". The Fed was guiding for 3 rates hike in 2022. Over in the EU, the ECB is likely to end Pandemic Emergency Purchase Programme (PEPP) in March 2022. Meanwhile China started to ease after the government highlighted stability and supporting growth as priority for 2022. The China central bank cut Reserve Requirement Ratio (RRR) by 50bps for most banks and reduced 1 year loan prime rate by 5bps to 3.8%.

Despite ending 2021 on a high note, global equities started the new year with sell-offs in most major markets in January as concerns mount over persistently-high inflation and the ensuing monetary policy normalisation by central banks worldwide. In the first FOMC meeting in 2022, the Fed is clearly hawkish and is guiding that it will look to reduce its inflated balance sheet and hike interest rate. Investor sentiment turned cautious during the month, and aggressive profit taking was seen in selective sectors such as Technology. The tech-heavy Nasdaq lost 8.5% in January, to mark one of its worst months in more than a decade, whereas the S&P 500 was 6% lower from its record-high seen on the first trading day of the year. February saw global markets fell on geopolitical conflict between Russia and Ukraine escalating throughout the month which ended in a full-scale invasion. Most major markets continued to see sell down for the month as risk-off sentiment prevailed. The Russian-Ukraine war has a far-reaching impact across global commodity market with Russia a key exporter of oil & gas, aluminium, palladium and fertilizer, while Ukraine ranks among the top exporters of wheat, barley, corn and sunflower oil. The US administration reacted to Russia's invasion of Ukraine with a measured package of sanctions on Russia. Europe was badly affected as Russia contributes to about 35-40% of Europe's gas supply. Wall Street's tech-heavy Nasdaq saw further correction in the month bringing the index performance lower by 12.1% YTD, whereas the S&P 500 is now 8.2% lower YTD.

Despite an initial sell-off on the Russia-Ukraine war, US equities recovered strongly towards the end of March. The S&P 500 and tech-heavy Nasdaq rose 3.6% and 3.4% respectively in the month the Fed raised interest rates by 25bps for the first time since 2018. Meanwhile, Russia's invasion of Ukraine continued despite intermittent peace talks, threatening the European economy as well impacting global commodity prices. Meanwhile, China rolled out its biggest Covid-19 lockdown to control the growing Omicron outbreak despite questions being raised about the economic toll of the nation's "zero-COVID" strategy.

## 2.5 Market review and outlook (contd.)

### Market review (contd.)

Global equities retraced in April in anticipation of aggressive Fed's tightening with a series of 50bps hikes for the next few months. US inflation surged to 8.5% YoY in March due to supply constraints and high commodity prices, pushing 10-year Treasury yield to 2.9%. The S&P 500 and Nasdaq was down 8.7% and 13.3%, while Dow dropped 4.9%. US GDP declined an annualized 1.4% QoQ in Q1, after growing 6.9% in the prior period. A ballooning trade deficit was partially responsible for the disappointment and consumer spending was not as robust as anticipated. Labor market however is still strong, as jobless claims dipped to 180,000 from 185,000 in the week ended 23 April. In May, US equities ended low, reached new 52-weeks lows during the month as prolonged Chinese lockdown, ongoing war between Russia and Ukraine and inflation concerns continued to weigh on investor sentiment. The Fed also announced its second rate-hike for the year with an aggressive 50bps increase. US inflation jumped to 8.3% YoY in April which further fuelled speculations that the economy is overheating. The Fed also announced it will begin shrinking its \$8.9 trillion balance sheet in June. Chinese equities rallied after Beijing unveiled a raft of support measures to cushion an economic slowdown triggered by the country's Covid-19 zero-tolerance approach.

In June, US released the annual inflation rate of May 2022 which was accelerated to 8.6%, the highest since 1981 due to soaring energy costs from the prolong Russia-Ukraine war crisis which added more cost pressure along with labour shortages, and supply disruptions. The Fed hiked interest rate by 75bps, the biggest increase since 1994 to a range of 1.5% to 1.75% in June. The FOMC members indicated a much stronger path of rate hike ahead to tame the inflationary pressure. US equities slides to close its worst first half in 52 years with S&P 500 down by 20.6% YTD and 8.4% in June. The Dow Jones fell by 15.3% YTD, its worst first half performance since 1962 while Nasdaq fell 29.5% YTD, its worst first half record.

**Chart 1: DJUS50 Index Performance for FY2022**



Sources: Bloomberg, i-VCAP

## **2.5 Market review and outlook (contd.)**

### **Market outlook**

With US entering late cycle dynamics and decelerating growth, rising inflation and monetary policy tightening would weigh on economic expansion. Key focus remains on the path of central bank monetary policy, easing of geopolitical tensions, China lockdowns, as well as corporate earnings. Some sectors may benefit from continuous economic reopening and increasing international travelling, with a post-lockdown cyclical rebound ongoing on the back of higher consumer spending. Meanwhile, China's policy stimulus to spur economic growth, maintaining stability of capital markets, could lend support to the global economic recovery.

## **2.6 Distributions**

For the financial year under review, the Fund did not declare any income distribution.

## **2.7 Details of any unit split exercise**

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

## **2.8 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.

## **2.9 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.

## **2.10 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 any rebates or soft commissions from its stockbrokers during the financial year under review.

## **2.11 Cross-trade**

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

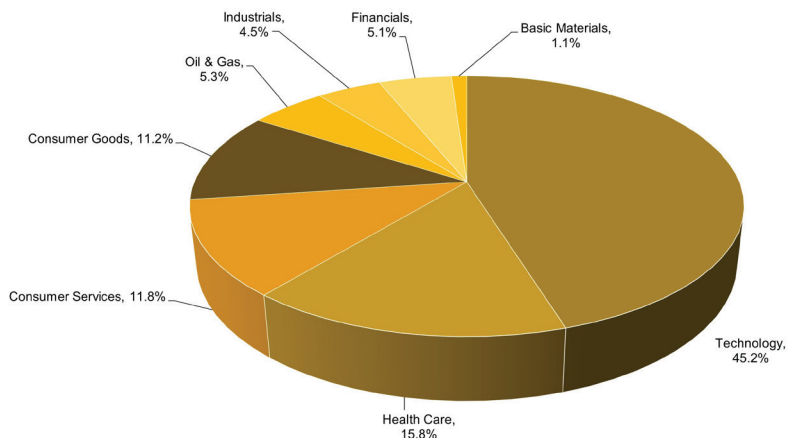
## **2.12 Securities financing transactions**

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 financial year as at 30 June 2022 is as follows:

Based on the Fund's quoted Investments as at 30 June 2022, the sector allocation of DJUS50 Index based on S&P Dow Jones sector classifications are as follows:



S&P Dow Jones performed four quarterly reviews in a year (in March, June, September and December) and rebalanced the composition of the Benchmark Index in accordance with its index methodology.

The quarterly review during the financial year in March and September had resulted in changes to the weightings of the component stocks and stock constituents in the Benchmark Index. The summary of the changes that took place in the reporting period is as follows:

**Table 1: List of Stock Inclusion and Exclusion**

	Stock Inclusions	Stock Exclusions
1QFY22	Amazon.com Inc	Becton Dickinson & Co
	Broadcom Inc	McDonald's Corp
	Moderna Inc	Vertex Pharmaceuticals Inc
2QFY22	Target Corp	Intuit Inc
4QFY22	Bristol-Myers Squibb	American Tower

Sources: S&P Dow Jones, i-VCAP

### 3.1 Details of portfolio composition of the Fund for the financial year as at 30 June 2022 is as follows: (contd.)

Details of the top 10 holdings as well as Fund's sector exposure as at 30 June 2022 are as follows:

**Table 2: Top Ten Holdings of the Fund as at 30 June 2022**

	<b>Stock</b>	<b>% of NAV</b>
1.	Microsoft Corp	10.29
2.	Apple Inc.	9.97
3.	Amazon.com Inc	6.60
4.	Alphabet Inc A	4.62
5.	Alphabet Inc C	4.26
6.	Tesla, Inc	4.02
7.	Johnson & Johnson	3.33
8.	Nvidia Corp	2.70
9.	Meta Platforms, Inc. Class A	2.61
10.	Exxon Mobil Corp	2.57
	<b>Total</b>	<b>50.96</b>

**Table 3: Fund's Sector Allocation \***

	<b>As at 30-Jun-22</b>	<b>As at 30-Jun-21</b>	<b>Change (%)</b>
Technology	44.74%	51.64%	-6.90%
Health Care	16.71%	14.79%	1.92%
Consumer Services	11.73%	6.80%	4.93%
Consumer Goods	11.41%	10.70%	0.71%
Financials	5.06%	6.43%	-1.37%
Oil and Gas	4.56%	3.21%	1.35%
Industrials	4.53%	5.18%	-0.65%
Basic Materials	1.03%	1.07%	-0.04%
Cash & Others	0.24%	0.18%	0.06%

\* Based on S&P Dow Jones classification

**3.1 Details of portfolio composition of the Fund for the financial year as at 30 June 2022 is as follows: (contd.)**

Details of the Fund's quoted Investments as at 30 June 2022 are as follows:

**Table 4: MyETF-US50's Investment in Listed Equities**

	Quantity (Units)	Market Value (RM)	Market Value as a percentage of Net Asset Value (%)
<b><u>Basic Materials</u></b>			
Linde PLC	911	261,940	1.03
		<b>261,940</b>	<b>1.03</b>
<b><u>Consumer Goods</u></b>			
Coca-Cola Co	7053	443,704	1.74
Mondelez International Inc	2517	156,281	0.61
NIKE Inc B	2314	236,491	0.93
PepsiCo Inc	2510	418,317	1.64
Procter & Gamble	4348	625,199	2.46
Tesla, Inc	1519	1,022,925	4.02
		<b>2,902,916</b>	<b>11.41</b>
<b><u>Consumer Services</u></b>			
Amazon.com Inc	15812	1,679,393	6.60
Home Depot Inc	1856	509,045	2.00
Lowe's Cos Inc	1196	208,905	0.82
Starbucks Corp	2056	157,058	0.62
Target Corp	840	118,633	0.47
Walmart Inc.	2565	311,853	1.23
		<b>2,984,887</b>	<b>11.73</b>
<b><u>Financials</u></b>			
Mastercard Inc A	1554	490,256	1.93
S&P Global Inc	628	211,674	0.83
Visa Inc A	2978	586,338	2.30
		<b>1,288,268</b>	<b>5.06</b>
<b><u>Health Care</u></b>			
Abbott Laboratories	3168	344,203	1.35
Amgen Inc	959	233,325	0.92
Bristol-Myers Squibb	3853	296,681	1.17
Danaher Corp	1156	293,069	1.15
Eli Lilly & Co	1427	462,676	1.82
Intuitive Surgical Inc	649	130,261	0.51
Johnson & Johnson	4775	847,610	3.33
Medtronic plc	2439	218,900	0.86
Merck & Co Inc	4583	417,832	1.64



**3.1 Details of portfolio composition of the Fund for the financial year as at 30 June 2022 is as follows: (contd.)**

**Table 4: MyETF-US50's Investment in Listed Equities (contd.)**

	Quantity (Units)	Market Value (RM)	Market Value as a percentage of Net Asset Value (%)
<b><u>Health Care (contd.)</u></b>			
Moderna, Inc.	627	89,567	0.35
Pfizer Inc	10183	533,895	2.10
Thermo Fisher Scientific	708	384,642	1.51
		<b>4,252,662</b>	<b>16.71</b>
<b><u>Industrials</u></b>			
3M Co	1037	134,198	0.53
Accenture plc A	1146	318,187	1.25
Honeywell Intl Inc	1244	216,220	0.85
Union Pacific Corp	1138	242,713	0.95
United Parcel Service Inc B	1322	241,318	0.95
		<b>1,152,635</b>	<b>4.53</b>
<b><u>Oil and Gas</u></b>			
Chevron Corp	3499	506,585	1.99
Exxon Mobil Corp	7623	652,834	2.57
		<b>1,159,419</b>	<b>4.56</b>
<b><u>Technology</u></b>			
Adobe Inc.	848	310,419	1.22
Advanced Micro Devices	2932	224,210	0.88
Alphabet Inc A	540	1,176,800	4.62
Alphabet Inc C	495	1,082,788	4.26
Apple Inc.	18553	2,536,566	9.97
Applied Materials Inc	1610	146,478	0.58
Broadcom Inc	739	359,014	1.41
Cisco Systems Inc	7518	320,568	1.26
Intel Corp	7388	276,385	1.09
Meta Platforms, Inc. Class A	4121	664,511	2.61
Microsoft Corp	10193	2,617,868	10.29
Nvidia Corp	4535	687,461	2.70
QUALCOMM Inc	2044	261,101	1.03
Salesforce, Inc.	1789	295,257	1.16
ServiceNow Inc.	362	172,138	0.68
Texas Instruments Inc	1647	253,062	0.99
		<b>11,384,624</b>	<b>44.74</b>
		<b>25,387,350.51</b>	<b>99.76</b>

Sources: S&P Dow Jones, I-VCAP

### 3.2 Performance details of the Fund for financial year ended 30 June 2022 is as follows:

The key statistics and comparative performance of the Fund for the financial year ended 30 June 2022 are summarised as follows:

	As at 30-Jun-22	As at 30-Jun-21	YoY change
NAV per unit (USD)	1.6511	1.8678	-11.60%
- Highest	2.1985 (27-Dec-21)	1.8694 (29-Jun-21)	
- Lowest (During the period)	1.6023 (16-Jun-22)	1.3442 (01-Jul-20)	
Price per unit (USD)	1.9000	1.9000	0.00%
- Highest	2.2500 (26-Jan-22)	1.9000 (30-Jun-21)	
- Lowest (During the period)	1.7000 (13-Jun-22)	1.2900 (14-Jul-21)	
Units in Circulation	15,412,300	4,312,300	257.40%
Total NAV (USD)	25,447,206	8,054,598	215.93%
Market Capitalisation (USD)	29,283,370	8,193,370	257.40%
DJUS50 Index	7,809.76	8,883.71	-12.09%
DJUS50T Index	11,403.89	12,867.84	-11.38%
Tracking Error vs. Price Return DJUS50 Index (%)*	0.49	0.29	
Tracking Error vs. Total Return DJUS50 Index (%)*	0.49	0.29	
Management Expense Ratio (%)	0.62	0.99	

Sources: Bloomberg, i-VCAP

\* The tracking error (calculated since inception and on daily basis) between the NAV per unit of the Fund and the Price Return and Gross Return Benchmark Index.

The price of the Fund's units that are listed on Bursa Malaysia remain unchanged for the financial year 2022. The Fund's price per unit were generally traded at premium to the Fund's NAV per unit during the year.

Total units in circulation for the Fund increased to 15.4 million from 4.3 million on a net creation of 11.1 million units for FY2022.

### 3.3 Average total return for the Fund

	Average Returns <sup>(b)</sup>		
	1-year (%)	3-years (%)	Since Inception* (%)
MyETF-US50 - NAV Price Return <sup>(a)</sup>	-11.60	13.71	12.09
DJUS50 - Price Return Index	-12.09	14.97	14.22
MyETF-US50 - NAV Total Return <sup>(a)</sup>	-11.60	13.71	12.09
DJUS50 - Total Return Index	-11.38	16.45	16.06

Sources: Bloomberg, i-VCAP

(a) Independently sourced from Novagni Analytics and Advisory Sdn. Bhd.

(b) Average returns for both DJUS50 Price Return Index and DJUS50 Total Return Index are annualized figures computed based on the price and total returns for the respective period.

\* Performance from inception date on 20 February 2018.

### 3.4 Annual total return of the Fund

	2022 (%)	2021 (%)	2020 (%)	2019 (%)	2018*
MyETF-US50 - NAV Price Return <sup>(a)</sup>	-11.60	39.86	18.96	10.69	1.42
DJUS50 - Price Return Index	-12.09	39.22	18.49	10.32	2.01
MyETF-US50 - NAV Total Return <sup>(a)</sup>	-11.60	39.86	18.96	10.69	1.42
DJUS50 - Total Return Index	-11.38	40.57	19.98	11.86	2.48

Sources: Bloomberg, i-VCAP

(a) Independently sourced from Novagni Analytics and Advisory Sdn. Bhd.

\* The Fund commencement date on 20 February 2018

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

#### **4. TRUSTEE'S REPORT TO THE UNIT HOLDERS OF MYETF DOW JONES U.S. TITANS 50 ("FUND")**

We have acted as Trustee of the Fund for the financial year ended 30 June 2022 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:

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

For and on behalf of  
**CIMB Islamic Trustee Berhad**

**Ezreen Eliza Zulkiplee**  
Chief Executive Officer

Kuala Lumpur, Malaysia

30 August 2022

## **5. SHARIAH ADVISER'S REPORT TO THE UNITHOLDERS OF MYETF DOW JONES U.S. TITANS 50 ("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 the Shariah principles and complied with the applicable guidelines, rulings or decisions issued by the Securities Commission Malaysia ("SC") pertaining to Shariah matters; and
2. The asset of the Fund comprises instruments that have been classified as Shariah compliant.

Thank you.

For Amanie Advisors Sdn Bhd

Tan Sri Dr. Mohd Daud Bakar  
Executive Chairman

Date: 30 August 2022

## **6. INDEPENDENT AUDITORS' REPORT TO THE UNIT HOLDERS OF MYETF DOW JONES U.S. TITANS 50**

### **REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS**

#### *Our opinion*

In our opinion, the financial statements of MyETF Dow Jones U.S. Titans 50 ("the Fund") give a true and fair view of the financial position of the Fund as at 30 June 2022, and of its financial performance and its cash flows for the year then ended in accordance with Malaysian Financial Reporting Standards and International Financial Reporting Standards.

#### *What we have audited*

We have audited the financial statements of the Fund, which comprise the statement of financial position as at 30 June 2022, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 23 to 50.

#### *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 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 Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) ("IESBA Code"), and we have fulfilled our other ethical responsibilities in accordance with the By-Laws and the IESBA Code.

#### *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.

## 6. INDEPENDENT AUDITORS' REPORT TO THE UNIT HOLDERS OF MYETF DOW JONES U.S. TITANS 50 (CONTD.)

*Key audit matters (contd.)*

### Financial assets at fair value through profit or loss

#### 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 USD25,387,351 as at 30 June 2022.

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 17 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 trustee; 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.

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.

## **6. INDEPENDENT AUDITORS' REPORT TO THE UNIT HOLDERS OF MYETF DOW JONES U.S. TITANS 50 (CONTD.)**

### *Responsibilities of the Manager 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.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Manager.



## **6. INDEPENDENT AUDITORS' REPORT TO THE UNIT HOLDERS OF MYETF DOW JONES U.S. TITANS 50 (CONTD.)**

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

- 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 Funds 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.

The financial statements of the Fund for the financial year ended 30 June 2021 were audited by another auditor who expressed an unmodified opinion on those statements on 30 September 2021.

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

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

Kuala Lumpur, Malaysia

30 August 2022

## **7. 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 30 June 2022 and the related statement of comprehensive income, statement of changes in net asset value and statement of cash flows for the financial year ended 30 June 2022 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 Dow Jones U.S. Titans 50 as at 30 June 2022 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

Kuala Lumpur, Malaysia

30 August 2022

## 8. FINANCIAL STATEMENTS

### 8.1 STATEMENT OF COMPREHENSIVE INCOME FOR THE FINANCIAL YEAR ENDED 30 JUNE 2022

	Note	2022 USD	2021 USD
<b>INVESTMENT INCOME</b>			
Dividend income		229,536	98,340
Hibah income		13	4
Net (loss)/gain from Shariah-compliant investments:			
- Financial assets at fair value through profit or loss ("FVTPL")	4	(4,847,707)	2,777,027
Net loss on foreign currency exchange		<u>(2,068)</u>	<u>(519)</u>
		<u>(4,620,226)</u>	<u>2,874,852</u>
<b>EXPENSES</b>			
Manager's fee	5	79,972	29,809
Trustee's fee	6	6,941	3,036
Index license fee	7	8,000	8,977
Auditors' remuneration		3,707	3,863
Tax agent's fee		2,216	2,643
Other expenses		92,213	54,620
Brokerage and other transaction costs		<u>2,650</u>	<u>9,499</u>
		<u>195,699</u>	<u>112,447</u>
<b>NET (LOSS)/INCOME BEFORE TAX</b>		<b>(4,815,925)</b>	<b>2,762,405</b>
Income tax	8	<u>3,407</u>	<u>-</u>
<b>NET (LOSS)/INCOME AFTER TAX, REPRESENTING TOTAL COMPREHENSIVE (LOSS)/INCOME FOR THE FINANCIAL YEAR</b>		<b><u>(4,819,332)</u></b>	<b><u>2,762,405</u></b>
Net (loss)/income after tax is made up as follows:			
Realised gain		347,751	2,810,938
Unrealised losses	4	<u>(5,167,083)</u>	<u>(48,533)</u>
		<u>(4,819,332)</u>	<u>2,762,405</u>

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

## 8.2 STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2022

	Note	2022 USD	2021 USD
<b>ASSETS</b>			
<b>INVESTMENTS</b>			
Financial assets at FVTPL	4	<u>25,387,351</u>	<u>8,041,367</u>
<b>OTHER ASSETS</b>			
Other receivable	9	14,220	2,906
Prepayment		5,552	6,340
Cash at banks		<u>67,542</u>	<u>18,370</u>
		<u>87,314</u>	<u>27,616</u>
<b>TOTAL ASSETS</b>		<u>25,474,665</u>	<u>8,068,983</u>
<b>LIABILITIES</b>			
Amount due to Manager		8,641	2,436
Amount due to Trustee		2,305	239
Tax payable		1,702	-
Other payables	10	<u>14,811</u>	<u>11,710</u>
<b>TOTAL LIABILITIES</b>		<u>27,459</u>	<u>14,385</u>
<b>EQUITY</b>			
Unit holders' contribution		23,511,340	1,299,400
Retained earnings		<u>1,935,866</u>	<u>6,755,198</u>
<b>NET ASSET VALUE ("NAV") ATTRIBUTABLE TO UNIT HOLDERS</b>	11	<u>25,447,206</u>	<u>8,054,598</u>
<b>TOTAL LIABILITIES AND EQUITY</b>		<u>25,474,665</u>	<u>8,068,983</u>
<b>NUMBER OF UNITS IN CIRCULATION</b>	11(a)	<u>15,412,300</u>	<u>4,312,300</u>
<b>NAV PER UNIT (USD)</b>		<u>1.6511</u>	<u>1.8678</u>

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

**8.3 STATEMENT OF CHANGES IN NET ASSET VALUE  
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2022**

	<b>Note</b>	<b>Unit holders' contribution USD</b>	<b>Retained earnings USD</b>	<b>Total NAV USD</b>
<b>2022</b>				
At beginning of the financial year		1,299,400	6,755,198	8,054,598
Total comprehensive loss		-	(4,819,332)	(4,819,332)
Creation of units	11(a)	<u>22,211,940</u>	<u>-</u>	<u>22,211,940</u>
At end of the financial year		<u>23,511,340</u>	<u>1,935,866</u>	<u>25,447,206</u>
<b>2021</b>				
At beginning of the financial year		5,772,520	3,992,793	9,765,313
Total comprehensive income		-	2,762,405	2,762,405
Creation of units	11(a)	<u>5,496,240</u>	<u>-</u>	<u>5,496,240</u>
Cancellation of units	11(a)	<u>(9,969,360)</u>	<u>-</u>	<u>(9,969,360)</u>
At end of the financial year		<u>1,299,400</u>	<u>6,755,198</u>	<u>8,054,598</u>

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

**8.4 STATEMENT OF CASH FLOWS  
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2022**

	<b>2022</b>	<b>2021</b>
	<b>USD</b>	<b>USD</b>
<b>CASH FLOWS FROM OPERATING AND INVESTING ACTIVITIES</b>		
Proceeds from sale of financial assets at FVTPL	2,472,719	10,454,460
Dividends received	218,222	71,396
Hibah received	13	4
Tax agent's fee paid	(1,113)	(370)
Auditors' remuneration paid	(3,792)	(3,796)
Trustee's fee paid	(4,875)	(3,093)
Manager's fee paid	(73,767)	(30,762)
Payment for other fees and expenses	(99,991)	(36,833)
Purchase of financial assets at FVTPL	<u>(24,666,411)</u>	<u>(6,039,176)</u>
Cash (used in)/generated from operating and investing activities	(22,158,995)	4,411,830
Income tax paid	<u>(1,705)</u>	<u>-</u>
Net cash (used in)/generated from operating and investing activities	<u>(22,160,700)</u>	<u>4,411,830</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Cash received from units created	22,211,940	5,496,240
Cash paid on units cancelled	<u>-</u>	<u>(9,969,360)</u>
Net cash generated from/(used in) financing activities	<u>22,211,940</u>	<u>(4,473,120)</u>
<b>NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS</b>	51,240	(61,290)
<b>EFFECT OF FOREIGN EXCHANGE RATE CHANGES</b>	(2,068)	(519)
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL YEAR</b>	<u>18,370</u>	<u>80,179</u>
<b>CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL YEAR</b>	<u>67,542</u>	<u>18,370</u>
Cash and cash equivalents comprise:		
Cash at banks	<u>67,542</u>	<u>18,370</u>

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

## **8.5 NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2022**

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

MyETF Dow Jones U.S. Titans 50 ("the Fund") was constituted pursuant to the executed Deed dated 25 September 2017 (collectively, together with deeds supplemental thereto, referred to as "the Deed") between the Manager, i-VCAP Management Sdn. Bhd. and CIMB Islamic Trustee Berhad ("the Trustee"). The Fund commenced operations on 15 January 2018 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 is designed to provide investment results that closely correspond to the performance of the Dow Jones Islamic Market U.S. Titans 50 Index ("Benchmark Index"), regardless of its performance. The Benchmark Index shall comprise of the 50 largest companies (by float-adjusted market capitalisation) listed on the relevant exchanges in the United States of America which have passed rules-based screens for Shariah compliance of S&P Dow Jones Indices.

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 Executive Director of the Manager on 30 August 2022.

### **2. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES**

The Fund is exposed to a variety of risks including market risk (which includes interest rate risk and price risk), credit risk, liquidity risk and reclassification of Shariah status 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 a 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.

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

### **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 and price risk.

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 valuation 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 a Shariah-compliant 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 any interest rate risk as it does not hold any investment in short-term deposits at reporting date.

### **ii. Price risk**

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



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

### a. Market risk (contd.)

#### ii. Price risk (contd.)

##### 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 Islamic 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) USD
<b>2022</b>		
Financial assets at FVTPL	<u>5/(5)</u>	<u>12,694/(12,694)</u>
<b>2021</b>		
Financial assets at FVTPL	<u>5/(5)</u>	<u>4,021/(4,021)</u>

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	
	2022	2021	2022	2021
	USD	USD	%	%
Financial assets at FVTPL	<u>25,387,351</u>	<u>8,041,367</u>	<u>99.8</u>	<u>99.8</u>

## 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 Islamic collective investment scheme analysed by sector is as follows:

	Fair value		Percentage of NAV	
	2022 USD	2021 USD	2022 %	2021 %
Technology	11,384,624	4,158,870	44.8	51.6
Health Care	4,252,662	1,192,675	16.7	14.8
Consumer Services	2,984,887	547,504	11.7	6.8
Consumer Goods	2,902,916	862,590	11.4	10.7
Financials	1,288,268	451,011	5.1	5.6
Oil and Gas	1,159,419	258,089	4.6	3.2
Industrials	1,152,635	418,040	4.5	5.2
Basic Materials	261,940	85,863	1.0	1.1
Islamic Real Estate Investment Trust	-	66,725	-	0.8
	<u>25,387,351</u>	<u>8,041,367</u>	<u>99.8</u>	<u>99.8</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.)

### 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 banks, 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.

		Up to 1 year	
	Note	2022	2021
		USD	USD
<b>Assets</b>			
Financial assets at FVTPL		25,387,351	8,041,367
Other assets		<u>81,762</u>	<u>21,276</u>
	i.	<u>25,469,113</u>	<u>8,062,643</u>
<b>Liabilities</b>			
Other liabilities	ii.	<u>13,438</u>	<u>4,309</u>
Equity	iii.	<u>25,447,206</u>	<u>8,054,598</u>
Liquidity gap		<u>8,469</u>	<u>3,736</u>

#### 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 Islamic 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. The unlisted Islamic options is also expected to be realized within a year. For other 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.

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

### **c. Liquidity risk (contd.)**

#### **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”.

### **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 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 soonest practical if the value of the securities exceeds or is equal to the investment cost on the on the date of 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 date of review. However, any dividends received and excess capital gains from the disposal of the Shariah non-compliant securities after the date of review should be channelled to charitable bodies endorsed by the Shariah Adviser;
- ii. to hold such securities if the value of the said securities is below the investment cost on the date of review until the total subsequent dividends received (if any) and the market price of the securities is equal to the cost of investment, which upon to dispose the securities. The excess capital gains (if any) from the disposal of the securities should be channelled to charitable bodies endorsed 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. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### 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 July 2021.

Description	Effective for financial periods beginning on or after
Amendments to MFRS 4: <i>Extension of the Temporary Exemption from Applying MFRS 9</i>	17 August 2020
Amendments to MFRS 9, MFRS 139, MFRS 7, MFRS 4 and MFRS 16: <i>Interest Rate Benchmark Reform – Phase 2</i>	1 January 2021
Amendments to MFRS 16: <i>Covid-19 – Related Rent Concessions beyond 30 June 2021</i>	1 April 2021

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

#### b. Standards and amendments issued but not yet effective

As at the reporting date, the following new standard and 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 standard and amendments to standards when they become effective.

Description	Effective for financial periods beginning on or after
Amendments to MFRS contained in the document entitled " <i>Annual Improvements to MFRS Standards 2018 - 2020</i> "	1 January 2022
Amendments to MFRS 1: <i>Subsidiary as a First-time Adopter contained in the document entitled "Annual Improvements to MFRS Standards 2018 - 2020"</i>	1 January 2022
Amendments to MFRS 9: <i>Fees in the '10 per cent' Test for Derecognition of Financial Liabilities contained in the document entitled "Annual Improvements to MFRS Standards 2018 - 2020"</i>	1 January 2022
Amendments to Illustrative Examples accompanying MFRS 16: <i>Lease Incentives contained in the document entitled "Annual Improvements to MFRS Standards 2018 - 2020"</i>	1 January 2022

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

#### b. Standards and amendments issued but not yet effective (contd.)

Description	Effective for financial periods beginning on or after
Amendments to MFRS 141: <i>Taxation in Fair Value Measurements contained in the document entitled "Annual Improvements to MFRS Standards 2018 - 2020"</i>	1 January 2022
Amendments to MFRS 3: <i>Reference to the Conceptual Framework</i>	1 January 2022
Amendments to MFRS 116: <i>Property, Plant and Equipment – Proceeds before Intended Use</i>	1 January 2022
Amendments to MFRS 137: <i>Onerous Contracts – Cost of Fulfilling a Contract</i>	1 January 2022
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>Classification of Liabilities as Current or Non-current</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 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. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (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. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (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 payments of principal or amortisation/accretion of the premium/discount).

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.



### **3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (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.)**

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.

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.

### **3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTD.)**

#### **d. Derecognition of financial assets (contd.)**

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.

#### **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.

### **3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTD.)**

#### **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.

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 investment.

#### **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.

#### **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 received on 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 United States Dollar ("USD"), which is also the Fund's functional currency.

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

#### I. Functional and presentation currency (contd.)

##### ii. Foreign currency transactions

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.

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:

	2022 USD	2021 USD
1 MYR	0.2269	0.4209

##### 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

	2022 USD	2021 USD
Financial assets held for trading, at FVTPL:		
Listed Shariah-compliant equity securities	25,387,351	7,974,642
Listed Islamic collective investment scheme	-	66,725
	<u>25,387,351</u>	<u>8,041,367</u>
Net (loss)/gain on financial assets at FVTPL comprised:		
Realised gain on disposals	319,376	2,825,560
Unrealised changes in fair values	(5,167,083)	(48,533)
	<u>(4,847,707)</u>	<u>2,777,027</u>

#### Details of financial assets at FVTPL as at 30 June 2022:

	Quantity	Aggregate cost USD	Fair value USD	Percentage of NAV %
<b>Listed Shariah-compliant equity securities</b>				
<b>Technology</b>				
Adobe Inc.	848	427,831	310,419	1.2
Advanced Micro Devices Inc.	2,932	318,101	224,210	0.9
Alphabet Inc. - Class A	540	1,320,112	1,176,800	4.6
Alphabet Inc. - Class C	495	1,216,238	1,082,788	4.2
Apple Inc.	18,553	2,608,134	2,536,566	10.0
Applied Materials Inc.	1,610	214,175	146,478	0.6
Broadcom Inc.	739	406,166	359,014	1.4
Cisco Systems Inc.	7,518	406,770	320,567	1.3
Intel Corporation	7,388	379,022	276,385	1.1
Meta Platforms Inc. (formerly known as Facebook Inc.) - Class A	4,121	1,171,101	664,511	2.6
Microsoft Corporation	10,193	2,740,355	2,617,868	10.3
Nvidia Corporation	4,535	937,447	687,461	2.7
Qualcomm Inc.	2,044	290,934	261,101	1.0
Salesforce Inc.	1,789	404,968	295,257	1.2
ServiceNow Inc.	362	204,626	172,138	0.7
Texas Instruments Incorporated	1,647	286,258	253,061	1.0
		<u>13,332,238</u>	<u>11,384,624</u>	<u>44.8</u>

#### 4. FINANCIAL ASSETS AT FVTPL (CONTD.)

Details of financial assets at FVTPL as at 30 June 2022: (contd.)

	Quantity	Aggregate cost USD	Fair value USD	Percentage of NAV %
<b>Listed Shariah-compliant equity securities (contd.)</b>				
<b>Health Care</b>				
Abbott Laboratories	3,168	369,881	344,203	1.4
Amgen Inc.	959	218,609	233,325	0.9
Bristol-Myers Squibb Company	3,853	293,522	296,681	1.2
Danaher Corporation	1,156	311,175	293,069	1.1
Eli Lilly and Company	1,427	327,939	462,676	1.8
Intuitive Surgical Inc.	649	191,248	130,261	0.5
Johnson & Johnson	4,775	781,847	847,611	3.3
Medtronic PLC	2,439	271,330	218,900	0.9
Merck & Co. Inc.	4,583	347,915	417,832	1.6
Moderna Inc.	627	197,163	89,567	0.4
Pfizer Inc.	10,183	470,277	533,895	2.1
Thermo Fisher Scientific Inc.	708	374,127	384,642	1.5
		<u>4,155,033</u>	<u>4,252,662</u>	<u>16.7</u>
<b>Consumer Services</b>				
Amazon.com Inc.	15,812	2,600,334	1,679,393	6.6
Lowe's Companies Inc.	1,196	238,570	208,905	0.8
Starbucks Corporation	2,056	203,847	157,058	0.6
Target Corporation	840	185,539	118,633	0.5
The Home Depot Inc.	1,856	592,354	509,045	2.0
Walmart Inc.	2,565	352,479	311,853	1.2
		<u>4,173,123</u>	<u>2,984,887</u>	<u>11.7</u>
<b>Consumer Goods</b>				
Mondelez International Inc.	2,517	152,256	156,280	0.6
Nike Inc.	2,314	323,295	236,491	0.9
PepsiCo Inc.	2,510	388,160	418,317	1.7
Tesla Inc.	1,519	1,194,714	1,022,925	4.0
The Coca-Cola Company	7,053	394,525	443,704	1.7
The Procter & Gamble Company	4,348	609,007	625,199	2.5
		<u>3,061,957</u>	<u>2,902,916</u>	<u>11.4</u>

#### 4. FINANCIAL ASSETS AT FVTPL (CONTD.)

Details of financial assets at FVTPL as at 30 June 2022: (contd.)

	Quantity	Aggregate cost USD	Fair value USD	Percentage of NAV %
<b>Listed Shariah-compliant equity securities (contd.)</b>				
<b>Financials</b>				
Mastercard Inc.	1,554	522,500	490,256	1.9
S&P Global Inc.	628	254,672	211,674	0.9
Visa Inc.	2,978	624,504	586,338	2.3
		<u>1,401,676</u>	<u>1,288,268</u>	<u>5.1</u>
<b>Oil and Gas</b>				
ExxonMobil Corporation	7,623	533,285	652,834	2.6
Chevron Corporation	3,499	415,481	506,585	2.0
		<u>948,766</u>	<u>1,159,419</u>	<u>4.6</u>
<b>Industrials</b>				
3M Company	1,037	173,917	134,198	0.5
Accenture PLC	1,146	355,009	318,187	1.3
Honeywell International Inc.	1,244	251,519	216,220	0.8
Union Pacific Corporation	1,138	249,020	242,712	1.0
United Parcel Service	1,322	247,630	241,318	0.9
		<u>1,277,095</u>	<u>1,152,635</u>	<u>4.5</u>
<b>Basic Materials</b>				
Linde PLC	911	265,609	261,940	1.0
<b>Total listed Shariah-compliant equity securities, representing total financial assets at FVTPL</b>				
		<u>28,615,497</u>	<u>25,387,351</u>	<u>99.8</u>
<b>Unrealised loss on financial assets at FVTPL</b>				
			<u>(3,228,146)</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 of the Deed.

The Manager is currently charging Manager's fee of 0.40% per annum of the NAV of the Fund (2021: 0.40% per annum).

## **6. TRUSTEE'S FEE**

The Trustee's fee is calculated on a daily basis at a rate not exceeding 0.35% 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 of the Deed.

The Trustee's fee is currently calculated at 0.035% per annum of the NAV of the Fund (2021: 0.035% per annum).

## **7. INDEX LICENSE FEE**

The index licence fee is calculated at 0.04% per annum on the NAV of the Fund and subject to a minimum fee of USD8,000. The index licence fee is payable to S&P Opco, LLC, the Benchmark Index provider.

The index license fee is currently calculated based on the minimum fee of USD8,000 per annum (2021: 0.04% 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, income derived by a resident person from sources outside Malaysia and received in Malaysia from 1 January 2022 will no longer be exempt from tax. Foreign-sourced income ("FSI") received in Malaysia during the transitional period from 1 January 2022 to 30 June 2022 will be taxed at 3% of gross. From 1 July 2022 onwards, FSI 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 (loss)/income before tax at the statutory income tax rate to income tax expense at the effective income tax rate of the Fund is as follows:

	<b>2022</b>	<b>2021</b>
	<b>USD</b>	<b>USD</b>
Net (loss)/income before tax	<u>(4,815,925)</u>	<u>2,762,405</u>
Tax at Malaysian statutory tax rate of 24% (2021: 24%)	(1,155,822)	662,977
Tax effect of:		
Income not subject to tax	(131,742)	(701,737)
Losses not deductible for tax purposes	1,240,596	11,772
Expenses not deductible for tax purposes	26,602	23,204
Restriction on tax deductible expenses for exchange-traded funds	20,366	3,784
Tax on FSI	<u>3,407</u>	<u>-</u>
Income tax for the financial year	<u>3,407</u>	<u>-</u>

## 9. OTHER RECEIVABLE

	<b>2022</b>	<b>2021</b>
	<b>USD</b>	<b>USD</b>
Dividend receivable	<u>14,220</u>	<u>2,906</u>

## 10. OTHER PAYABLES

	<b>2022</b>	<b>2021</b>
	<b>USD</b>	<b>USD</b>
Accrual for auditors' remuneration	3,713	3,798
Accrual for tax agent's fees	3,376	2,273
Shariah adviser's fee payable	2,492	1,634
Sundry payables	<u>5,230</u>	<u>4,005</u>
	<u>14,811</u>	<u>11,710</u>

## 11. NET ASSET VALUE ATTRIBUTABLE TO UNIT HOLDERS

NAV attributable to unit holders is represented by:

	Note	2022 USD	2021 USD
Unit holders' contribution	(a)	<u>23,511,340</u>	<u>1,299,400</u>
<u>Retained earnings:</u>			
Realised reserves		5,164,012	4,816,261
Unrealised (deficits)/reserves		<u>(3,228,146)</u>	<u>1,938,937</u>
		<u>1,935,866</u>	<u>6,755,198</u>
		<u>25,447,206</u>	<u>8,054,598</u>

### (a) Unit holders' contribution

	2022		2021	
	No. of units	USD	No. of units	USD
At beginning of the financial year	4,312,300	1,299,400	7,312,300	5,772,520
Add: Creation of units	11,100,000	22,211,940	3,300,000	5,496,240
Less: Cancellation of units	<u>-</u>	<u>-</u>	<u>(6,300,000)</u>	<u>(9,969,360)</u>
At end of the financial year	<u>15,412,300</u>	<u>23,511,340</u>	<u>4,312,300</u>	<u>1,299,400</u>

The Manager, Kenanga Investors Berhad and other parties related to the Manager did not hold any units in the Fund, either legally or beneficially, as at 30 June 2022 (2021: nil).

## 12. 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 included in the Benchmark Index have been classified as Shariah-compliant;
- Investment in collective investment scheme included in the Benchmark Index was classified as Shariah-compliant; and
- Liquid assets have been placed in Shariah-compliant investments and/or instruments.

### 13. PORTFOLIO TURNOVER RATIO ("PTR")

PTR for the financial year is 0.68 times (2021: 0.92 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.

### 14. MANAGEMENT EXPENSE RATIO ("MER")

MER for the financial year is 0.62% per annum (2021: 0.99% per annum).

MER 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.

### 15. TRANSACTIONS WITH LICENSED FINANCIAL INSTITUTIONS

	Transaction value USD	Percentage of total %	Brokerage, stamp duty and clearing fee USD	Percentage of total %
Macquarie Bank Limited	11,070,427	40.8	33,213	36.4
Maybank Investment Bank Berhad	10,320,373	38.0	36,482	40.0
CGS-CIMB Securities Sdn Bhd	5,748,331	21.2	21,552	23.6
	<u>27,139,131</u>	<u>100.0</u>	<u>91,247</u>	<u>100.0</u>

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

### 16. 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 Benchmark Index and not more than 10% of its NAV in Islamic liquid assets.

As at reporting date, the Fund has only invested in listed Shariah-compliant investment securities, thus disclosure by business segments is not relevant.

#### b. Geographical segments

As all of the Fund's investments are located in United State of America, disclosure by geographical segments is not relevant.

## 17. 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.

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 USD	Financial assets at amortised cost USD	Other financial liabilities USD	Total USD
<b>2022</b>				
<b>Assets</b>				
Listed Shariah-compliant equity securities	25,387,351	-	-	25,387,351
Other receivable	-	14,220	-	14,220
Cash at banks	-	67,542	-	67,542
	<u>25,387,351</u>	<u>81,762</u>	<u>-</u>	<u>25,469,113</u>
<b>Liabilities</b>				
Amount due to Manager	-	-	8,641	8,641
Amount due to Trustee	-	-	2,305	2,305
Shariah adviser's fee payable (Note 10)	-	-	2,492	2,492
	<u>-</u>	<u>-</u>	<u>13,438</u>	<u>13,438</u>
<b>2021</b>				
<b>Assets</b>				
Listed Shariah-compliant equity securities	7,974,642	-	-	7,974,642
Listed Islamic collective investment scheme	66,725	-	-	66,725
Other receivable	-	2,906	-	2,906
Cash at banks	-	18,370	-	18,370
	<u>8,041,367</u>	<u>21,276</u>	<u>-</u>	<u>8,062,643</u>
<b>Liabilities</b>				
Amount due to Manager	-	-	2,436	2,436
Amount due to Trustee	-	-	239	239
Shariah adviser's fee payable (Note 10)	-	-	1,634	1,634
	<u>-</u>	<u>-</u>	<u>4,309</u>	<u>4,309</u>

## 17. FINANCIAL INSTRUMENTS (CONTD.)

### 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 USD	Level 2 USD	Level 3 USD	Total USD
<b>Investments:</b>				
<b>2022</b>				
Listed Shariah-compliant equity securities	<u>25,387,351</u>	<u>-</u>	<u>-</u>	<u>25,387,351</u>
<b>2021</b>				
Listed Shariah-compliant equity securities	7,974,642	-	-	7,974,642
Listed Islamic collective investment scheme	<u>66,725</u>	<u>-</u>	<u>-</u>	<u>66,725</u>
	<u>8,041,367</u>	<u>-</u>	<u>-</u>	<u>8,041,367</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 Islamic collective investment scheme are determined by reference to the stock exchanges of United State of America's last traded prices at reporting date.

### 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.

## **18. 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.

## 9. DIRECTORS' PROFILE

<b>Name</b>	<b>Luk Wai Hong, William</b>
<b>Age</b>	58
<b>Gender</b>	Male
<b>Nationality</b>	Hong Kong
<b>Position</b>	Independent Non-Executive Director
<b>Date of Appointment</b>	12 April 2021
<b>Membership of Board Committee(s)</b>	Nil
<b>Directorship of Other Public Companies</b>	<ul style="list-style-type: none"> <li>• Kenanga Investment Bank Berhad</li> <li>• Kenanga Investors Berhad</li> <li>• Cotton Tree Capital Ltd.</li> </ul>
<b>Length of Tenure as Director (As at 30 June 2022)</b>	One (1) Year and Two (2) Months
<b>Number of Board Meetings Attended in the Financial Year (1 July 2021 to 30 June 2022)</b>	Five (5)/ Five (5) (100%)
<b>Academic Qualifications</b>	<ul style="list-style-type: none"> <li>• Executive Fellowship awarded by the State of Washington, United States of America ("USA")</li> <li>• Master of Urban Planning from University of Michigan, USA</li> <li>• Bachelor of Arts (Honors) from Concordia University, Canada</li> </ul>
<b>Present Appointments</b>	<ul style="list-style-type: none"> <li>• Independent Non-Executive Director of Kenanga Investment Bank Berhad ("KIBB")</li> <li>• Chairman of the Group Board Risk Committee, KIBB</li> <li>• Member of the Audit Committee, KIBB</li> <li>• Member of the Group Governance, Nomination &amp; Compensation Committee, KIBB</li> <li>• Member of the Employees' Share Scheme Committee, KIBB</li> <li>• Member of the Group Board Digital Innovation &amp; Technology Committee, KIBB</li> <li>• Independent Non-Executive Director of Kenanga Investors Berhad ("KIB")</li> <li>• Member of the Audit and Risk Committee of KIB</li> <li>• Chairman of the Investment Committee of KIB</li> <li>• Non-Executive Director of 1.57 Pte. Ltd.</li> <li>• Director of Investment of Cotton Tree Capital Ltd.</li> <li>• Non-Executive Director of Far East Mining Pte. Ltd.</li> <li>• Non-Executive Director of The Rare Whisky Fund Pte. Ltd.</li> <li>• Non-Executive Director of The Whisky Capital Pte. Ltd.</li> <li>• Non-Executive Director of The Whisky Distillery Pte. Ltd.</li> </ul>

<b>Name</b>	<b>Luk Wai Hong, William</b>
<b>Past Relevant Experiences</b>	<ul style="list-style-type: none"> <li>• Independent Non- Executive Director, K &amp; N Kenanga Holdings Berhad</li> <li>• Non-Executive Director of Rakuten Trade Singapore Pte. Ltd. (Formerly known as Kenanga Singapore Pte. Ltd.)</li> <li>• Principal and Portfolio Manager of Pacific Advantage Capital, Hong Kong and Singapore</li> <li>• Managing Director and Co-Head of Saba Proprietary Trading Group Asia, Deutsche Bank AG, Hong Kong</li> <li>• Managing Director and Co-Head of Global Trading and Principal Finance Asia, Deutsche Bank AG, Singapore</li> <li>• Director and Head of Structured Credit Trading and Principal Finance Asia, Deutsche Bank AG, Singapore</li> <li>• Senior Associate Director and Senior Credit and Derivative Trader, Deutsche Bank AG, Singapore</li> <li>• Senior Fixed Income Trader, HSBC Markets, Hong Kong</li> <li>• Fixed Income and Credit Trader, Lehman Brothers Asia, Hong Kong and Japan</li> <li>• Executive Fellow and Transportation Finance Specialist, Office of Financial Management, State of Washington, United States</li> </ul>
<b>Family relationship with any Director and/or major shareholder</b>	Nil
<b>Conflict of interest with the Fund</b>	Nil
<b>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</b>	Nil

<b>Name</b>	<b>Imran Devindran Abdullah</b>
<b>Age</b>	56
<b>Gender</b>	Male
<b>Nationality</b>	Malaysian
<b>Position</b>	Independent Non-Executive Director
<b>Date of Appointment</b>	19 February 2021
<b>Membership of Board Committee(s)</b>	Nil
<b>Directorship of Other Public Companies</b>	Kenanga Investors Berhad
<b>Length of Tenure as Director (As at 30 June 2022)</b>	One (1) Year and Four (4) Months
<b>Number of Board Meetings Attended in the Financial Year (1 July 2021 to 30 June 2022)</b>	Five (5)/ Five (5) (100%)



<b>Name</b>	<b>Imran Devindran Abdullah</b>
<b>Academic Qualifications</b>	<ul style="list-style-type: none"> <li>• Admitted to the Malaysian Bar, High Court Malaya</li> <li>• Certificate of Legal Practice, University of Malaya</li> <li>• Honours Bachelor of Law (1988), University of Buckingham, England</li> <li>• GCE A-Levels, Raffles Junior College, Singapore</li> </ul>
<b>Present Appointments</b>	<ul style="list-style-type: none"> <li>• Independent Non-Executive Director of Kenanga Investors Berhad ("KIB")</li> <li>• Chairman of the Audit and Risk Committee of KIB</li> <li>• Member of the Investment Committee of KIB</li> <li>• Senior Associate of BH Lawrence &amp; Co, Advocates and Solicitors</li> </ul>
<b>Past Relevant Experiences</b>	<ul style="list-style-type: none"> <li>• Independent Non-Executive Director of Libra Invest Berhad ("LIB")</li> <li>• Member of the Investment Committee of LIB</li> <li>• Partner in Imran Shahareen &amp; Co.</li> <li>• Legal Assistant of Messrs. Miranda &amp; Co.</li> <li>• Legal Assistant of Dass, Jainab &amp; Associate</li> <li>• Legal Assistant of Messrs. Riza, Leong &amp; Partners</li> </ul>
<b>Family relationship with any Director and/or major shareholder</b>	Nil
<b>Conflict of interest with the Fund</b>	Nil
<b>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</b>	Nil

<b>Name</b>	<b>Ismitz Matthew De Alwis</b>
<b>Age</b>	47
<b>Gender</b>	Male
<b>Nationality</b>	Malaysian
<b>Position</b>	Non-Executive Director
<b>Date of Appointment</b>	19 February 2021
<b>Membership of Board Committee(s)</b>	Nil
<b>Directorship of Other Public Companies</b>	<ul style="list-style-type: none"> <li>• Kenanga Investors Berhad</li> <li>• Kenanga Islamic Investors Berhad</li> <li>• Kenanga Funds Berhad</li> <li>• Federation of Investment Managers Malaysia</li> </ul>
<b>Length of Tenure as Director</b> (As at 30 June 2022)	One (1) Year and Four (4) Months
<b>Number of Board Meetings Attended in the Financial Year</b> (1 July 2021 to 30 June 2022)	Five (5)/ Five (5) (100%)

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

<b>Name</b>	<b>Ismitz Matthew De Alwis</b>
<b>Past Relevant Experiences</b>	<ul style="list-style-type: none"> <li>• President of the Board of Governors for the Financial Planning Association of Malaysia</li> <li>• Non-Executive Director of Libra Invest Berhad</li> <li>• Member of the Investment Committee of Libra Invest Berhad</li> <li>• Deputy Chief Executive Officer of KIB</li> <li>• Executive Director/Country Head of ING Investment Management Malaysia/ ING Funds Berhad</li> <li>• Senior Vice President, Head, Business Development of ING Funds Berhad</li> <li>• Vice President-Head, Retail Distribution of ING Funds Berhad</li> <li>• Assistant Vice President - Head, Agency Channel of ING Funds Berhad</li> <li>• Senior Manager - Marketing and Business Development of ING Insurance Berhad/ING Funds Berhad</li> <li>• Head Sales &amp; Marketing of MBF Unit Trust Management Berhad</li> <li>• Senior Manager, Investment Services of MBF Cap/ MBF Asset Management</li> <li>• Asia Pacific Relationship Manager/ Account Director of ARA (Asia Research &amp; Consultancy) Consultancy Ltd.</li> </ul>
<b>Family relationship with any Director and/or major shareholder</b>	Nil
<b>Conflict of interest with the Fund</b>	Nil
<b>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</b>	Nil

<b>Name</b>	<b>Syed Umar Bin Abdul Rahman Alhadad</b>
<b>Age</b>	41
<b>Gender</b>	Male
<b>Nationality</b>	Malaysian
<b>Position</b>	Acting Chief Executive Officer / Executive Director
<b>Date of Appointment</b>	19 February 2021
<b>Membership of Board Committee(s)</b>	Nil
<b>Directorship of Other Public Companies</b>	Nil
<b>Length of Tenure as Director (As at 30 June 2022)</b>	One (1) Year and Four (4) Months

<b>Name</b>	<b>Syed Umar Bin Abdul Rahman Alhadad</b>
<b>Number of Board Meetings Attended in the Financial Year</b> (1 July 2021 to 30 June 2022)	Five (5)/ Five (5) (100%)
<b>Academic Qualifications</b>	<ul style="list-style-type: none"> <li>• Capital Markets Services Representative's Licence for Fund Management, Securities Commission Malaysia</li> <li>• Certified Financial Planner, Financial Planning Association of Malaysia</li> <li>• Bachelor of Engineering (Hons) Electronics Majoring in Telecommunication from Multimedia University</li> </ul>
<b>Present Appointments</b>	• Non-Executive Director, Global Turbine Asia Sdn Bhd
<b>Past Relevant Experiences</b>	<ul style="list-style-type: none"> <li>• Head, Strategic Planning &amp; Risk, Kenanga Investors Berhad</li> <li>• Senior Vice President, Group Transformation &amp; Group Corporate Planning, Kenanga Investment Bank Berhad</li> <li>• Media Director, Spafax Airline Network</li> <li>• Operations Executive, Ramtronics Technology (M) Sdn Bhd</li> </ul>
<b>Family relationship with any Director and/or major shareholder</b>	Nil
<b>Conflict of interest with the Fund</b>	Nil
<b>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</b>	Nil

## 10. DIRECTORS' TRAINING

Director	Program Title and Organiser	Date
Luk Wai Hong, William	Legacy & Estate Planning - Amanah Warisan Berhad ("AWARIS")	13-Jul-21
	Environmental, Social and Governance in Islamic Finance	5-Aug-21
	2021 Anti-Money Laundering & Financial Crime in the Age of Covid - Training for Board of Directors of Kenanga Group of Companies by Nature of Life	3-Sep-21
	Section 17A of the Malaysian Anti-Corruption Commission Act 2009 ("MACCA") - Strengthening Integrity: The Role of Directors and Senior Management in the Anti-Corruption System by Trident Integrity Solutions	3-Sep-21
	"Capital Markets Director Programmes ("CMDP") - Module 2B - Business Challenges and Regulatory Expectations - What Directors Need to Know (Fund Management) by SIDC"	8-Sep-21
	Cyber Awareness Training for Board of Directors by EC-Council Cyber Defence	2-Dec-21
	BNM-FIDE Forum MyFintech Week Masterclasses	27-Jan-22
	Introductory Session by UN Global Compact ("UNGC") on (1) Brief Introduction on Board Leadership & Sustainability; and (2) KIBB-UNGC Collaboration Plans	11-Mar-22
	Bursa 2022 Market Intermediaries and Advocacy Programmes - Addressing and Responding to Growing and More Complex Threat of Cyber Security by Asia School of Business	28-Jun-22

Director	Program Title and Organiser	Date
<b>Imran Devindran Abdullah</b>	Legacy & Estate Planning - Amanah Warisan Berhad ("AWARIS")	13-Jul-21
	Environmental, Social and Governance in Islamic Finance	5-Aug-21
	The Law Behind Corporate Governance by Malaysian Institute of Corporate Governance ("MICG")	26-Aug-21
	2021 Anti-Money Laundering & Financial Crime in the Age of Covid - Training for Board of Directors of Kenanga Group of Companies by Nature of Life	3-Sep-21
	Section 17A of the Malaysian Anti-Corruption Commission Act 2009 ("MACCA") - Strengthening Integrity: The Role of Directors and Senior Management in the Anti-Corruption System by Trident Integrity Solutions	3-Sep-21
	Cyber Awareness Training for Board of Directors by EC-Council Cyber Defence	2-Dec-21
	Introductory Session by UN Global Compact ("UNGC") on (1) Brief Introduction on Board Leadership & Sustainability; and (2) KIBB-UNGC Collaboration Plans	11-Mar-22
<b>Ismitz Matthew De Alwis</b>	MAAM IIIS 2021: Sustainability & Technology By Malaysia Association of Asset Managers	15-Jul-21
	Cybersecurity Awareness Training Part 5 - 2021 By Sophos	16-Jul - 30 Jul-21
	Managing Material Non Public Information By Fund Management Companies By Securities Industry Development Corporation	26-Jul-21
	Anti-Money Laundering & Financial Crime In The Age of Covid By Nature Of Life	9-Aug - 15-Aug-21
	Cybersecurity Awareness Training Part 6 - 2021 By Sophos	16-Aug - 27-Aug-21
	Strengthening Integrity: The Role of Directors And Senior Management In The Anti-Corruption System By Trident Integrity Solutions	3-Sep-21

Director	Program Title and Organiser	Date
<b>Ismitz Matthew De Alwis</b>	Cybersecurity Awareness Training Part 7 - 2021 By Sophos	15-Oct - 29-Oct-21
	6th Annual Regulatory Seminar: Reinforcing Ethical Values Through Regulatory Dynamism By Maheswari A/P G Kanniah, Shubahshine A/P Ganapathy, Siti Zeenath Binti Shaik Ibrahim, Choo Siew Fun, Zulhisham Bin Osman, Denis Ting Juan See, Sekar A/L Jaganathan, Pavandeep Gill	15-Nov - 7-Dec-21
	Cybersecurity Awareness Training Part 2 - 2022 By Sophos	17-Feb - 26-Feb-22
	IMAS - Bloomberg Investment Conference By Investment Management Association of Singapore	9-Mar-22
	IMAS Digital Summit 2022 - Digitalisation In Asset Management: How Far Have We Come? By Investment Management Association of Singapore	20-Apr-22
	Cybersecurity Awareness Training Part 4 - 2022 By Sophos	19-May - 27-May 22
	How To Understand And Take Action On The Global Goals By United Nations Global Compact Learning Platform	1-May - 30-May 22
	Cybersecurity Awareness Training Part 5 - 2022 By Sophos	22-Jun - 30-Jun 22
<b>Syed Umar Bin Abdul Rahman Alhadad</b>	Managing Material Non Public Information by Fund Management Companies by Securities Industry Development Corporation	14-Jul-21
	Business Continuity Management (BCM) Awareness and Business Impact Analysis (BIA) Training 2021	22-Sep-21
	Anti-Money Laundering & Terrorism Financing for Capital Market Intermediaries by Nature of Life	15-Nov - 12-Dec-21
	Leading Organisations and Change by MIT Management Executive Education	2-Feb to 2-Apr-22

Director	Program Title and Organiser	Date
<b>Syed Umar Bin Abdul Rahman Alhadad</b>	Capital Market Development Program: Module 1 Directors As Gatekeepers of Market Participants By Securities Industry Development Corporation	23-May-22
	Capital Market Development Program: Module 2A Business Challenges And Regulatory Expectations – What Directors Need To Know (Equities & Futures Broking) By Securities Industry Development Corporation	24-May-22
	Capital Market Development Program: Module 3 Risk Oversight And Compliance – Action Plan For Board of Directors By Securities Industry By Securities Industry Development Corporation Development Corporation	26-May-22
	Capital Market Development Program: Module 4 Emerging And Current Regulatory Issues In The Capital Market By Securities Industry Development Corporation	27-May-22



## 11. SHARIAH ADVISER'S PROFILE

<b>Shariah Adviser</b>	: Amanie Advisors Sdn Bhd ("Amanie") Incorporated in Kuala Lumpur, Malaysia in 2005 (Co. No. 200501007003 (684050-H)) under the Companies Act, 1965
<b>Corporate Information</b>	: <u>Principal Activities</u> 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.  <u>Shareholding</u> 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.
<b>Experience as Adviser</b>	: 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 eight (8) 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 April 2021, Amanie has acquired over sixteen (16) 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.
<b>Designated Person</b>	: 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
<b>Conflict of interest with the Fund</b>	: The Shariah Adviser does not have any conflict of interest with the Fund
<b>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</b>	: 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.

## **12. TRUSTEE'S DELEGATE**

CIMB Islamic Trustee Berhad has delegated its custodial function to CIMB Islamic Bank Berhad ("CIMB Islamic Bank"). CIMB Islamic Bank's ultimate holding company is CIMB Group Holdings Berhad, a listed company on Bursa Malaysia. CIMB Islamic Bank provides full-fledged custodial services, typically clearing settlement and safekeeping of all types of investment assets and classes, to a cross section of investors and intermediaries client base, both locally and overseas.

For the local Ringgit assets, they are held through its wholly owned nominee subsidiary, CIMB Islamic Nominees (Tempatan) Sdn Bhd. For foreign non-Ringgit assets, CIMB Islamic Bank appoints global custodian as its agent bank to clear, settle and safekeep on its behalf and to its order.

All investments are automatically registered in the name of the custodian to the order of the Trustee. CIMB Islamic Bank acts only in accordance with instructions from the Trustee.

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