



# ANNUAL REPORT 2020

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MyETF

**MSCI SEA ISLAMIC  
DIVIDEND**

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[WWW.MYETF.COM,MY](http://WWW.MYETF.COM,MY)

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## INTRODUCTION

MyETF MSCI SEA Islamic Dividend or MyETF-MSEAD is *i*-VCAP's second style-based Shariah exchange traded fund ("ETF") introduced globally that aims to capture market alpha via investment in dividend yielding Shariah-compliant companies listed on the stock exchanges in Southeast Asia ("SEA"). As of the date of this annual report, the relevant stock exchanges are Bursa Securities, Singapore Exchange, The Stock Exchange of Thailand, Indonesia Stock Exchange and The Philippine Stock Exchange Inc. MyETF-MSEAD is designed to provide investment results that closely correspond to the performance of its Benchmark Index i.e. MSCI AC ASEAN IMI Islamic High Dividend Yield 10/40 Index ("MIISOD4P Index").

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

The Benchmark Index, MIISOD4P Index, is a free-float adjusted, market capitalisation weighted index, maintained and published by MSCI Inc. It may consist up to 30 Shariah-compliant companies listed on the relevant stock exchanges in Southeast Asia countries with dividend yields that are at least 30% higher than average dividend yield of the SEA equity universe that are deemed sustainable and persistent by MSCI. The Benchmark Index is reviewed and rebalanced periodically by MSCI's Shariah Supervisory Committee and review committees to ensure the investability, Shariah-compliance and continuous representation of the dividend yielding opportunity set of the index are maintained.

## FUND INFORMATION

**Manager** : i-VCAP Management Sdn. Bhd. (792968-D)

Registered Address

E-33A-05 Dataran 32,  
No.2, Jalan 19/1,  
46300 Petaling Jaya,  
Selangor Darul Ehsan

Tel. No.: (+603) 7957 6558

Fax No.: (+603) 7841 5555

Business Address

Level 8, Block B, Plaza Zurich  
No. 12 Jalan Gelenggang  
Bukit Damansara  
50490 Kuala Lumpur

Tel. No.: (+603) 2093 7119

Fax No.: (+603) 2094 7119

Board of Directors

*(Please refer to pages 63-67 for profile of the Directors)*

Roslina Binti Abdul Rahman

*Chairman/Non-Independent Non-Executive Director*

Khairi Shahrin Arief Bin Baki

*Non-Independent Executive Director/Chief Executive Officer*

Datuk Dr Syed Muhamad Bin Syed Abdul Kadir

*Independent Non-Executive Director*

Encik Mohd Asri Bin Awang

*Independent Non-Executive Director*

Company Secretaries

Mirza Binti Mohamad (MAICSA 7051997)

*(resigned effective 30 June 2020)*

Halimah binti Haroon (MAICSA 7063294)

*(appointed effective 1 July 2020)*

Lim Yang Meng (MIA 15860)

*(appointed effective 1 July 2020)*

Genesis MR Corporate Sdn. Bhd.

E-33A-05 Dataran 32,  
No.2, Jalan 19/1,  
46300 Petaling Jaya,  
Selangor Darul Ehsan.  
Tel.: (+603) 7957 6558

## FUND INFORMATION (*continued*)

<b>Trustee</b>	:	Deutsche Trustees Malaysia Berhad (763590-H) Level 20, Menara IMC 8, Jalan Sultan Ismail 50250 Kuala Lumpur Malaysia
		Tel. No. (+603) 2053 7522 Fax No. (+603) 2053-7526 Email <a href="mailto:cisops.dtmb@db.com">cisops.dtmb@db.com</a>
<b>Custodian</b> <i>(Trustee's Delegate)</i> <i>(Please refer to page</i> <i>70 for Trustee's</i> <i>Delegate</i> <i>information)</i>	:	Deutsche Bank (Malaysia) Berhad (312552-W) Level 18, Menara IMC 8, Jalan Sultan Ismail 50250 Kuala Lumpur Malaysia
		Tel. No. (+603) 2053 6788 Email <a href="mailto:dbmb-dcs.cs@db.com">dbmb-dcs.cs@db.com</a> Website <a href="http://www.db.com">www.db.com</a>
<b>Auditor of the Manager and the Fund</b>	:	PricewaterhouseCoopers PLT (LLP0014401-LCA & AF 1146) Level 10, 1 Sentral Jalan Rakyat Kuala Lumpur Sentral 50706 Kuala Lumpur Malaysia
		Tel. No. (+603) 2173 1188 Fax No. (+603) 2173 1288
<b>Tax Consultant</b>	:	PricewaterhouseCoopers Taxation Services Sdn. Bhd. (464731-M) Level 15, 1 Sentral Jalan Rakyat Kuala Lumpur Sentral 50706 Kuala Lumpur Malaysia
		Tel. No. (+603) 2173 1188 Fax No. (+603) 2173 1288

## FUND INFORMATION (*continued*)

- Fund Accountant** : Deutsche Trustees Malaysia Berhad (763590-H)  
Level 20, Menara IMC  
8, Jalan Sultan Ismail  
50250 Kuala Lumpur  
Malaysia  
  
Tel. No. (+603) 2053 6788  
Fax No. (+603) 2031 8710  
Email [Malaysia.team@list.db.com](mailto:Malaysia.team@list.db.com)  
Website [www.db.com](http://www.db.com)
- Shariah Adviser** : Amanie Advisors Sdn Bhd (684050-H)  
*(Please refer to pages 71-73 for corporate information, experience and details of the designated person for the Shariah Adviser)*  
Level 13A-2, Menara Tokio Marine Life,  
189, Jalan Tun Razak,  
50400 Kuala Lumpur.  
  
Tel. no.: (+603) 2161 0260  
Fax no.: (+603) 2161 0262  
Website: [www.amanieadvisors.com](http://www.amanieadvisors.com)
- Participating Dealers** : CGS-CIMB Securities Sdn Bhd (48703-W)  
(formerly known as Jupiter Securities Sdn. Bhd.)  
Level 13, Menara CIMB  
Jalan Stesen Sentral 2  
Kuala Lumpur Sentral  
50470 Kuala Lumpur  
Malaysia  
  
Tel. No. (+603) 2261 8888  
Fax No. (+603) 2261 8889
- Index Licensor** : MSCI Inc.  
One Chase Manhattan Plaza, 44th Floor  
New York, NY 10005  
United States of America  
  
Tel No. (+1) 212 804 3901  
Fax No. (+1) 212 809 1213
- Share Registrar** : Boardroom Share Registrars Sdn Bhd (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  
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Selangor Darul Ehsan  
Malaysia  
  
Helpdesk No. (+603) 7849 0777  
Fax No. (+603) 7841 8151 / 8152  
Website [www.boardroomlimited.com](http://www.boardroomlimited.com)  
Email [bsr.helpdesk@boardroomlimited.com](mailto:bsr.helpdesk@boardroomlimited.com)

## MANAGER'S REPORT

**For the Financial Period 1 January 2020 to 31 December 2020**

<b>Name of Fund</b>	: MyETF MSCI SEA Islamic Dividend (“MyETF-MSEAD” or “the Fund”)
<b>Type of Fund</b>	: Exchange Traded Fund
<b>Fund Category</b>	: Shariah-Compliant Equity
<b>Commencement Date</b>	: 29 April 2015
<b>Listing Date</b>	: 7 May 2015
<b>Benchmark Index</b>	: MSCI AC ASEAN IMI Islamic High Dividend Yield 10/40 Index (“MIISOD40 Index” or “Benchmark Index”)
<b>Manager</b>	: i-VCAP Management Sdn. Bhd. (“i-VCAP”)

### 1. Investment Objective

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

### 2. Benchmark Index

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

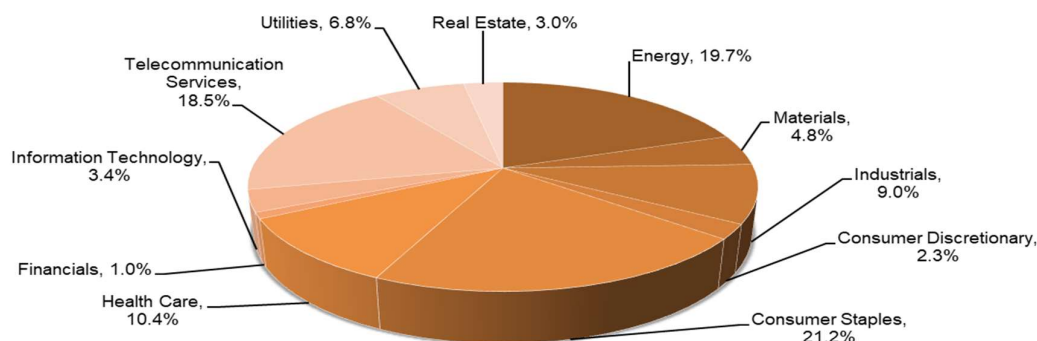
The Benchmark Index shall comprise up to 30 Shariah-compliant companies listed on the stock exchanges in South East Asia countries with dividend yields that are at least 30% higher than the Parent Index yield that are deemed both sustainable and persistent by MSCI.

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

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

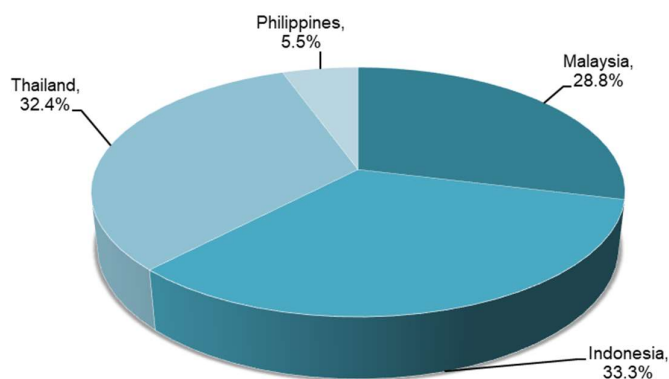
Based on the latest quarterly review (as at 30 November 2020), the sector allocation of MIISOD40 Index based on MSCI sector classifications are as follows:

**Chart 1(a): Sector Classification – MSCI**



Sources: MSCI

**Chart 1(b): Country Exposure - MSCI**



Source: MSCI



### **3. Investment Strategy**

During the period 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.

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.

### **4. Fund Performance**

For Financial Year 2020, the Fund's NAV has met its investment objective of closely correspond the performance of the underlying benchmark, i.e. MIIISOD40 Index. The tracking error of the Fund and the Benchmark Index on Price Return and Total Return basis were 0.19% and 0.20% respectively. In terms of NAV movement, the Fund's NAV per unit decreased by 7.38% to RM0.7654 from RM0.8264 at the end of the previous year while the Benchmark Index decreased by 1.35% and Benchmark's Total Return Index increased by 3.26% for the year. The difference between the performance of the Fund and its Benchmark Index was largely attributed to the Fund's operational costs.

MyETF-MSEAD's NAV had a good start to the year to reach its highest NAV of RM0.8313 on 3 January before dropping sharply to its lowest NAV level since inception of RM0.5181 on 23 March. The Fund however, ascended gradually albeit intermittent volatilities before closing the year at RM0.7654 per unit. Meanwhile, the Fund's unit price traded on Bursa Securities closed the year at RM0.7800, representing a decrease of 7.38% for the year. As at end of December 2020, total NAV of the Fund decreased to RM45.93 million from RM72.73 million in 2019 due to net outflows (redemption) of 28 million units that saw a decrease in the Fund's units in circulation to 60 million units. The key statistics and comparative performance of the Fund as compared to the previous year are summarised as follows:

**Table 1: Key Statistics**

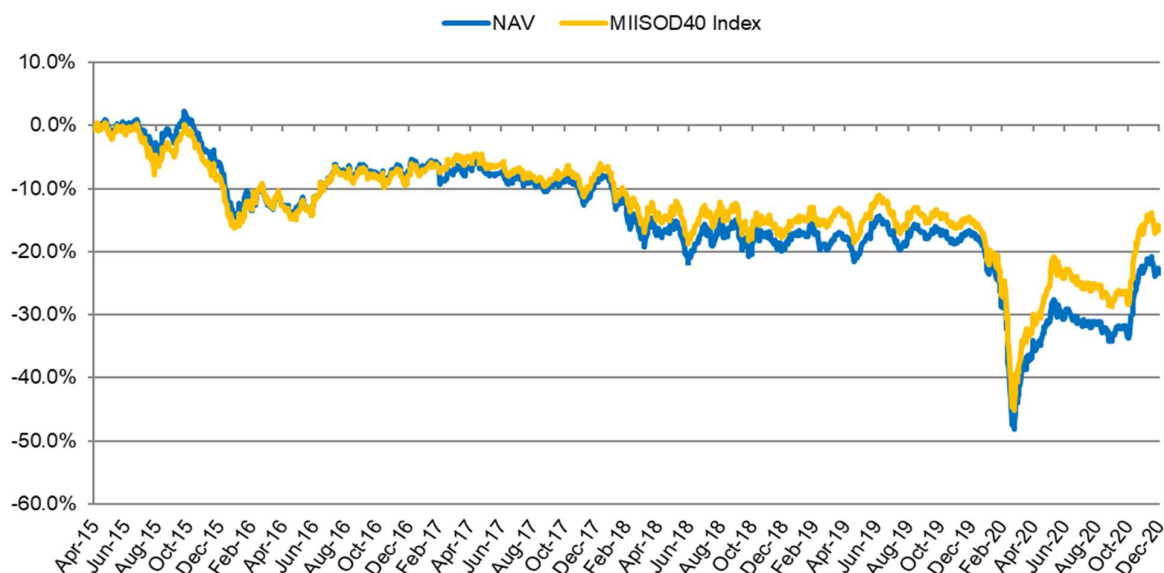
	As at 31-Dec-20	As at 31-Dec-19	As at 31-Dec-18	As at 31-Dec-17	As at 31-Dec-16
NAV per unit (RM)	0.7654	0.8264	0.8050	0.9090	0.9277
NAV per unit (RM) (before distribution)	0.6830	0.8229	0.8761	0.9349	0.8888
NAV per unit (RM) (after distribution)	0.6613	0.8030	0.8593	0.9076	0.8757
- Highest	0.8313 (3 Jan)	0.8568 (5 Jul)	0.9269 (8 Jan)	0.9472 (6 Jan)	0.9383 (8 Dec)
- Lowest	0.5181 (23 Mar)	0.7837 (17 May)	0.7839 (28 Jun)	0.8741 (6 Dec)	0.8539 (28 Jan)
Price per unit (RM)	0.7800	0.8350	0.8090	0.9000	0.9320
- Highest	0.8350 (2 Jan)	1.0000 (5 Jul)	0.9220 (10 Jan)	0.9450 (20 Feb)	0.9380 (11 Aug)
- Lowest	0.3750 (21 Apr)	0.7950 (3 Jun)	0.7950 (22 Jun)	0.8860 (18 Dec)	0.8500 (28 Jan)
Units in Circulation	60,000,000	88,000,000	88,000,000	53,000,000	53,000,000
Total NAV (RM)	45,925,851	72,725,799	88,000,000	48,177,498	49,168,342
Total NAV (RM) (before distribution)	42,345,347	72,413,367	46,343,572	49,344,240	17,943,886
Total NAV (RM) (after distribution)	40,999,947	70,662,167	45,543,272	48,104,040	17,513,886
Market Capitalisation (RM)	46,800,000	73,480,000	71,192,000	47,700,000	49,396,000
MIISOD40 Index	2,012.66	2,040.17	1,993.13	2,227.35	2,222.04
MIISOD40 Total Return	3,895.79	3,772.96	3,536.45	3,788.95	3,661.88
Tracking Error vs. Price Return MIISOD40 Index (%)*	0.19	0.14	0.12	1.53	1.38
Tracking Error vs. Total Return MIISOD40 Index (%)*	0.20	0.14	0.12	1.37	1.11
Management Expense Ratio (%)	0.93	0.63	0.89	1.01	1.04

Sources: Bloomberg, i-VCAP

\* Based on 3-year rolling tracking error. The calculation was independently sourced from Novagni Analytics and Advisory Sdn. Bhd.

^ The Fund was initially created at RM1.00 per unit based on the close of 29 April 2015. The Fund had its listing debut on 7 May 2015.

**Chart 2: Fund NAV Per Unit vs. Benchmark Index – Performance Since Inception**



Sources: Bloomberg, i-VCAP

**Note:** Past performance is not necessarily indicative of future performance. Unit price and investment return may go up as well as down.

**Table 2(a): Annual Returns**

	2020	2019	2018	2017	2016
	(%)	(%)	(%)	(%)	(%)
MyETF- MSEAD - NAV Price Return <sup>(a)</sup>	(7.38)	2.66	(11.44)	(2.02)	(1.11)
MIISOD40 - Price Return Index	(1.35)	2.36	(10.52)	0.24	0.38
MyETF- MSEAD - NAV Total Return <sup>(a)</sup>	(4.16)	5.20	(9.88)	0.51	1.32
MIISOD40 - Total Return Index	3.26	6.69	(6.66)	3.47	4.44

Sources: Bloomberg, i-VCAP

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

**Table 2(b): Cumulative Returns**

	Cumulative Returns <sup>(b)</sup>			
	1-Year	3-Year	5-Year	Since Inception
	(%)	(%)	(%)	(%)
MyETF- MSEAD - NAV Price Return <sup>(a)</sup>	(7.38)	(15.80)	(18.41)	(23.46)
MIISOD40 - Price Return Index	(1.35)	(9.64)	(9.08)	(16.59)
MyETF- MSEAD - NAV Total Return <sup>(a)</sup>	(4.16)	(9.14)	(7.47)	(13.20)
MIISOD40 - Total Return Index	3.26	2.82	11.12	5.77

Sources: Bloomberg, i-VCAP

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

(b) Cumulative returns are up to 31 December 2020.

**Table 2(c): Average Returns (Annualised)**

	Average Returns <sup>(b)</sup>			
	1-Year	3-Year	5-Year	Since Inception
	(%)	(%)	(%)	(%)
MyETF- MSEAD - NAV Price Return <sup>(a)</sup>	(7.38)	(5.57)	(3.98)	(4.60)
MIISOD40 - Price Return Index	(1.35)	(3.21)	(1.82)	(2.92)
MyETF- MSEAD - NAV Total Return <sup>(a)</sup>	(4.16)	(3.14)	(1.54)	(2.46)
MIISOD40 - Total Return Index	3.26	0.94	2.22	1.02

Sources: Bloomberg, i-VCAP

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

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

**Table 2(d): Historical Income Distribution**

	For Financial Year Ended				
	2019	2018	2017	2016	2015
	<u>Final</u>	<u>Final</u>	<u>Final</u>	<u>Final</u>	<u>Final</u>
Income Distribution Per Unit (Sen)	2.17	1.99	1.51	2.34	2.15
Income Distribution Yield (%)*	2.60	1.79	1.73	2.47	2.47
Declaration Date	25-Feb-20	21-Feb-19	12-Feb-18	13-Feb-17	10-Feb-16
Ex-Date	11-Mar-20	11-Mar-19	1-Mar-18	1-Mar-17	26-Feb-16
Payment Date	9-Apr-20	8-Apr-19	29-Mar-18	30-Mar-17	29-Mar-16
NAV Per Unit Before Ex-Date (RM)	0.6830	0.8232	0.8761	0.9349	0.8888
NAV Per Unit On Ex-Date (RM)	0.6613	0.8030	0.8593	0.9076	0.8757

\* Based on NAV on income distribution declared date.

The Benchmark Index is reviewed quarterly and rebalanced semi-annually and any changes to the constituents of Benchmark Index will be implemented at the close of the last business day of May and November. Meanwhile, the Parent Index of MIISOD40 Index, the MSCI AC ASEAN IMI Islamic Index is reviewed quarterly (in February, May, August and November) and does not result in any change in the Benchmark Index except for inclusion or deletion of companies due to corporate events or any change in Shariah status, and changes in the weighting of the Benchmark Index's constituents. During the year, twenty-three stocks were included while twenty-three stocks were removed from the Fund. A summary of the changes are as follows:

**Table 3: List of Stock Inclusion and Exclusion**

	Stock Inclusions	Country	Stock Exclusions	Country
<b>1Q20</b>	Airasia Group Bhd	Malaysia	Central Retail Corp. PCL-NVDR	Thailand
<b>2Q20</b>	Bangkok Dusit Medical Services PCL-NVDR	Thailand	Manila Electric Co.	Philippines
	PT Indofood Sukses Makmur TBK	Indonesia	Jasmine International PCL-NVDR	Thailand
	Bumrungrad Hospital PCL-NVDR	Thailand	Sheng Siong Group Ltd	Singapore
	Megaworld Corporation	Philippines	PT Matahari Department Store TBK	Indonesia
	PT Bukit Asam TBK	Indonesia	PTT Global Chemical PCL-NVDR	Thailand
	KCE Electronics PCL-NVDR	Thailand	Airasia Group Bhd	Malaysia
	TPI Polene Power PCL-NVDR	Thailand	Thai Vegetable Oil PCL-NVDR	Thailand
	Syarikat Takaful Malaysia Keluarga Bhd	Malaysia	Mega Lifesciences PCL-NVDR	Thailand
	SPCG PCL-NVDR	Thailand	Supermax Corp Bhd	Malaysia
	Matrix Concepts Holdings Bhd	Malaysia	Cahaya Mata Sarawak Bhd	Malaysia
<b>3Q20</b>	PT Puradelta Lestari TBK	Indonesia	Home Product Center PCL-NVDR	Thailand
	Taokaenoi Food & Marketing PCL-NVDR	Thailand	Bumrungrad Hospital PCL-NVDR	Thailand
	Siam Future Development PCL-NVDR	Thailand	PT Bukit Asam TBK	Indonesia
<b>4Q20</b>	Lotte Chemical Titan Holding Bhd	Malaysia	Singapore Telecommunications Ltd.	Singapore
	PT Indo Tambangraya Megah TBK	Indonesia	SATS Ltd.	Singapore
	Eastern Polymer Group PCL-NVDR	Thailand	Singapore Airlines Ltd.	Singapore
	Plan B Media PCL-NVDR	Thailand	PT Industri Jamu Dan Farmasi Sido Muncul TBK	Indonesia
	PT Indofood CBP Sukses Makmur TBK	Indonesia	Semirara Mining & Power Corp.	Philippines
	DMCI Holdings Inc.	Philippines	Matrix Concepts Holdings Bhd	Malaysia
	Osotspa PCL-NVDR	Thailand	PT Puradelta Lestari TBK	Indonesia
	PT United Tractors TBK	Indonesia	Taokaenoi Food & Marketing PCL-NVDR	Thailand
	Nestle Malaysia Bhd	Malaysia	Siam Future Development PCL-NVDR	Thailand

Source: MSCI

The Manager had undertaken rebalancing exercises during the reviews to ensure that the Fund's investment would be in line with the changes in the Benchmark Index. In terms of sectoral weightings, notable changes to the Fund's sector composition as compared to the previous year were the increase in Energy from 11.50% to 21.33% while the weighting of Telecommunication Services decreased from 27.75% to 18.15% and Industrials reduced from 17.80% to 8.69%. With regards to the inclusion of Megaworld Corporation and Syarikat Takaful Malaysia Keluarga Bhd during the semi-annual reviews which were undertaken in May 2020, the Fund currently has exposure in the Real Estate and Financials sector. The exclusion of Singapore Telecommunications Ltd, SATS Ltd and Singapore Airlines Ltd in 4Q20 resulting in the Fund to not have any exposure in Singapore. Details of the Fund's key holdings, sector allocation as well as country exposure as at the end of the year are as follows:

**Table 4: Fund's Sector Allocation\***

	As at 31-Dec-20	As at 31-Dec-19	Change (%)
Consumer	22.58%	22.34%	0.24%
Energy	21.33%	11.50%	9.83%
Telecommunication Services	18.15%	27.75%	-9.60%
Health Care	9.70%	2.80%	6.90%
Industrials	8.69%	17.80%	-9.11%
Utilities	6.75%	9.01%	-2.26%
Materials	5.17%	7.39%	-2.22%
Information Technology	3.58%	1.42%	2.16%
Real Estate	3.07%	0.00%	3.07%
Financials	0.96%	0.00%	0.96%
Cash & Others	0.02%	0.00%	0.02%

Sources: MSCI, i-VCAP

\* Based on MSCI classification.

**Table 5: Fund's Country Exposure**

Country	As at 31-Dec-20	As at 31-Dec-19	Change (%)
Indonesia	33.89%	24.91%	8.98%
Thailand	31.85%	27.62%	4.23%
Malaysia	28.72%	21.05%	7.67%
Philippines	5.52%	5.67%	-0.15%
Singapore	0.00%	20.75%	-20.75%

Sources: MSCI, i-VCAP

Details of the Fund's quoted Investments as at 31 December 2020 are as follows:

**Table 6: MyETF-MSEAD's Investment in Listed Equities**

	Country	Quantity (Units)	Market Value (RM)	Market Value as a percentage of Net Asset Value (%)
<b><u>Consumer</u></b>				
Com7 Public Company Limited	Thailand	194,300	1,015,071	2.21
Indofood CBP Sukses Makmur TBK	Indonesia	311,100	851,634	1.85
Nestle Malaysia Bhd	Malaysia	15,100	2,097,390	4.57
OSOTSPA Public Company Limited - NVDR	Thailand	273,800	1,302,029	2.84
PT Indofood Sukses Makmur TBK	Indonesia	577,300	1,130,593	2.46
PT Unilever Indonesia TBK	Indonesia	1,889,400	3,970,319	8.65
			<b>10,367,036</b>	<b>22.58</b>
<b><u>Energy</u></b>				
PT Adaro Energy TBK	Indonesia	5,025,800	2,054,733	4.47
PT AKR Corporindo TBK	Indonesia	652,000	592,774	1.29
PT Indo Tambangraya Megah TBK	Indonesia	144,500	572,179	1.25
PT United Tractors TBK	Indonesia	301,300	2,291,368	4.99
PTT Public Company Limited	Thailand	752,400	4,283,479	9.33
			<b>9,794,533</b>	<b>21.33</b>
<b><u>Financials</u></b>				
Syarikat Takaful Malaysia Keluarga Bhd	Malaysia	91,400	442,376	0.96
			<b>442,376</b>	<b>0.96</b>
<b><u>Health Care</u></b>				
Bangkok Dusit Medical Services PCL - NVDR	Thailand	1,387,700	3,866,499	8.42
Chularat Hospital PCL-NVDR	Thailand	1,780,700	586,793	1.28
			<b>4,453,292</b>	<b>9.70</b>
<b><u>Industrials</u></b>				
DMCI Holdings Inc.	Philippines	1,300,000	615,335	1.34
Sime Darby Berhad	Malaysia	876,100	2,023,791	4.41
Westports Holdings Bhd	Malaysia	314,000	1,350,200	2.94
			<b>3,989,326</b>	<b>8.69</b>
<b><u>Information Technology</u></b>				
KCE Electronics PCL-NVDR	Thailand	295,400	1,642,168	3.58
			<b>1,642,168</b>	<b>3.58</b>
<b><u>Materials</u></b>				
D&L Industries Inc.	Philippines	788,700	507,872	1.11
Eastern Polymer Group PCL - NVDR	Thailand	357,300	339,821	0.74
Lotte Chemical Titan Holding Bhd	Malaysia	168,200	465,914	1.01
Scientex Bhd	Malaysia	83,500	1,058,780	2.31
			<b>2,372,387</b>	<b>5.17</b>
<b><u>Real Estate</u></b>				
Megaworld Corporation	Philippines	4,131,000	1,409,506	3.07
			<b>1,409,506</b>	<b>3.07</b>
<b><u>Telecommunication Services</u></b>				
Maxis Bhd	Malaysia	407,500	2,057,875	4.48
Plan B Media PCL - NVDR	Thailand	707,600	592,416	1.29
PT Telekomunikasi Indonesia Persero TBK	Indonesia	4,332,200	4,099,686	8.93
Time DotCom Bhd	Malaysia	119,500	1,584,570	3.45
			<b>8,334,547</b>	<b>18.15</b>
<b><u>Utilities</u></b>				
Petronas Gas Bhd	Malaysia	122,700	2,107,986	4.59
SPCG PCL-NVDR	Thailand	175,200	471,725	1.03
TPI Polene Power PCL-NVDR	Thailand	904,700	518,689	1.13
			<b>3,098,400</b>	<b>6.75</b>
			<b>45,903,571</b>	<b>99.98</b>

Sources: MSCI, i-VCAP

## **5. Distribution Policy**

The Fund may distribute amongst the unitholders all, or substantially all of the dividend income that the Fund received from its stock investment, pro-rated based on the number of units held by each unitholder as at the entitlement date of the income distribution. Distributions (if any) are expected to be made annually. The exact amount to be distributed will be at the absolute discretion of the Manager, subject to compliance with the Exchange-Traded Funds Guidelines issued by the Securities Commission Malaysia on 26 November 2018 which may be revised from time to time.

In April 2020, the Fund paid an income distribution amounted to RM1,345,400 in relation to the first and final distribution of 2.17 sen per unit for the Financial Year 2019 (declared in February 2020). The first and final income distribution amount is derived from the dividend income and profit income during the year.

## **6. Other Information**

There was no material litigation involving the Fund and no significant changes in the state of affairs of the Fund during the period under review. There is also no other material information that will adversely affect the Fund's valuation and the interest of unit holders.

## **7. Cross Trade**

It is the Manager's policy not to perform any cross trade transaction.

## **8. Soft Dollar Commissions**

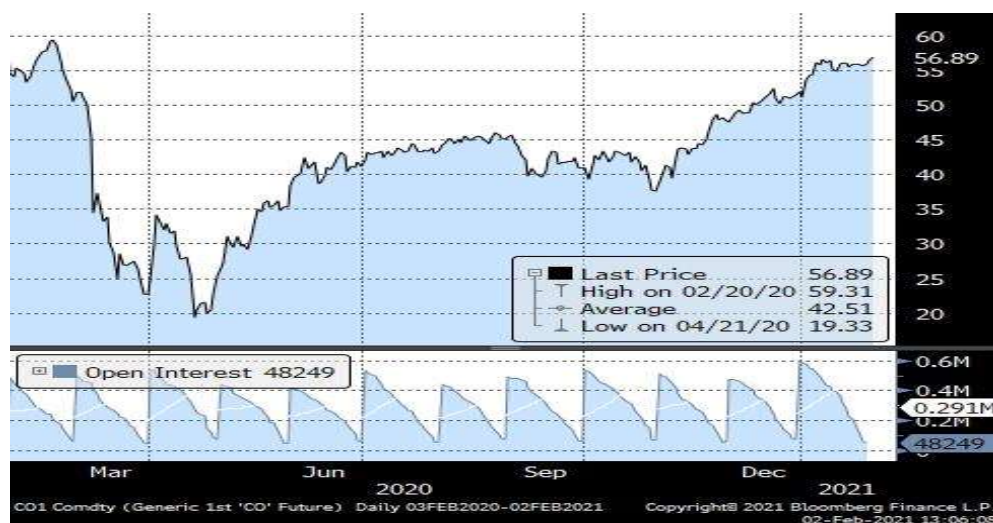
It is the Manager's policy not to receive any goods or services by way of soft commission.



## 9. Market Review and Outlook

The year 2020 proved to be one of the most tumultuous in modern history, marked by a number of developments that were historically unprecedented. But the year also demonstrated the resilience of people, institutions, and financial markets. Global equity markets endured an eventful 2020, punctuated by a series of major economic and political events which threatened to derail markets. It started off with the novel coronavirus which was first detected in China's Wuhan city. The infections multiplied around the world rapidly and the pandemic has resulting in a global economic contraction as people stayed closer to home. Equities fell sharply in February and March as the Covid-19 pandemic spread outside of China and forced countries into lockdowns that grinded economic activity to a halt. This was further exacerbated by the fall in Brent crude oil prices that hit an 18-year low at USD19.33 per barrel on 21 April 2020. Governments and central banks worked to cushion the blow, providing financial support for individuals and businesses and adjusting lending rates.

**Chart 5: Brent Performance in 2020**



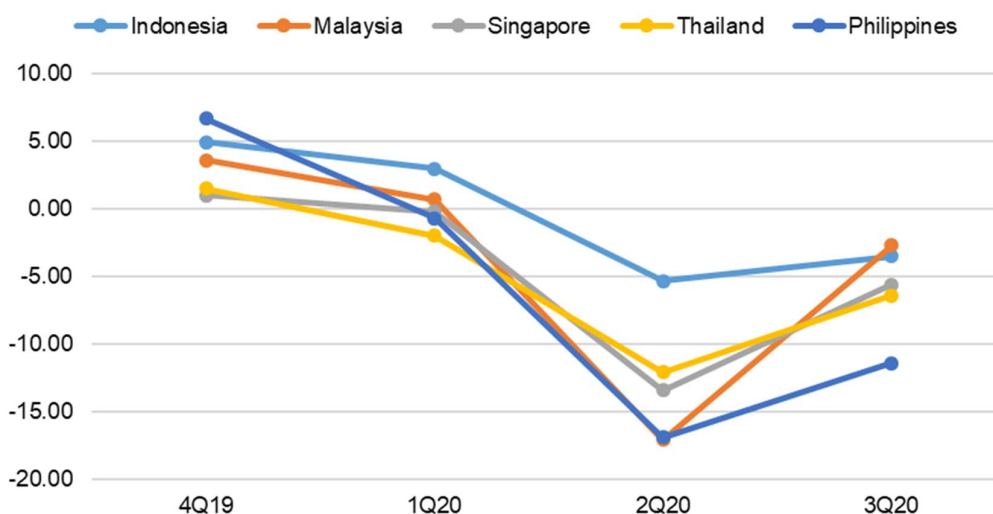
Sources: Bloomberg

Nevertheless, after bottoming out in late March, and amid massive action by the central banks to shore up the credit markets, most equity markets rebounded dramatically and have ripped off a series of record highs before the end of year. The latest moves into record territory came amid the rollout of several Covid-19 vaccines and a new economic relief packages from the governments across the world.

The economy of most markets were regaining ground in the 3Q20. The increase in third quarter gross domestic product (GDP) reflected continued efforts to reopen businesses and resume activities that were postponed or restricted due to Covid-19. The US economy increased 33.1% in the 3Q20, following a decrease of 31.4% the 2Q20. Meanwhile, the economic growth in the Eurozone increased by 12.7% in the 3Q20 compared to a decrease of 11.8% in 2Q20. In China, the economy registered 4.9% GDP growth in 3Q20. The latest figures brought China's GDP growth in the first three quarters of 2020 to 0.7%. Overall, it's a comeback from the first quarter, when China's GDP contracted a historic 6.8%.

Meanwhile, growth in the ASEAN-5 in the third quarter was better than the previous quarter. The Philippines, Thailand, Singapore, Indonesia and Malaysia economy contracted by 11.4% (2Q20: -16.9%), 6.4% (2Q20: -12.1%), 5.8% (2Q20: -13.3%), 3.5% (2Q20: -5.3%) and 2.7% (2Q20: -17.1%) YoY respectively in the 3Q20. The improved performance of the economies came on the back of the phased resumption of activities, the rebound in activity in major economies during the quarter as they emerged from their lockdowns as well as the Covid-19's vaccine developments.

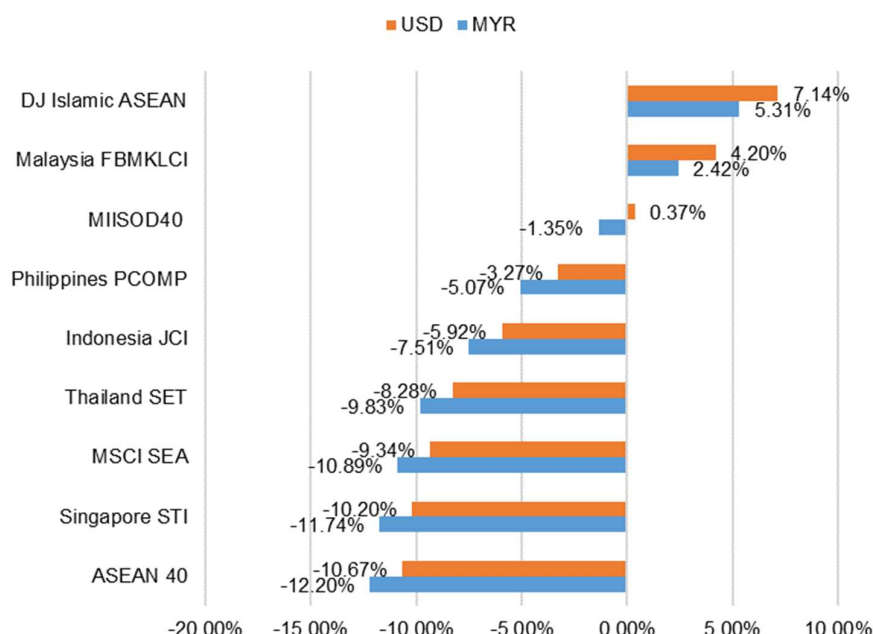
**Chart 6: ASEAN5's GDP Annual Growth Rate (%YoY)**



Sources: Bloomberg

The MIISOD40 Index trended downwards at the start of the year to touch its year low of 1,322.95 points on 23 March before recovering to 1,900 points in June. It however suffered a pullback and continued its volatile trend until end-October. The MIISOD40 Index recovered in November to reach its year-high of 2,080.65 points in mid-December and closed the year at 2,012.66 points, translating to a decrease of 1.35% year-on-year. On regional comparison, MIISOD40 Index which is priced in Ringgit outperformed most of other major ASEAN big-cap indices. This was largely attributed to the strong performance of its Malaysian and Thailand heavyweight stocks during the year.

**Chart 7: ASEAN Equity Market Performance in 2020**



Sources: Bloomberg

Looking ahead, global growth in 2021 is expected to show modest pick-up as demand remain stable and governments of major economies adopt fiscal measures to increase domestic investments. Meanwhile, the central banks are expected to remain generally accommodative despite potential upside pressure on inflation. In addition, trade activities are expected to undergo a modest recovery, given the upbeat expectations of a gradual increase in commodity prices, modest pick-up in investments and higher infrastructure spending by major economies i.e. US and China. Amid exceptional uncertainty, International Monetary Fund (IMF) projected global economy to grow 5.5% in 2021 and 4.2% in 2022. The 2021 forecast is reflecting expectations of a vaccine-powered strengthening of activity later in the year and additional policy support in a few large economies.

Encouragingly, most equity markets across ASEAN have recovered to within 10-20% of pre-Covid year to date highs. Additional gains will likely come through as stronger GDP growth is realised, and as confidence builds surrounding a Covid-19 vaccine, which should give a significant boost to sectors like tourism.

Furthermore, the strong rebound in industrial metal prices, and raw materials, signals that China's industrials are set to improve, which will also serve to broaden the rally. That is positive for ASEAN because stronger demand in China has been a key driver of the rebound in intra-Asian trade growth. In addition, the Regional Comprehensive Economic Partnership Agreement (RCEP), signed by ASEAN, China, Japan, South Korea, Australia and New Zealand in November 2020 encompasses around 30% of global GDP and will seek to cut tariffs and promote free-trade access. Such trade agreements certainly harmonise with China's One Belt, One Road initiative, and are likely to serve Asian trade and supply-chains. Longer-term these agreements should be positive for ASEAN equities that are most leveraged to regional trade.

## **TRUSTEE'S REPORT TO THE UNIT HOLDERS OF MyETF MSCI SEA ISLAMIC DIVIDEND**

We have acted as Trustee for MyETF MSCI SEA Islamic Dividend ("the Fund") for the financial year ended 31 December 2020. To the best of our knowledge, for the financial year under review, i-VCAP Management Sdn. Bhd. ("the Manager") has operated and managed the Fund in accordance with the following:-

- (a) limitations imposed on the investment powers of the Manager and Trustee under the Deed(s), the Securities Commission's Guidelines on Exchange-Traded Funds, the Capital Markets and Services Act 2007 and other applicable laws;
- (b) valuation and pricing of the Fund is carried out in accordance with the Deed(s) of the Fund and any regulatory requirements; and
- (c) creation and cancellation of units for the Fund are carried out in accordance with the Deed(s) of the Fund and any regulatory requirements.

We are of the view that the distribution made during the financial year ended 31 December 2020 by the Manager is not inconsistent with the objectives of the Fund.

For Deutsche Trustees Malaysia Berhad

**Ng Hon Leong**  
Head, Trustee Operations

**Gerard Ang**  
Chief Executive Officer

Kuala Lumpur  
16 February 2021

## **SHARIAH ADVISER'S REPORT TO THE UNIT HOLDERS OF MyETF MSCI SEA ISLAMIC DIVIDEND**

We have acted as the Shariah Adviser of MyETF MSCI SEA Islamic Dividend (the "Fund") for the financial year ended 31 December 2020. Our responsibility is to ensure that the procedures and processes employed by *i*-VCAP Management Sdn. Bhd. are in accordance with Shariah.

In our opinion, the Manager of the fund, *i*-VCAP Management Sdn. Bhd. has managed and administered the Fund in accordance with Shariah and complied with applicable guidelines, ruling or decision issued by the Securities Commission Malaysia pertaining to Shariah matters for the financial year ended 31 December 2020.

In addition, we also confirm that the investment portfolio of the Fund comprises securities which have been classified as Shariah-compliant by the Shariah Advisory Council of the Securities Commission Malaysia. For investments other than the abovementioned we have reviewed the same and of the opinion that these investments were in accordance with the Shariah Investment Guidelines of the Fund.

This report is made solely to the unit holders for the Fund, as the body, and for no other purposes. We do not assume responsibility to any other person for the content of this report and we shall not be liable for any errors or non-disclosure on the part of the Manager.

For and on behalf of Shariah Adviser  
Amanie Advisors Sdn Bhd

Datuk Dr. Mohd Daud Bakar  
Executive Chairman  
16 February 2021

## STATEMENT BY THE MANAGER

I, Khairi Shahrin Arief Bin Baki, being a Director of the Manager, do hereby state that, in the opinion of the Manager, the financial statements set out on pages 28 to 61 are drawn up in accordance with the provisions of the Deed and give a true and fair view of the financial position of the Fund as at 31 December 2020 and of its financial performance, changes in equity and cash flows of the Fund for the financial year ended on that date in accordance with the Malaysian Financial Reporting Standards, International Financial Reporting Standards and the Securities Commission's Guidelines on Exchange-Traded Funds.

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**KHAIRI SHAHRIN ARIEF BIN BAKI**

For and on behalf of the Manager,  
iVCAP Management Sdn. Bhd.

Kuala Lumpur

16 February 2021

## **INDEPENDENT AUDITORS' REPORT TO THE UNIT HOLDERS OF MyETF MSCI SEA ISLAMIC DIVIDEND**

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

#### **Our opinion**

In our opinion, the financial statements of MyETF MSCI SEA Islamic Dividend ("the Fund") give a true and fair view of the financial position of the Fund as at 31 December 2020, 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 31 December 2020, 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 28 to 61.

#### **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.



## INDEPENDENT AUDITORS' REPORT TO THE UNIT HOLDERS OF MyETF MSCI SEA ISLAMIC DIVIDEND (CONTINUED)

### REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONTINUED)

#### Our audit approach

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the financial statements of the Fund. In particular, we considered where the Manager made subjective judgements; for example, in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. As in all of our audits, we also addressed the risk of management override of internal controls, including among other matters, consideration of whether there was evidence of bias that represented a risk of material misstatement due to fraud.

We tailored the scope of our audit in order to perform sufficient work to enable us to provide an opinion on the financial statements as a whole, taking into account the structure of the Fund, the accounting processes and controls, and the industry in which the Fund operates.

#### 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 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.

Key audit matters	How our audit addressed the key audit matters
<p><b>Valuation and existence of financial assets at fair value through profit or loss</b></p> <p>Refer to Note F (Summary of significant accounting policies), Note 10 and Note 22 (Notes to the financial statements).</p> <p>The investment portfolio at the year-end comprised listed equity investments valued at RM 45,903,571.</p> <p>We focused on the valuation and existence of investments because investments represent the most significant element of the net asset value in the financial statements.</p>	<p>We have tested the valuation of the listed equity investments by agreeing the prices used in the valuation to independent third party sources. No misstatements were identified from our testing.</p> <p>We have tested the existence of the investment portfolio by agreeing the holdings for investments to an independent custodian confirmation.</p>

## **INDEPENDENT AUDITORS' REPORT TO THE UNIT HOLDERS OF MyETF MSCI SEA ISLAMIC DIVIDEND (CONTINUED)**

### **REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONTINUED)**

#### Information other than the financial statements and auditors' report thereon

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

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

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.

#### Responsibilities of the Manager for the financial statements

The Manager of the Fund is responsible for the preparation of the 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.

#### 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.

## **INDEPENDENT AUDITORS' REPORT TO THE UNIT HOLDERS OF MyETF MSCI SEA ISLAMIC DIVIDEND (CONTINUED)**

### **REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONTINUED)**

#### Auditors' responsibilities for the audit of the financial statements (continued)

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

- (a) 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.
- (b) 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.
- (c) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Manager.
- (d) 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 Company'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.
- (e) Evaluate the overall presentation, structure and content of the financial statements of the Fund, including the disclosures, and whether the financial statements 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.

**INDEPENDENT AUDITORS' REPORT TO THE UNIT HOLDERS OF  
MyETF MSCI SEA ISLAMIC DIVIDEND (CONTINUED)**

**REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONTINUED)**

Auditors' responsibilities for the audit of the financial statements (continued)

We also provide the Manager with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the Manager, we determine those matters that were of most significance in the audit of the financial statements of the Fund for the current year and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

**OTHER MATTERS**

This report is made solely to the unit holders of the Fund and for no other purpose. We do not assume responsibility to any other person for the content of this report.

PRICEWATERHOUSECOOPERS PLT  
LLP0014401-LCA & AF 1146  
Chartered Accountants

MANJIT SINGH A/L HAJANDER SINGH  
02954/03/2021 J  
Chartered Accountants

Kuala Lumpur  
16 February 2021

**STATEMENT OF COMPREHENSIVE INCOME  
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020**

	<u>Note</u>	<u>2020</u> RM	<u>2019</u> RM
<b>INVESTMENT (LOSS)/INCOME</b>			
Gross dividend income		1,890,834	2,878,185
Profit from short-term Shariah-compliant deposits		10,420	24,278
Net (loss)/gain on financial assets at fair value through profit or loss	10	(4,910,058)	1,887,387
Net foreign exchange loss		(484,184)	(165,879)
		<u>(3,492,988)</u>	<u>4,623,971</u>
<b>EXPENSES</b>			
Management fee	4	(297,527)	(471,643)
Trustee's fee	5	(20,598)	(32,652)
License fee	6	(12,636)	(43,537)
Transaction cost		(119,197)	(99,026)
Auditors' remuneration		(16,350)	(15,919)
Tax agent's fee		(19,850)	(9,473)
Shariah adviser's fee		(6,087)	(6,500)
Purification of non Shariah-compliant income		(11,735)	(19,868)
Other expenses	7	(277,880)	(290,819)
		<u>(781,860)</u>	<u>(989,437)</u>
<b>(LOSS)/PROFIT BEFORE TAXATION</b>		<u>(4,274,848)</u>	<u>3,634,534</u>
Taxation	8		-
<b>NET (LOSS)/PROFIT AFTER TAXATION AND TOTAL COMPREHENSIVE (LOSS)/INCOME FOR THE FINANCIAL YEAR</b>		<u><u>(4,274,848)</u></u>	<u><u>3,634,534</u></u>
Net (loss)/profit after taxation is made up as			
Realised amount		(5,420,587)	(522,243)
Unrealised amount		1,145,739	4,156,777
		<u><u>(4,274,848)</u></u>	<u><u>3,634,534</u></u>

The accompanying summary of significant accounting policies and notes to the financial statements form an integral part of these financial statements.

**STATEMENT OF FINANCIAL POSITION  
AS AT 31 DECEMBER 2020**

	<b><u>Note</u></b>	<b><u>2020</u> <u>RM</u></b>	<b><u>2019</u> <u>RM</u></b>
<b>ASSETS</b>			
Cash and cash equivalents	12	39,841	537,751
Financial assets at fair value through profit or loss	10	45,903,571	72,195,478
Dividends receivable	11	88,406	128,346
<b>TOTAL ASSETS</b>		<b>46,031,818</b>	<b>72,861,575</b>
<b>LIABILITIES</b>			
Management fee payable		25,636	41,363
Amount due to Trustee		1,775	2,864
Auditors' remuneration		16,350	16,350
Tax agent's fee		11,425	9,750
Shariah adviser's fee		1,625	413
Payables	13	49,156	65,036
<b>TOTAL LIABILITIES</b>		<b>105,967</b>	<b>135,776</b>
<b>NET ASSET VALUE OF THE FUND</b>		<b>45,925,851</b>	<b>72,725,799</b>
<b>EQUITY</b>			
Unit holders' capital		58,281,100	79,460,800
Accumulated losses		(12,355,249)	(6,735,001)
<b>NET ASSETS ATTRIBUTABLE TO UNIT HOLDERS</b>	15	<b>45,925,851</b>	<b>72,725,799</b>
<b>NUMBER OF UNITS IN CIRCULATION</b>	15	<b>60,000,000</b>	<b>88,000,000</b>
<b>NET ASSET VALUE PER UNIT (RM)</b>		<b>0.7654</b>	<b>0.8264</b>

The accompanying summary of significant accounting policies and notes to the financial statements form an integral part of these financial statements.

**STATEMENT OF CHANGES IN EQUITY  
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020**

	<u>Note</u>	<u>Unit holders' capital RM</u>	<u>Accumulated losses RM</u>	<u>Total RM</u>
Balance as at 1 January 2020		79,460,800	(6,735,001)	72,725,799
Total comprehensive loss for the financial year		-	(4,274,848)	(4,274,848)
Distribution for the financial year ended 31 December 2019	9	-	(1,345,400)	(1,345,400)
Cancellation of units		(21,179,700)	-	(21,179,700)
Balance as at 31 December 2020		<u>58,281,100</u>	<u>(12,355,249)</u>	<u>45,925,851</u>
Balance as at 1 January 2019		79,460,800	(8,618,335)	70,842,465
Total comprehensive income for the financial year		-	3,634,534	3,634,534
Distribution for the financial year ended 31 December 2019	9	-	(1,751,200)	(1,751,200)
Balance as at 31 December 2019		<u>79,460,800</u>	<u>(6,735,001)</u>	<u>72,725,799</u>

The accompanying summary of significant accounting policies and notes to the financial statements form an integral part of these financial statements.

**STATEMENT OF CASH FLOWS  
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020**

	<b><u>Note</u></b>	<b><u>2020</u> RM</b>	<b><u>2019</u> RM</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Cash used in purchase of investments		(34,863,769)	(22,900,162)
Proceeds from sales of investments		56,079,379	23,050,049
Dividends received		1,930,774	2,710,468
Profit from short-term Shariah-compliant deposits		10,420	24,278
Management fee paid		(313,254)	(469,848)
Trustee fee paid		(21,687)	(32,527)
License fee paid		(31,597)	(44,081)
Purification of non Shariah-compliant income		2,417	(7,112)
Payment for other fees and expenses		(281,309)	(93,344)
Net realised foreign exchange loss		(485,417)	(165,182)
Net cash generated from operating activities		<u>22,025,957</u>	<u>2,072,539</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Payments for cancellation of units	21	(21,179,700)	-
Payment for income distribution	9	(1,345,400)	(1,751,200)
Net cash used in financing activities		<u>(22,525,100)</u>	<u>(1,751,200)</u>
<b>NET (DECREASE) /INCREASE IN CASH AND CASH EQUIVALENTS</b>		(499,143)	321,339
<b>CURRENCY TRANSLATION DIFFERENCES</b>		1,233	(697)
<b>CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE FINANCIAL YEAR</b>		<u>537,751</u>	<u>217,109</u>
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL YEAR</b>	12	<u><u>39,841</u></u>	<u><u>537,751</u></u>

The accompanying summary of significant accounting policies and notes to the financial statements form an integral part of these financial statements.



## **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020**

The following accounting policies have been used in dealing with items which are considered material in relation to the financial statements.

### **A BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS**

The financial statements of the MyETF MSCI SEA Islamic Dividend (“the Fund”) have been prepared in accordance with Malaysian Financial Reporting Standards (“MFRS”) and International Financial Reporting Standards (“IFRS”).

The financial statements have been prepared under the historical cost convention, modified by the revaluation of financial assets at fair value through profit or loss.

The preparation of financial statements in conformity with MFRS and IFRS requires the use of certain critical accounting estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the financial year. It also requires the Manager to exercise their judgement in the process of applying the Fund’s accounting policies. Although these estimates and judgement are based on the Managers’ best knowledge of current events and actions, actual results may differ.

The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note N.

(a) Standards, amendments to published standards and interpretations that are effective

- The Conceptual Framework for Financial Reporting (Revised 2018)
- Amendments to MFRS 101 and MFRS 108 ‘Definition of Material’

The adoption of the above standards, amendments to standards or interpretations did not have a material effect on the financial statements of the Fund.

(b) Standards and amendments that have been issued but not yet effective

- Amendments to MFRS 3 ‘Reference to Conceptual Framework’ (effective 1 January 2022) replace the reference to Framework for Preparation and Presentation of Financial Statements with 2018 Conceptual Framework.
- Annual Improvements to MFRSs 2018 – 2020 Cycle (effective for annual periods beginning on or after 1 January 2022).
- Amendments to MFRS 137 ‘onerous contracts—cost of fulfilling a contract’ (effective 1 January 2022) clarify that direct costs of fulfilling a contract include both the incremental cost of fulfilling the contract as well as an allocation of other costs directly related to fulfilling contracts.
- Amendments to MFRS 101 ‘Classification of liabilities as current or non-current (effective 1 January 2023) clarify that a liability is classified as non-current if an entity has a substantive right at the end of the reporting period to defer settlement for at least 12 months after the reporting period.

A liability is classified as current if a condition is breached at or before the reporting date and a waiver is obtained after the reporting date.

The adoption of the above standards, amendments to standards or interpretations is not expected to have a material effect on the financial statements of the Fund.

**SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES  
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020 (CONTINUED)**

**B INCOME FROM SHARIAH-COMPLIANT FINANCIAL INSTRUMENTS**

Profit Income

Profit income from short-term Shariah-compliant deposits with licensed financial institutions are recognised based on effective profit rate method on an accrual basis.

Profit income is calculated by applying the effective profit rate to the gross carrying amount of a financial asset except for financial assets that subsequently become credit-impaired. For credit-impaired financial assets the effective profit rate is applied to the net carrying amount of the financial asset (after deduction of the loss allowance).

Dividend Income

Dividend income is recognised on the ex-dividend date when the right to receive payment is established.

Realised gain or loss on disposal of investments

Realised gain or loss on disposal of quoted securities is accounted for as the difference between the net disposal proceeds and the carrying amount of quoted securities, determined on a weighted average cost basis.

**C NON SHARIAH-COMPLIANT INCOME**

Any income or distribution received by the Fund from its investment portfolio which relates to profit income or dividend income from fortuitous activities (does not comply with the Shariah principles) of the underlying companies is considered non Shariah-compliant income.

This non Shariah-compliant income is subject to an income purification process as determined by the Shariah Adviser from time to time and without limitation based on the impure ratio for each component stock as determined by MSCI Inc. The non Shariah-compliant income may be distributed to organisations considered beneficial to the public at large which are endorsed by the Shariah Adviser and approved by the Trustee. The amount is recognised as an expense in profit or loss.

**D TAXATION**

Current tax expense is determined according to the Malaysian tax laws and includes all taxes based upon the taxable profits of the Fund.

Tax on income from foreign quoted securities is based on the tax regime of the respective countries that the Fund invests in. Such withholding taxes are not "income tax" in nature and are recognised, measured based on the requirements of MFRS 137. They are presented within other expenses line in the statement of comprehensive income.

**E CASH AND CASH EQUIVALENTS**

For the purpose of the cash flow statement, cash and cash equivalents comprise cash and bank balances and deposits that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

**SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES  
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020 (CONTINUED)**

**F FINANCIAL ASSETS AND LIABILITIES**

**(i) Classification**

The Fund classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value through profit or loss, and
- those to be measured at amortised cost

The Fund classifies its investments based on both the Fund's business model for managing those financial assets and the contractual cash flow characteristics of the financial assets. The portfolio of financial assets is managed and performance is evaluated on a fair value basis. The Fund is primarily focused on fair value information and uses that information to assess the assets' performance and make decisions. The Fund has not taken the option to irrevocably designate any Shariah-compliant equity securities as fair value through other comprehensive income.

The Fund classifies cash and cash equivalents and dividends receivables at amortised cost as these financial assets are held to collect contractual cash flows consisting of the amount outstanding, which are solely payments of principal and interest.

The Fund classifies management fee payable, amount due to Trustee, auditors' remuneration, tax agent's fee, Shariah advisers' fee and payables as financial liabilities subsequently measured at amortised cost.

**(ii) Recognition and measurement**

Regular purchases and sales of financial assets are recognised on the trade-date, the date on which the Fund commits to purchase or sell the asset. Investments are initially recognised at fair value. Transaction costs that are directly attributable to the acquisition of financial assets subsequently measured at fair value through profit or loss are expensed in the statement of comprehensive income.

Financial liabilities, within the scope of MFRS 9 are recognised in the statement of financial position when, and only when, the Fund becomes a party to the contractual provisions of the financial instrument.

Financial assets are derecognised when the rights to receive cash flows from the investments have expired or have been transferred and the Fund has transferred substantially all risks and rewards of ownership.

A financial liability is derecognised when it is extinguished, i.e. when the obligation specified in the contract is discharged or cancelled or expired.

The Fund subsequently measures all Shariah-compliant equity investments at fair value. Unrealised gains or losses arising from changes in the fair value of the financial assets at fair value through profit or loss are presented in the statement of comprehensive income within 'net gain/(loss) on financial assets at fair value through profit and loss' in the period in which they arise.

**SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES  
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020 (CONTINUED)**

**F FINANCIAL ASSETS AND LIABILITIES (CONTINUED)**

**(ii) Recognition and measurement (continued)**

Dividend income from financial assets at fair value through profit or loss is recognised in the statement of comprehensive income as part of gross dividend income when the Fund's right to receive payments is established.

Investments principally consist of Shariah-compliant quoted investments which are initially recognised at fair value and subsequently re-measured at fair value based on the market price quoted on the relevant stock exchanges at the close of the business on the valuation day, where the close price falls within the bid-ask spread. In circumstances where the close price is not within the bid-ask spread, the Manager will determine the point within the bid-ask spread that is most representative of the fair value. Purchases and sales of Shariah-compliant investments are accounted for on the trade date.

If a valuation based on the market price does not represent the fair value of the securities, for example during the abnormal market conditions or no market price is available, including in the event of a suspension in the quotation of the securities for a period exceeding 14 days, or such shorter period as agreed by Trustee, the securities are valued as determined in good faith by the Manager, based on the methods and bases approved by the Trustee after appropriate technical consultation.

Financial assets at amortised cost and other financial liabilities are subsequently carried at amortised cost using the effective profit rate method.

**(iii) Impairment of financial assets**

The Fund measures credit risk and expected credit losses using probability of default and loss given default. Management considers both historical analysis and forward-looking information in determining any expected credit loss. Management considers the probability of default to be close to zero as these instruments have a low risk of default and the counterparties have a strong capacity to meet their contractual obligations in the near term. As a result, no loss allowance has been recognised based on 12 month expected credit losses as any such impairment would be wholly insignificant to the Fund.

Significant increase in credit risk

A significant increase in credit risk is defined by management as any contractual payment which is more than 30 days past due.

Definition of default and credit-impaired financial assets

The Fund defines a financial instrument as default, which is fully aligned with the definition of credit-impaired, when it meets one or more of the following criteria:

Quantitative criteria:

Any contractual payment which is more than 90 days past due is considered credit impaired.

Qualitative criteria:

The obligor meets unlikelihood to pay criteria, which indicates the obligor is in significant financial difficulty. The Fund considers the following instances:

**SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES  
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020 (CONTINUED)**

**F FINANCIAL ASSETS AND LIABILITIES (CONTINUED)**

**(iii) Impairment of financial assets (continued)**

Qualitative criteria (continued):

- the obligor is in breach of financial covenants;
- concessions have been made by the creditor relating to the obligor's financial difficulty;
- it is becoming probable that the obligor will enter bankruptcy or other financial reorganisation; and
- the obligor is insolvent.

Financial instruments that are credit-impaired are assessed on an individual basis.

Write-off

The Fund writes off financial assets, in whole or in part, when it has exhausted all practical recovery efforts and has concluded there is no reasonable expectation of recovery. The assessment of no reasonable expectation of recovery is based on unavailability of debtor's sources of income or assets to generate sufficient future cash flows to repay the amount.

The Fund may write-off financial assets that are still subject to enforcement activity. Subsequent recoveries of amounts previously written off will result in impairment gains. There are no write-offs/recoveries during the financial year.

**G AMOUNT DUE FROM/(TO) STOCKBROKERS**

Amounts due from and to stockbrokers represent receivables for securities sold and payables for securities purchased that have been contracted for but not yet settled or delivered on the date of the statement of financial position respectively. The due from brokers balance is held for collection.

These amounts are recognised initially at fair value and subsequently measured at amortised cost. At each reporting date, the Fund shall measure the loss allowance on amounts due from broker at an amount equal to the lifetime expected credit losses if the credit risk has increased significantly since initial recognition. If, at the reporting date, the credit risk has not increased significantly since initial recognition, the Fund shall measure the loss allowance at an amount equal to 12-month expected credit losses. Significant financial difficulties of the broker, probability that the broker will enter bankruptcy or financial reorganisation, and default in payments are all considered indicators that a loss allowance may be required.

If the credit risk increases to the point that it is considered to be credit impaired, profit income will be calculated based on the gross carrying amount adjusted for the loss allowance. A significant increase in credit risk is defined by management as any contractual payment which is more than 30 days past due.

Any contractual payment which is more than 90 days past due is considered credit impaired.

**SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES  
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020 (CONTINUED)**

**H UNIT HOLDERS' CAPITAL**

The unit holders' contributions to the Fund meet the criteria to be classified as equity instruments under MFRS 132 'Financial Instruments: Presentation'. Those criteria include:

- the units entitle the holder to a proportionate share of the Fund's net asset value;
- the units are the most subordinated class and class features are identical;
- there is no contractual obligations to deliver cash or another financial asset other than the obligation on the redemption of units; and
- the total expected cash flows from the units over its life are based substantially on the profit or loss of the Fund.

The outstanding units are carried at the redemption amount that is payable at each financial year if the unit holder exercises the right to put the unit back to the Fund.

Units are created and cancelled at prices based on the Fund's net asset value per unit at the time of creation or cancellation. The Fund's net asset value per unit is calculated by dividing the net assets attributable to unit holders with the total number of outstanding units. In accordance with the Securities Commission's ("SC") Guidelines on Exchange-Traded Funds, investment positions are valued based on the last traded market price for the purpose of determining the net asset value per unit for creations and cancellations.

**I FOREIGN CURRENCY**

(i) Functional and presentation currency

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

(ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are remeasured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at financial year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in statement of comprehensive income.

Foreign exchange gains and losses that relate to cash and cash equivalents are presented in profit or loss on a net basis within the net loss on foreign exchange.

**J SEGMENT REPORTING**

Operating segments are reported in a manner consistent with the internal reporting used by the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Chief Executive Officer ("CEO") of the Fund's manager that undertakes strategic decisions for the Fund.

**SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES  
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020 (CONTINUED)**

**K DISTRIBUTION**

Distributions are at the discretion of the Fund. A distribution to the Fund's unit holders is accounted for as a deduction from realised reserves. A proposed distribution is recognised as a liability in the financial year in which it is approved by the Board of Directors of the Manager.

The basis for ascertaining income available for distribution by the Fund to its unit holders, which subject to conditions imposed by the SC, are as follows:

- (i) The distributable income is the net realised income from profit, dividend and other distributions, after deducting the costs/expenses as allowed by the Deed;
- (ii) No adjustment will be made from any realised capital gains or losses as a result of price appreciation or depreciation of the underlying securities;
- (iii) Unrealised income or gains of the Fund will not be distributed to unit holders and unrealised losses (including capital losses) will not be deducted.

**L TRANSACTION COSTS**

Transaction costs are costs incurred to acquire or dispose financial assets or liabilities at fair value through profit or loss. They include fees and commissions paid to agents, advisors, brokers and dealers. Transaction costs, when incurred, are immediately recognised in the statement of comprehensive income as expenses.

**M REALISED AND UNREALISED PORTIONS OF PROFIT OR LOSS AFTER TAX**

The analysis of realised and unrealised amount as disclosed in the statement of comprehensive income is prepared in accordance with the SC Guidelines on Exchange-Traded Funds.

**N CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS IN APPLYING ACCOUNTING POLICIES**

The Fund makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, rarely equal the related actual results. To enhance the information content of the estimates, certain key variables that are anticipated to have material impact to the Funds' results and financial position are tested for sensitivity to changes in the underlying parameters.

Estimates and judgment are continually evaluated by the Manager and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

In undertaking any of the Fund's investment, the Manager will ensure that all assets of the Fund under management will be valued appropriately, that is at fair value and in compliance with the SC's Guidelines on Exchange-Traded Funds.

However, the Manager is of the opinion that in applying these accounting policies, no significant judgment was required.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020**

**1 INFORMATION ON THE FUND**

The exchange-traded fund was constituted under the name MyETF MSCI SEA Islamic Dividend (the “Fund”) pursuant to the execution of a trust deed dated 6 February 2015 and supplemental deed dated 9 December 2016, 19 June 2017, 8 February 2019 and 13 September 2019 (the “Deed”) entered into between i-VCAP Management Sdn. Bhd. (the “Manager”) and Deutsche Trustees Malaysia Berhad (the “Trustee”).

The Fund was launched on 8 April 2015 and commenced operations on 29 April 2015. The Fund will continue its operations until terminated in accordance with 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 MSCI AC ASEAN IMI Islamic High Dividend Yield 10/40 Index (“Benchmark Index”) regardless of its performance. The Benchmark Index is a free-float adjusted, market capitalisation weighted, price return index representing securities of 30 leading Shariah-compliant companies listed in the stock exchanges in South East Asia countries as determined by MSCI Inc. All investments will be subjected to the SC Guidelines on Exchange-Traded Funds, the Deed and the objective of the Fund.

As provided in the Deed, the financial year shall end on 31 December 2020.

The Manager is a company incorporated in Malaysia. The principal activity of the Manager is the provision of Shariah investment management services.

On 16 December 2019, the Board of Directors of Valuecap, the immediate holding company of the Manager, has resolved to explore various strategic options with regard to the Manager, including divesting or winding up the Manager and the possibility of transferring the Fund to another licensed fund management company.

On 28 February 2020, the Directors of the Manager have resolved to pursue the sale of the Manager to an unrelated third party.

On 25 August 2020, the sole shareholder has approved the sale of i-VCAP Management Sdn Bhd to Kenanga Investors Berhad.

The sale of the Manager has been approved by the relevant regulatory bodies on 29 January 2021.

These financial statements were authorised for issue by the Manager on 16 February 2021.



**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020 (CONTINUED)**

**2 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES**

The Fund is exposed to a variety of risks which include market risk, profit rate risk and credit/default risk from the following financial instruments:

	<b>Note</b>	<b>Amortised cost RM</b>	<b>Financial assets at fair value through profit or loss RM</b>	<b>Total RM</b>
<b><u>2020</u></b>				
Cash and cash equivalents	12	39,841	-	39,841
Financial assets at fair value through profit or loss	10	-	45,903,571	45,903,571
Dividends receivable	11	88,406	-	88,406
<b>Total</b>		<b>128,247</b>	<b>45,903,571</b>	<b>46,031,818</b>
<b><u>2019</u></b>				
Cash and cash equivalents	12	537,751	-	537,751
Financial assets at fair value through profit or loss	10	-	72,195,478	72,195,478
Dividends receivable	11	128,346	-	128,346
<b>Total</b>		<b>666,097</b>	<b>72,195,478</b>	<b>72,861,575</b>

All current liabilities are financial liabilities which are carried at amortised cost.

Financial risk management is carried out through internal control processes adopted by the Manager and adherence to the investment restrictions as stipulated in the SC's Guidelines on Exchange-Traded Funds.

**Market risk**

**(i) Price Risk**

The Fund is exposed to equity securities price risk arising from investments held by the Fund for which prices in the future are uncertain. The very nature of an exchange-traded fund, however, helps mitigate this risk because a fund would generally hold a well-diversified portfolio of securities from different market sectors so that the collapse of any one security or any one market sector would not impact too greatly on the value of the fund.

At 31 December 2020, the fair value of equities exposed to price risk was as follows:

	<b><u>2020</u> RM</b>	<b><u>2019</u> RM</b>
Financial assets at fair value through profit or loss	<u>45,903,571</u>	<u>72,195,478</u>

The table below summarises the sensitivity of the Fund's profit or loss and NAV to equity price movements as at the end of the financial year. The analysis is based on the assumptions that the Benchmark Index increased by 10% and decreased by 10%, with all other variables held constant, and that the fair value of the Fund's portfolio of equity securities moves in correlation with the Benchmark Index.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020 (CONTINUED)**

**2 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)**

**Market risk (continued)**

**(i) Price Risk (continued)**

<u>% Change in benchmark index</u>	<u>Benchmark index</u>	<u>Market value RM</u>	<u>Impact to profit or loss/NAV increase/(decrease) RM</u>
<b><u>2020</u></b>			
-10%	1,810.39	42,279,321	(3,624,250)
0%	2,011.54	45,903,571	-
10%	2,212.69	49,527,822	3,624,250
<b><u>2019</u></b>			
-10%	1,836.15	64,975,930	(6,374,265)
0%	2,040.17	72,195,478	-
10%	2,244.19	79,415,026	6,374,265

The Index is used as a benchmark as the Fund is designed to provide investment results that closely correspond to the performance of the Index.

**(ii) Currency risk**

Currency risk is associated with investments that are quoted and/or priced in foreign currency denomination. Foreign currency risk is the risk that the value of financial instruments will fluctuate due to changes in foreign exchange rates. The Manager will evaluate the likely directions of a foreign currency versus Ringgit Malaysia based on considerations of economic fundamentals such as interest rate differentials, balance of payments position, debt levels, and technical chart considerations.

The following table sets out the foreign currency risk concentrations arising from the denomination of the Fund's financial instruments in foreign currency:

	<u>Financial assets at fair value through profit or loss RM</u>
<b><u>2020</u></b>	
IDR	15,563,286
THB	14,618,690
PHP	2,532,713
	<u>32,714,689</u>
<b><u>2019</u></b>	
IDR	19,962,036
PHP	5,051,435
SGD	14,927,141
THB	16,738,787
	<u>56,679,399</u>

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020 (CONTINUED)**

**2 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)**

**Market risk (continued)**

**(ii) Currency risk (continued)**

The table below summarises the sensitivity of the Fund's profit or loss and NAV to changes in foreign exchange movements for the Fund. The analysis is based on the assumption that the foreign exchange rates fluctuate according to the respective standard deviation of the daily fluctuations of the exchange rate of the currencies, with all other variables remaining constant. This represents management's best estimate of a reasonable shift in the foreign exchange rate, having regards to historical volatility of the rate. Disclosures below are shown in absolute terms; changes and impacts could be positive or negative.

	<b><u>Change in foreign exchange rate</u></b> %	<b><u>Impact to profit or loss/NAV</u></b> RM
<b><u>2020</u></b>		
IDR	+/- 8.88	+/- 1,382,592
THB	+/- 6.58	+/- 961,575
PHP	+/- 5.13	+/- 129,996
<b><u>2019</u></b>		
IDR	+/- 4.05	+/- 808,462
PHP	+/- 4.40	+/- 222,263
SGD	+/- 2.51	+/- 374,671
THB	+/- 5.04	+/- 843,635

**Profit rate risk**

Cash flow profit rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market profit rates.

The Fund's exposure to profit rate risk is mainly confined to Shariah-compliant deposits with licensed financial institutions. The Manager overcomes this by way of maintaining deposits on a short-term basis.

The Fund's exposure to profit rate risk associated with Shariah-compliant deposits with licensed financial institutions is not material as the deposit is held on a short-term basis.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020 (CONTINUED)**

**2 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)**

**Credit/Default risk**

The Fund is exposed to credit risk, which is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation.

The credit risk arising from placements of deposits in licensed financial institutions is managed by ensuring that the Fund will only place deposits in reputable licensed financial institutions. The settlement terms of the proceeds from the creation of units receivable from the Manager are governed by the SC's Guidelines on Exchange-Traded Funds.

The settlement terms of the amount due from stockbrokers are governed by the relevant rules and regulations of the respective stock exchanges.

The maximum exposure to credit risk before any credit enhancements as at the end of the financial year is the carrying amount of the financial assets as set out below.

	<b>Cash and cash equivalents</b>	<b>Dividends receivable</b>	<b>Total</b>
	<b>RM</b>	<b>RM</b>	<b>RM</b>
<b><u>2020</u></b>			
Financial institutions			
- AA1	39,841	-	39,841
Others	-	88,406	88,406
	<u>39,841</u>	<u>88,406</u>	<u>128,247</u>
	<u><u>39,841</u></u>	<u><u>88,406</u></u>	<u><u>128,247</u></u>
<b><u>2019</u></b>			
Financial institutions			
- AAA	511,957	-	511,957
- AA1	25,794	-	25,794
Others	-	128,346	128,346
	<u>537,751</u>	<u>128,346</u>	<u>666,097</u>
	<u><u>537,751</u></u>	<u><u>128,346</u></u>	<u><u>666,097</u></u>

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020 (CONTINUED)**

**3 CAPITAL AND LIQUIDITY RISK MANAGEMENT**

The capital of the Fund is represented by the net assets attributable to unit holders. The amount of net assets attributable to unit holders can change significantly on a daily basis as the Fund is subject to daily creations and cancellations of units at the discretion of unit holders. The Manager will provide a perfect basket which comprises of a portfolio of the Benchmark Index shares in substantially the same composition and weighting as the Benchmark Index and cash component to be delivered by the investors in the case of creations and to be transferred to the unit holders in the case of cancellations. The Fund maintains sufficient quantity of shares and cash in proportion to the perfect basket.

The table below analyses the Fund's financial liabilities into relevant maturity groupings based on the remaining period at the statement of financial position date to the contractual maturity date. The amounts in the table below are the contractual undiscounted cash flows.

	<u>Within one month</u> RM	<u>One month to one year</u> RM	<u>Total</u> RM
<b><u>2020</u></b>			
Management fee payable	25,636	-	25,636
Amount due to Trustee	1,775	-	1,775
Auditors' remuneration	-	16,350	16,350
Tax agent's fee	-	11,425	11,425
Shariah adviser's fee	-	1,625	1,625
Payables	-	49,156	49,156
	<u>27,411</u>	<u>78,556</u>	<u>105,967</u>
<b><u>2019</u></b>			
Management fee payable	41,363	-	41,363
Amount due to Trustee	2,864	-	2,864
Auditors' remuneration	-	16,350	16,350
Tax agent's fee	-	9,750	9,750
Shariah adviser's fee	-	413	413
Payables	-	65,036	65,036
	<u>44,227</u>	<u>91,549</u>	<u>135,776</u>

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020 (CONTINUED)**

**4 MANAGEMENT FEE**

The Manager is entitled to a management fee at a rate not exceeding 3.0% per annum on the Net Asset Value ("NAV") of the Fund calculated on a daily basis, as provided under Clause 15.1(b) of the Deed.

For the financial year ended 31 December 2020, the management fee was recognised at a rate of 0.65% (2019: 0.65%) per annum on the NAV of the Fund, calculated on a daily basis.

There will be no further liability to the Manager in respect of management fee other than the amounts recognised above.

**5 TRUSTEE'S FEE**

The Trustee is entitled to an annual fee at a rate not exceeding 0.2% per annum on the Net Asset Value ("NAV") of the Fund, subject to a minimum of RM12,000 per annum, as provided under Clause 15.2(b) of the Deed.

For the financial year ended 31 December 2020, the Trustee's fee was recognised at a rate of 0.045% (2019: 0.045%) per annum on the NAV of the Fund, subject to a minimum of RM12,000 per annum, inclusive of local custodian fee and excluding foreign custodian fee, calculated on a daily basis.

There will be no further liability to the Trustee in respect of trustee fee other than the amounts recognised above.

**6 LICENSE FEE**

License fee is payable to MSCI Inc, the Benchmark Index provider.

For the financial year ended 31 December 2020, the License Fee was recognised at a rate of 0.06% (2019: 0.06%) per annum of the Net Asset Value ("NAV") of the Fund, calculated on a daily basis.

There will be no further liability to MSCI Inc. in respect of license fee other than the amounts recognised above.

**7 OTHER EXPENSES**

	<u>2020</u> RM	<u>2019</u> RM
Withholding tax	224,040	254,129
Other expenses	53,840	36,690
	<u>277,880</u>	<u>290,819</u>

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020 (CONTINUED)**

**8 TAXATION**

	<u>2020</u> RM	<u>2019</u> RM
Tax charged for the financial year:		
- Current taxation	-	-
	<u>          </u>	<u>          </u>

The explanation of the relationship between taxation and (loss)/profit before taxation of the Fund is as follows:

	<u>2020</u> RM	<u>2019</u> RM
(Loss)/profit before taxation	(4,274,848)	3,634,534
Tax at Malaysian statutory rate of 24%	(1,025,964)	872,288
Tax effect of:		
(Investment loss not brought to tax)/Investment income not subject to tax	838,317	(1,109,753)
Restriction on tax deductible expenses for exchange-traded funds	75,330	117,015
Expenses not deductible for tax purposes	112,316	120,450
	<u>          </u>	<u>          </u>
	-	-
	<u>          </u>	<u>          </u>

**9 INCOME DISTRIBUTION**

Distribution to unit holders is from the following sources:

	<u>2020</u> RM	<u>2019</u> RM
Undistributed net exempt income brought forward	1,345,400	1,751,200
Total amount of income distribution	<u>1,345,400</u>	<u>1,751,200</u>

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020 (CONTINUED)**

**9 INCOME DISTRIBUTION (CONTINUED)**

The net asset value per unit prior and subsequent to the income distribution was as follows:

<u>Distribution date (ex-date)</u>	<u>Cum-distribution</u> RM	<u>Distribution</u> <u>per unit</u> RM	<u>Ex-distribution</u> RM
<b><u>2020</u></b>			
11 March 2020	0.6830	0.0217	0.6613
<b><u>2019</u></b>			
11 March 2019	0.8229	0.0199	0.8030

The net asset value prior and subsequent to the income distribution was as follows:

<u>Distribution</u> <u>date (ex-date)</u>	<u>Cum-distribution</u> RM	<u>Total distribution</u> <u>amount</u> RM	<u>Ex-distribution</u> RM
<b><u>2020</u></b>			
11 March 2020	42,345,347	1,345,400	40,999,947
<b><u>2019</u></b>			
11 March 2019	72,413,367	1,751,200	70,662,167

Included in the above is an amount of RM1,345,400 (2019: RM1,751,200) distributed from previous financial year's undistributed net realised exempt income.

The first and final income distribution for the financial year ended 31 December 2019 of 2.17 sen per unit was declared on 25 February 2020 based on the financial position of the Fund as at 31 December 2019 with the ex-date of 11 March 2020 and entitlement date of 12 March 2020. The total amount of income distributed was RM1,345,400 based on 62,000,000 of the Fund's units in circulation, which was paid out to unit holders on 9 April 2020.

The first and final income distribution for the financial year ended 31 December 2018 of 1.99 sen per unit was declared on 21 February 2019 based on the financial position of the Fund as at 31 December 2018 with the ex-date of 11 March 2019 and entitlement date of 13 March 2019. The total amount of income distributed was RM1,751,200 based on 88,000,000 of the Fund's units in circulation, which was paid out to unit holders on 3 April 2019.

There is no interim income distribution declared for the financial year ended 31 December 2020.



**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020 (CONTINUED)**

**10 FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS**

	<u>2020</u> <u>RM</u>	<u>2019</u> <u>RM</u>
Financial assets at fair value through profit or loss		
- Shariah-compliant quoted securities – local	13,188,882	15,516,079
- Shariah-compliant quoted securities – foreign	32,714,689	56,679,399
	<u>45,903,571</u>	<u>72,195,478</u>
Net (loss)/profit on financial assets at fair value through profit or loss		
- Realised loss on disposal	(6,054,564)	(2,270,086)
- Unrealised gain on changes in fair value	1,144,506	4,157,473
	<u>(4,910,058)</u>	<u>1,887,387</u>

Name of counter	Quantity Units	Aggregate cost RM	Market value RM	Percentage of NAV %
<b>2020</b>				
<b>SHARIAH-COMPLIANT QUOTED SECURITIES</b>				
<b>MALAYSIA</b>				
<b>Consumer Products &amp; Services</b>				
Nestle (Malaysia) Bhd	15,100	2,060,341	2,097,390	4.57
Sime Darby Berhad	876,100	1,996,420	2,023,791	4.41
	<u>891,200</u>	<u>4,056,761</u>	<u>4,121,181</u>	<u>8.98</u>
<b>Financial Services</b>				
Syarikat Takaful Malaysia Keluarga Berhad	91,400	420,872	442,376	0.96
<b>Industrial Products &amp; Services</b>				
Lotte Chemical Titan Holding Berhad	168,200	439,406	465,914	1.01
Scientex Bhd	83,500	695,461	1,058,780	2.31
	<u>251,700</u>	<u>1,134,867</u>	<u>1,524,694</u>	<u>3.32</u>
<b>Telecommunications Services</b>				
Maxis Bhd	407,500	2,298,623	2,057,875	4.48
Time DotCom Bhd	119,500	1,100,348	1,584,570	3.45
	<u>527,000</u>	<u>3,398,971</u>	<u>3,642,445</u>	<u>7.93</u>
<b>Utilities</b>				
Petronas Gas Bhd	122,700	2,270,620	2,107,986	4.59

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020 (CONTINUED)**

**10 FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS (CONTINUED)**

Name of counter	Quantity Units	Aggregate cost RM	Market value RM	Percentage of NAV %
<b>2020 (CONTINUED)</b>				
<b>SHARIAH-COMPLIANT QUOTED SECURITIES (CONTINUED)</b>				
<b>Transportation &amp; Logistics</b>				
Westports Holdings Bhd	314,000	1,168,086	1,350,200	2.94
<b>TOTAL MALAYSIA</b>	<b>2,198,000</b>	<b>12,450,177</b>	<b>13,188,882</b>	<b>28.72</b>
<b>INDONESIA</b>				
<b>Consumer Staples</b>				
PT Indofood CBP Sukses Makmur TBK	311,100	895,657	851,634	1.85
PT Indofood Sukses Makmur TBK	577,300	1,029,910	1,130,593	2.46
PT Unilever Indonesia TBK	1,889,400	4,450,884	3,970,319	8.65
	2,777,800	6,376,451	5,952,546	12.96
<b>Energy</b>				
PT Adaro Energy TBK	5,025,800	2,330,194	2,054,733	4.47
PT AKR Corporindo TBK	652,000	622,368	592,774	1.29
PT Indo Tambangraya Megah Tbk	144,500	566,483	572,179	1.25
PT United Tractors Tbk	301,300	2,040,903	2,291,368	4.99
	6,123,600	5,559,948	5,511,054	12.00
<b>Telecommunications Services</b>				
PT Telekomunikasi Indonesia Persero TBK	4,332,200	4,734,433	4,099,686	8.93
<b>TOTAL INDONESIA</b>	<b>13,233,600</b>	<b>16,670,832</b>	<b>15,563,286</b>	<b>33.89</b>
<b>PHILIPPINES</b>				
<b>Industrials</b>				
DMCI Holdings Inc.	1,300,000	629,482	615,335	1.34
<b>Materials</b>				
D&L Industries Inc.	788,700	586,761	507,872	1.11
<b>Real Estate</b>				
Megaworld Corp.	4,131,000	1,057,683	1,409,506	3.07
<b>TOTAL PHILLIPINES</b>	<b>6,219,700</b>	<b>2,273,926</b>	<b>2,532,713</b>	<b>5.52</b>

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020 (CONTINUED)**

**10 FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS (CONTINUED)**

Name of counter	Quantity Units	Aggregate cost RM	Market value RM	Percentage of NAV %
<b>2020 (CONTINUED)</b>				
<b>SHARIAH-COMPLIANT QUOTED SECURITIES - (CONTINUED)</b>				
<b>THAILAND</b>				
<b>Consumer Discretionary</b>				
Com7 Public Company Limited	194,300	604,463	1,015,071	2.21
<b>Consumer Staples</b>				
OSOTSPA Public Company Limited	273,800	1,354,919	1,302,029	2.84
<b>Energy</b>				
PTT Public Company Limited	752,400	4,397,471	4,283,479	9.33
<b>Health Care</b>				
Bangkok Dusit Medical Services PCL	1,387,700	4,222,125	3,866,499	8.42
Chularat Hospital PCL	1,780,700	514,710	586,793	1.28
	3,168,400	4,736,835	4,453,292	9.70
<b>Information Technology</b>				
KCE Electronics PCL-NVDR	295,400	841,873	1,642,168	3.58
<b>Materials</b>				
Eastern Polymer Group PCL	357,300	287,081	339,821	0.74
<b>Telecommunications Services</b>				
Plan B Media PCL	707,600	607,822	592,416	1.29
<b>Utilities</b>				
SPCG Public Company Limited	175,200	422,809	471,725	1.03
TPI Polene Power Company Limited	904,700	502,684	518,689	1.13
	1,079,900	925,493	990,414	2.16
<b>TOTAL THAILAND</b>	<b>6,829,100</b>	<b>13,755,957</b>	<b>14,618,690</b>	<b>31.85</b>

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020 (CONTINUED)**

**10 FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS (CONTINUED)**

Name of counter	Quantity Units	Aggregate cost RM	Market value RM	Percentage of NAV %
<b>2020 (CONTINUED)</b>				
<b>TOTAL SHARIAH-COMPLIANT QUOTED SECURITIES</b>	<b>28,480,400</b>	<b>45,150,892</b>	<b>45,903,571</b>	<b>99.98</b>
<b>ACCUMULATED UNREALISED GAIN ON FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS</b>		<b>752,679</b>		
<b>TOTAL FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS</b>		<b>45,903,571</b>		
<b>2019</b>				
<b>SHARIAH-COMPLIANT QUOTED SECURITIES</b>				
<b>MALAYSIA</b>				
<b>Consumer Products &amp; Services</b>				
Sime Darby Berhad	1,351,400	3,099,171	3,000,108	4.13
<b>Health Care</b>				
Supermax Corporation Bhd	409,301	577,145	568,928	0.78
<b>Materials</b>				
Cahaya Mata Sarawak Bhd	288,600	981,284	655,122	0.90
Scientex Bhd	110,800	887,346	1,047,060	1.44
	399,400	1,868,630	1,702,182	2.34
<b>Telecommunications Services</b>				
Maxis Bhd	630,600	3,616,809	3,354,792	4.61
Time DotCom Bhd	173,700	1,495,152	1,601,514	2.20
	804,300	5,111,961	4,956,306	6.81
<b>Industrials</b>				
Westports Holdings Bhd	431,900	1,626,727	1,818,299	2.50
<b>Utilities</b>				
Petronas Gas Bhd	208,800	3,889,932	3,470,256	4.77
<b>TOTAL MALAYSIA</b>	<b>3,605,101</b>	<b>16,173,566</b>	<b>15,516,079</b>	<b>21.33</b>

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020 (CONTINUED)**

**10 FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS (CONTINUED)**

Name of counter	Quantity Units	Aggregate cost RM	Market value RM	Percentage of NAV %
<b>2019 (CONTINUED)</b>				
<b>SHARIAH-COMPLIANT QUOTED SECURITIES (CONTINUED)</b>				
<b>INDONESIA</b>				
<b>Consumer Discretionary</b>				
PT Matahari Department Store TBK	1,199,300	1,264,286	1,486,946	2.04
<b>Consumer Staples</b>				
PT Industri Jamu Dan Farmasi Sido Muncul TBK	1,439,600	505,554	540,552	0.74
PT Unilever Indonesia TBK	547,200	6,959,536	6,768,317	9.31
	1,986,800	7,465,090	7,308,869	10.05
<b>Energy</b>				
PT Adaro Energy TBK	6,916,000	3,541,290	3,167,165	4.35
<b>Industrials</b>				
PT Akr Corporindo TBK	976,000	966,556	1,135,356	1.56
<b>Telecommunications Services</b>				
PT Telekomunikasi Indonesia Persero TBK	5,870,600	6,687,158	6,863,700	9.44
<b>TOTAL INDONESIA</b>	<b>16,948,700</b>	<b>19,924,380</b>	<b>19,962,036</b>	<b>27.44</b>
<b>PHILIPPINES</b>				
<b>Energy</b>				
Semirara Mining Corporation	568,900	1,025,477	1,010,013	1.39
<b>Materials</b>				
D&L Industries Inc.	1,404,200	1,167,538	1,076,517	1.48
<b>Utilities</b>				
Manila Electric Company	115,900	3,105,634	2,964,905	4.08
<b>TOTAL PHILLIPINES</b>	<b>2,089,000</b>	<b>5,298,649</b>	<b>5,051,435</b>	<b>6.95</b>
<b>SINGAPORE</b>				
<b>Consumer staples</b>				
Sheng Siong Group Ltd.	317,600	996,986	1,196,556	1.65

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020 (CONTINUED)**

**10 FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS (CONTINUED)**

Name of counter	Quantity Units	Aggregate cost RM	Market value RM	Percentage of NAV %
<b>2019 (CONTINUED)</b>				
<b>SHARIAH-COMPLIANT QUOTED SECURITIES - (CONTINUED)</b>				
<b>SINGAPORE (CONTINUED)</b>				
<b>Industrials</b>				
SATS Limited	223,100	3,540,645	3,429,894	4.72
Singapore Airlines Ltd.	121,200	3,747,033	3,328,907	4.58
	344,300	7,287,678	6,758,801	9.30
<b>Telecommunications Services</b>				
Singapore Telecommunications Ltd.	680,900	6,576,863	6,971,784	9.59
<b>TOTAL SINGAPORE</b>	<b>1,342,800</b>	<b>14,861,527</b>	<b>14,927,141</b>	<b>20.54</b>
<b>THAILAND</b>				
<b>Consumer Discretionary</b>				
Com7 Public Company Limited	293,100	754,810	1,066,127	1.47
Home Product Center PCL NVDR*	1,484,600	2,740,851	3,260,443	4.48
Robinson PCL-NVDR*	245,100	2,004,578	2,220,416	3.05
	2,022,800	5,500,239	6,546,986	9.00
<b>Consumer Staples</b>				
Thai Vegetable Oil PCL – NVDR*	197,500	761,076	745,499	1.03
	2,220,300	6,261,315	7,292,485	1.03
<b>Energy</b>				
PTT Public Company Limited	918,100	5,587,329	5,544,850	7.62
<b>Health Care</b>				
Chularat Hospital PCL	1,988,800	529,758	704,301	0.97
Mega Lifesciences PCL	162,100	675,333	578,500	0.80
	2,150,900	1,205,091	1,282,801	1.77
<b>Materials</b>				
PTT Global Chemical PCL	173,700	1,833,055	1,359,007	1.87
<b>Telecommunications Services</b>				
Jasmine International PCL	1,835,400	1,442,393	1,259,644	1.72
<b>TOTAL THAILAND</b>	<b>7,298,400</b>	<b>16,329,183</b>	<b>16,738,787</b>	<b>23.01</b>

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020 (CONTINUED)**

**10 FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS (CONTINUED)**

Name of counter	Quantity Units	Aggregate cost RM	Market value RM	Percentage of NAV %
<b>2019 (CONTINUED)</b>				
<b>TOTAL SHARIAH-COMPLIANT QUOTED SECURITIES</b>	<b>31,284,001</b>	<b>72,587,305</b>	<b>72,195,478</b>	<b>99.27</b>
<b>ACCUMULATED UNREALISED LOSS ON FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS</b>		<b>(391,827)</b>		
<b>TOTAL FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS</b>		<b>72,195,478</b>		

NVDR\*, or non-voting depository receipt, is a trading instrument issued by Thai NVDR Company Limited, a subsidiary wholly owned by the Stock Exchange of Thailand ("SET"). It is a valid security as specified by the United States Securities and Exchange Commission ("SEC") and is automatically regarded as a listed security by the SET. The underlying security is a listed security in the SET.

**11 DIVIDENDS RECEIVABLE**

Dividends receivable represents dividends declared on the Fund's component stocks at the ex-date and not yet received at the end of the financial year.

Dividends declared are recognised on the ex-date and are reversed out from the receivables upon receipt by the Fund.

**12 CASH AND CASH EQUIVALENTS**

	<b><u>2020</u></b> <b>RM</b>	<b><u>2019</u></b> <b>RM</b>
Shariah-compliant deposits with a licensed bank	-	511,957
Cash at bank – From Shariah-compliant income	32,901	4,996
Cash at bank – From non Shariah-compliant income	6,940	20,798
	<b>39,841</b>	<b>537,751</b>

The effective average profit rate of short term deposits per annum as at the date of the statement of financial position is as follows:

	<b><u>2020</u></b> <b>% p.a.</b>	<b><u>2019</u></b> <b>% p.a.</b>
Shariah-compliant deposits with a licensed bank	-	2.90

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020 (CONTINUED)**

**12 CASH AND CASH EQUIVALENTS (CONTINUED)**

As at the end of financial year ended 31 December 2020, Shariah-compliant deposits with a licensed financial institution of the Fund have a weighted average maturity period of nil day (2019: 3 days) and are denominated in Ringgit Malaysia.

**13 PAYABLES**

	<u><b>2020</b></u> <b>RM</b>	<u><b>2019</b></u> <b>RM</b>
Amount due to index licensor	6,596	25,557
Amount due to beneficial organisations (Note 14)	6,940	20,798
Other payables	35,620	18,681
	<u>49,156</u>	<u>65,036</u>

**14 AMOUNT DUE TO BENEFICIAL ORGANISATIONS**

Amount due to beneficial organisations are the non Shariah-compliant income portion of dividends received as at the end of the financial year. It comprises the following amounts:

	<u><b>2020</b></u> <b>RM</b>	<u><b>2019</b></u> <b>RM</b>
Cash at bank – From non Shariah-compliant income	<u>6,940</u>	<u>20,798</u>

Cash at bank – non Shariah-compliant income represents the portion of dividends already received during the financial year which relates to income that does not comply with Shariah principles.

**15 NUMBER OF UNITS IN CIRCULATION AND NET ASSETS ATTRIBUTABLE TO UNIT HOLDERS**

Net asset value attributable to unit holders is represented by:

	<u><b>Note</b></u>	<u><b>2020</b></u> <b>RM</b>	<u><b>2019</b></u> <b>RM</b>
Unit holders' contribution	(a)	58,281,100	79,460,800
Accumulated losses		(12,355,249)	(6,735,001)
		<u>45,925,851</u>	<u>72,725,799</u>



**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020 (CONTINUED)**

**15 NUMBER OF UNITS IN CIRCULATION AND NET ASSETS ATTRIBUTABLE TO UNIT HOLDERS (CONTINUED)**

(a) UNIT HOLDERS' CONTRIBUTION/UNITS IN CIRCULATION

	2020		2019	
	No. of Units	RM	No. of Units	RM
At beginning of the financial year	88,000,000	79,460,800	88,000,000	79,460,800
Cancellation during the financial year	(28,000,000)	(21,179,700)	-	-
At the end of the financial year	60,000,000	58,281,100	88,000,000	79,460,800

**16 TRANSACTIONS WITH BROKERS**

Details of transactions with the brokers for the financial year ended 31 December 2020 are as follows:

<u>Name of brokers</u>	<u>Value of trade</u> RM	<u>Percentage of total trades</u> %	<u>Brokerage fees</u> RM	<u>Percentage of total brokerage</u> %
Kim Eng Securities (Thailand) PCL	20,692,558	22.24	22,940	21.87
Maybank Kim Eng Securities Pte Ltd	19,248,447	20.69	19,796	18.87
CIMB Group Holdings Bhd	12,225,821	13.14	14,688	14.00
PT CIMB Securities Indonesia	9,087,008	9.77	9,961	9.50
RHB Investment Bank Bhd	8,461,463	9.09	9,852	9.39
Kim Eng Securities (Singapore) Ltd	6,647,260	7.14	7,019	6.70
SB Equities Incorporated	5,481,789	5.89	5,427	5.17
CIMB Securities (Thailand) Co. Ltd	4,959,229	5.33	5,959	5.68
Maybank Investment Bank Bhd	3,099,389	3.33	3,858	3.68
Affin-Hwang Investment Bank Bhd	2,382,328	2.56	4,471	4.26
CIMB Securities (Singapore) Pte Ltd	766,720	0.82	928	0.88
	93,052,012	100.00	104,899	100.00

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020 (CONTINUED)**

**16 TRANSACTIONS WITH BROKERS (CONTINUED)**

Details of transactions with the brokers for the financial year ended 31 December 2019 are as follows:

<u>Name of brokers</u>	<u>Value of trade</u>	<u>Percentage of total trades</u>	<u>Brokerage fees</u>	<u>Percentage of total brokerage</u>
	RM	%	RM	%
CGS-CIMB Securities Sdn. Bhd	16,273,547	36.04	19,554	30.97
RHB Investment Bank Bhd	12,009,246	26.60	23,101	36.60
Maybank Investment Bank Bhd	9,030,334	20.00	11,046	17.50
Alliance Investment Bank Bhd	3,079,344	6.82	3,707	5.87
Kim Eng Securities (Singapore) Ltd	2,499,042	5.53	2,999	4.75
Kim Eng Securities (Thailand) PCL	1,797,798	3.98	2,157	3.42
Maybank Kim Eng Securities Pte Ltd	465,960	1.03	559	0.89
	<u>45,155,271</u>	<u>100.00</u>	<u>63,123</u>	<u>100.00</u>

**17 UNITS HELD BY THE MANAGER AND PARTIES RELATED TO THE MANAGER**

The related parties of and their relationship with the Fund are as follows:

<u>Related parties</u>	<u>Relationship</u>
i-VCAP Management Sdn. Bhd.	The Manager
Valuecap Sdn. Bhd. ("Valuecap")	Holding company of the Manager
Shareholders of Valuecap with significant influence on Valuecap	Shareholders of Valuecap

(a) Units held by the Manager and parties related to the Manager

	<u>2020</u>		<u>2019</u>	
	<u>No. of Units</u>	<u>RM</u>	<u>No. of Units</u>	<u>RM</u>
The Manager	-	-	-	-
Valuecap	-	-	26,765,600	22,119,092
Shareholders of Valuecap	55,531,200	42,503,580	55,531,200	45,890,984
	<u>55,531,200</u>	<u>42,503,580</u>	<u>82,296,800</u>	<u>68,010,076</u>

The units are held legally by the Manager for booking purposes. The units are held beneficially by Valuecap and the Shareholders of ValueCap.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020 (CONTINUED)**

**18 MANAGEMENT EXPENSE RATIO (“MER”)**

	<u><b>2020</b></u> %	<u><b>2019</b></u> %
MER	<u>0.93</u>	<u>0.85</u>

MER is derived from the following calculation:

$$\text{MER} = \frac{(A + B + C + D + E + F + G)}{H} \times 100$$

A	=	Management fee
B	=	Trustee's fee
C	=	License fee
D	=	Auditors' remuneration
E	=	Tax agent's fee
F	=	Shariah adviser's fee
G	=	Other expenses (excluding sales and services tax on transaction costs and withholding tax)
H	=	Average net asset value of Fund calculated on daily basis

The average net asset value of the Fund for the financial year calculated on a daily basis is RM45,771,593 (2019: RM72,581,088).

**19 PORTFOLIO TURNOVER RATIO (“PTR”)**

	<u><b>2020</b></u>	<u><b>2019</b></u>
PTR (times)	<u>0.99</u>	<u>0.33</u>

PTR is derived from the following calculation:

$$\frac{(\text{Total acquisition for the financial year} + \text{total disposal for the financial year}) \div 2}{\text{Average net asset value of the Fund for the financial year calculated on a daily basis}}$$

where: total acquisition for the financial year = RM34,867,207 (2019: RM22,852,616)  
total disposal for the financial year = RM56,065,277 (2019: RM24,572,742)

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020 (CONTINUED)**

**20 SEGMENT REPORTING**

The internal reporting provided to the CEO for the Fund's assets, liabilities and performance is prepared on a consistent basis with the measurement and recognition principles of MFRS. The CEO is responsible for the performance of the fund and considers the business to have a single operating segment located in Malaysia. Asset allocation decisions are based on a single, integrated investment strategy and the Fund's performance is evaluated on an overall basis.

The investment objective of the Fund is to provide investment results that, before expenses, closely correspond to the performance of the MSCI AC ASEAN IMI Islamic High Dividend Yield 10/40 Index, regardless of its performance. The reportable operating segment derives its income by seeking investments to achieve targeted returns consummate with an acceptable level of risk within the portfolio. These returns consist of dividend income earned from investments and gains on the appreciation in the value of investments which is derived up to 30 Shariah-compliant companies listed on the stock exchanges in South East Asia countries. The constituent securities of the Benchmark Index are listed on Bursa Securities, Singapore Exchange, The Stock Exchange of Thailand, Indonesia Stock Exchange and The Philippine Stock Exchange Inc.

There were no changes in the reportable segments during the financial year.

The Fund has a diversified shareholder population. However, as at 31 December 2020, there were 2 unit holders (2019: 3 unit holders) who each held more than 10% of the Fund's net asset value. Their holdings were 47.94% and 44.61% respectively (2019: 32.69%, 30.42% and 30.42%).

**21 NON-CASH TRANSACTIONS**

Creations and cancellations are done either by cash or transferring the perfect basket from and to the unit holders respectively. A reconciliation of the cash flows used in creation and cancellation and the total creation and cancellation as presented in the statement of changes in equity is presented below:

	<u>2020</u> RM	<u>2019</u> RM
Cancellation		
- Fair value of benchmark index shares	-	-
- Cash component	21,179,700	-
	<u>21,179,700</u>	<u>-</u>

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020 (CONTINUED)**

**22 FAIR VALUES OF FINANCIAL INSTRUMENTS**

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date (i.e. an exit price).

The fair values of financial assets traded in active markets (such as trading securities) are based on quoted market prices at the close of trading on the financial year end date. The Fund utilises the last traded market price for financial assets where the last traded price falls within the bid-ask spread. In circumstances where the last traded price is not within the bid-ask spread, the Manager will determine the point within the bid-ask spread that is most representative of the fair value.

An active market is a market in which other incomes for the asset take place with sufficient frequency and volume to provide pricing information on an ongoing basis.

The fair value of financial assets that are not traded in an active market is determined by using valuation techniques.

**(i) Fair value hierarchy**

The table below analyses financial instruments carried at fair value. The different levels have been defined as follows:

- Quoted prices (unadjusted) in active market for identical assets or liabilities (Level 1)
- Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (Level 2)
- Inputs for the asset and liability that are not based on observable market data (that is, unobservable inputs) (Level 3)

The level in the fair value hierarchy within which the fair value measurement is categorised in its entirety is determined on the basis of the lowest level input that is significant to the fair value measurement in its entirety. For this purpose, the significance of an input is assessed against the fair value measurement in its entirety. If a fair value measurement uses observable inputs that require significant adjustment based on unobservable inputs, that measurement is a Level 3 measurement. Assessing the significance of a particular input to the fair value measurement in its entirety requires judgment, considering factors specific to the asset or liability.

The determination of what constitutes 'observable' requires significant judgment by the Fund. The Fund considers observable data to be that market data that is readily available, regularly distributed or updated, reliable and verifiable, not proprietary and provided by independent sources that are actively involved in the relevant market.

The following table analyses within the fair value hierarchy the financial asset measured at fair value:

	<u>Level 1</u> RM	<u>Level 2</u> RM	<u>Level 3</u> RM	<u>Total</u> RM
<b>2020</b>				
Financial assets at fair value through profit or loss				
- Shariah-compliant quoted securities	45,903,571	-	-	45,903,571
<b>2019</b>				
Financial assets at fair value through profit or loss				
- Shariah-compliant quoted securities	72,195,478	-	-	72,195,478

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020 (CONTINUED)**

**22 FAIR VALUES OF FINANCIAL INSTRUMENTS (CONTINUED)**

**(i) Fair value hierarchy (continued)**

Investments whose values are based on quoted market prices in active markets, and are therefore classified within Level 1, include Shariah-compliant quoted securities. The Fund does not adjust the quoted prices for these instruments.

- (ii) The carrying values of cash and cash equivalents, dividends receivable, and all current liabilities are a reasonable approximation of their fair values due to their short-term nature.

**23 SIGNIFICANT EVENT DURING THE FINANCIAL YEAR**

On 16 December 2019, the Board of Directors of Valuecap, the immediate holding company of the Manager, has resolved to explore various strategic options with regard to the Manager, including divesting or winding up the Manager and the possibility of transferring the Fund to another licensed fund management company.

On 28 February 2020, the Directors of the Manager have resolved to pursue the sale of the Manager to an unrelated third party.

On 25 August 2020, the sole shareholder has approved the sale of i-VCAP Mangement Sdn Bhd to Kenanga Investors Berhad.

**Covid-19**

The worsening macro-economic outlook as a result of Covid-19, both domestically and globally, may result in the deterioration of the Fund's Net Asset Value/unit in future periods.

The Manager is monitoring the situation closely and will be actively managing the portfolio to achieve the Fund's objective.

**24 SUBSEQUENT EVENTS AFTER THE FINANCIAL YEAR**

The sale of the Manager has been approved by the relevant regulatory bodies on 29 January 2021.

## ANALYSIS OF UNIT HOLDINGS

### Summary of Unit Holders

*As at 31 December 2020*

	<b>No. of unit holders</b>	<b>% of unit holders</b>	<b>No. of units held</b>	<b>% of units in circulation</b>
Less than 100	6	1.17	130	0.00
100 - 1,000	230	45.01	136,370	0.23
1,001 - 10,000	217	42.47	1,086,500	1.81
10,001 - 100,000	50	9.78	1,521,900	2.54
100,001 to less than 5% of issued units	6	1.17	1,723,900	2.87
5% and above of issued units	2	0.40	55,531,200	92.55
<b>TOTAL</b>	<b>511</b>	<b>100%</b>	<b>60,000,000</b>	<b>100%</b>

## PROFILE OF DIRECTORS OF THE MANAGER

### DIRECTORS' PROFILE

<b>Name:</b>	<b>Roslina Binti Abdul Rahman</b>
<b>Age:</b>	52
<b>Gender:</b>	Female
<b>Nationality:</b>	Malaysian
<b>Designation:</b>	Chairman/Non-Independent Non-Executive Director
<b>Qualifications:</b>	Bachelor of Business Administration from Loyola Marymount University in Los Angeles and a Master of Business Administration from the Australia Graduate School of Management, University of New South Wales.
<b>Working Experience and Occupation:</b>	<p>Roslina Abdul Rahman was appointed to the Board of Directors of i-VCAP Management Sdn. Bhd. as Non-Independent Non-Executive Director on 1 August 2018. She is the Group Chief Executive Officer of Valuecap.</p> <p>Prior to joining Valuecap, Roslina was the Managing Director of Amundi Malaysia and Director of Amundi Islamic Malaysia. Roslina joined Amundi Malaysia in 2008, prior to which she held fund management roles at CIMB-Principal Asset Management from 2004 to 2008 and served across various units of AMMB Holdings Berhad – namely AmInvestment Management, Arab-Malaysian Merchant Bank/Arab-Malaysian Asset Management Berhad, and Arab-Malaysian Unit Trusts Berhad – from 1990 to 2004.</p>
<b>Date Appointed to Board:</b>	1 August 2018
<b>Details of Membership of any Board Committee:</b>	None
<b>Directorship of other public companies and listed issuer:</b>	None
<b>Family relationship with any director and/or major shareholder of the Fund:</b>	None
<b>Conflict of interest with the Fund:</b>	Roslina is the Managing Director and Group Chief Executive Officer of Valuecap Sdn. Bhd., holding company of the Manager.
<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



## DIRECTORS' PROFILE (continued)

<b>Name:</b>	<b>Khairi Shahrin Arief Bin Baki</b>
<b>Age:</b>	40
<b>Gender:</b>	Male
<b>Nationality:</b>	Malaysian
<b>Designation:</b>	Chief Executive Officer ("CEO") / Non-Independent Executive Director
<b>Qualifications:</b>	Bachelor of Business Administration from Universiti Putra Malaysia and Diploma in Investment Analysis from The Research Institute of Investment Analysts Malaysia (RIIAM).
<b>Working Experience and Occupation:</b>	<p>Khairi Shahrin was appointed as CEO of <i>i</i>-VCAP in January 2018 and bringing with him fourteen (14) years of experience in the capital market industry.</p> <p>Khairi Shahrin began his career with OSK Investment Bank in 2003 and later held various positions at various institutions which include Maybank Investment Bank, JP Morgan Securities and Citigroup Global Markets. He subsequently served as Senior Director &amp; Head of Equity Dealing, MIDF Amanah Investment Bank prior to his appointment as CEO of <i>i</i>-VCAP.</p>
<b>Date Appointed to Board:</b>	11 January 2018
<b>Details of Membership of any Board Committee:</b>	None
<b>Directorship of other public companies and listed issuer:</b>	None
<b>Family relationship with any director and/or major shareholder of the Fund:</b>	None
<b>Conflict of interest with the Fund:</b>	Khairi is the CEO of <i>i</i> -VCAP of which is the Manager of 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

## DIRECTORS' PROFILE (continued)

<b>Name:</b>	<b>Datuk Dr Syed Muhamad Bin Syed Abdul Kadir</b>
<b>Age:</b>	74
<b>Gender:</b>	Male
<b>Nationality:</b>	Malaysian
<b>Designation:</b>	Independent Non-Executive Director
<b>Qualifications:</b>	<p>Datuk Dr. Syed Muhamad graduated with a Bachelor of Arts (Hons.) from Universiti Malaya in 1971. He obtained a Masters of Business Administration from the University of Massachusetts, USA, in 1977 and proceeded to obtain a PhD (Business Management) from Virginia Polytechnic Institute and State University, USA in 1986. In 2005, he obtained a Bachelor of Jurisprudence (Hons.) from the University of Malaya. He obtained the Certificate in Legal Practice in 2008 from the Malaysian Professional Legal Board. He was admitted as an Advocate and Solicitor of the High Court of Malaya in July 2009, and obtained the Master of Law (Corporate Law) from Universiti Teknologi MARA in December 2009. In June 2011, he became a Member of the Chartered Institute of Arbitrators, United Kingdom and in May 2012, he became the Fellow of the said Institute.</p>
<b>Working Experience and Occupation:</b>	<p>Datuk Dr. Syed Muhamad started his career in 1973 as Senior Project Officer, School of Financial Management at the National Institute of Public Administration ("INTAN") and held various positions before his final appointment as Deputy Director (Academic). In November 1988, he joined the Ministry of Education as Secretary of Higher Education and thereafter assumed the post of Deputy Secretary (Foreign and Domestic Borrowing, Debt Management), Finance Division of Federal Treasury. Between June 1993 to June 1997, he joined the Board of Directors of Asian Development Bank, Manila, Philippines, first as Alternate Executive Director and later as an Executive Director. In July 1997, he joined the Ministry of Finance as Secretary (Tax Division) and subsequently became the Deputy Secretary General (Operations) of Ministry of Finance. Prior to his retirement, he was Secretary General, Ministry of Human Resources from August 2000 to February 2003.</p> <p>Datuk Dr. Syed Muhamad currently is the Chairman of Sun Life Malaysia Assurance Berhad and Sun Life Malaysia Takaful Berhad. He also sits on the Board of Directors of Solution Engineering Holdings Berhad, BSL Corporation Berhad, ACR ReTakaful Berhad, Export-Import Bank of Malaysia Berhad and several private limited companies.</p> <p>Currently, Datuk Dr. Syed is a Chairman and non-executive independent director of Valuecap Sdn. Bhd</p>
<b>Date Appointed to Board:</b>	1 January 2019
<b>Details of Membership of any Board Committee:</b>	None
<b>Directorship of other public companies and listed issuer:</b>	<ol style="list-style-type: none"> <li>1. Sun Life Malaysia Assurance Berhad</li> <li>2. Sun Life Malaysia Takaful Berhad</li> <li>3. Malakoff Corporation Berhad</li> <li>4. BSL Corporation Berhad</li> <li>5. Solution Engineering Holdings Berhad (now known as Solution Group Berhad)</li> <li>6. Export-Import Bank of Malaysia Berhad</li> </ol>

## DIRECTORS' PROFILE (continued)

**Family relationship with any director and/or major shareholder of the Fund:**

None

**Conflict of interest with the Fund:**

None

**List of convictions for offences within the past 5 years other than traffic offences and any public sanction or penalty imposed by the relevant regulatory bodies during the financial year:**

None

**Name:** Mohd Asri Bin Awang

**Age:** 64

**Gender:** Male

**Nationality:** Malaysian

**Designation:** Independent Non-Executive Director

**Qualifications:** Bachelor of Arts from Macquarie University, Sydney

**Working Experience and Occupation:** Prior to his retirement, Asri was the Chief Operating Officer (COO) of Bank Muamalat Malaysia Berhad. As COO, he served as a Member and Deputy Chairman of the Bank's Management Committee, Executive Risk Management Committee, Credit Committee, Investment Committee and Chairman of ALCO. Previously, he was the Chief Risk Officer and reported directly to the Board Risk Management Committee. He also sat on the Board of Muamalat Ventures Sdn. Bhd. and Muamalat Invest Sdn. Bhd., the bank's subsidiaries involved in Private Equity and Asset Management businesses respectively.

Asri's previous appointments include being the CEO of Malaysian Rating Corporation Berhad, a domestic rating agency; the Head of Corporate Planning and Business Development at Amanah-MIDF Berhad, a Malaysian financial services group; Country Treasurer and Vice President of the then Chase Manhattan Bank Malaysia; General Manager, Treasury and Southern Region of a domestic commercial bank; CEO of a domestic finance company and Treasurer of a merchant bank.

Currently, Asri is a non-executive independent director of Valuecap Sdn. Bhd.

**Date Appointed to Board:** 1 January 2019

## **DIRECTORS' PROFILE (continued)**

**Details of Membership of any Board Committee:** None

**Directorship of other public companies and listed issuer:** None

**Family relationship with any director and/or major shareholder of the Fund:** None

**Conflict of interest with the Fund:** None

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

**Date of first appointment as Director and attendance of Board Meetings during 2020:**

<b><u>Name</u></b>	<b><u>Date First Appointed</u></b>	<b><u>Attendance</u></b>
<b>Roslina Binti Abdul Rahman</b>	1 August 2018	3 of 3
<b>Khairi Shahrin Arief Bin Baki</b>	11 January 2018	3 of 3
<b>Datuk Dr Syed Muhamad Bin Syed Abdul Kadir</b>	1 January 2019	3 of 3
<b>Mohd Asri Bin Awang</b>	1 January 2019	3 of 3

## DIRECTORS' TRAINING

i-VCAP strongly supports the development of its Board members by encouraging their participations in continuous education programmes in meeting the regulatory requirements and to keep abreast with the developments in the industry. However, in the wake of the Covid-19 pandemic which had impacted the global population throughout year 2020, there were limitations with regards to conducting in-house training programmes, while relevant programmes being offered by the external training providers had also been adversely affected. Nevertheless, the Board members had duly played their roles and taken their own initiatives to attend the online courses as well as through self-learning, in keeping themselves updated to the latest requirements and development in the industry.

The training programmes attended by the Directors for FY2020 are as follows:

Director	Programme Attended	Date	Organising Company
<b>Roslina Binti Abdul Rahman</b>	Corporate Liability under S.17A MACC Act 2009 for Directors (Webinar)	9 December 2020	FiNET Associates Sdn. Bhd.
<b>Khairi Shahrin Arief Bin Baki</b>	Digital Disruption : Digital Transformation Strategy (2-month Online Classes)	Commencement Date : 12 March 2020	University of Cambridge Judge Business School Executive Education
	Corporate Liability under S.17A MACC Act 2009 for Directors(Webinar)	9 December 2020	FiNET Associates Sdn. Bhd.
<b>Datuk Dr. Syed Muhamad bin Syed Abdul Kadir</b>	Briefing on the Corporate Liability Provision under Section 17A MACC Act	28 May 2020	KDJ Law (Koh Dipendra Jeremiah Law)
	FIDE Forum on Risks :A Fresh Look from the Board's Perspective	8 July 2020	FIDE
	FIDE Forum Seminar on Digital Financial Institutions Series : Managing Virtual Banking and Insurance Businesses	21 July 2020	FIDE
	MACC 2018 under Section 17A on Corporate Liability	13 August 2020	BSL Corporation
	BNM – FIDE Forum on Annual Dialogue with the Governor of BNM	3 September 2020	FIDE
	How to be an Effective NED in Disruptive World	21 September 2020	Institute of Corporate Directors Malaysia
	Briefing on Cybersecurity and Budget 2021 Tax Proposals by PricewaterhouseCoopers	16 December 2020	MMC Corporation Berhad
<b>Mohd Asri Bin Awang</b>	No Training / Programme in 2020		

## TRUSTEE'S DELEGATE

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

## SHARIAH ADVISER'S PROFILE

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

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

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

Shareholding

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

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

**Experience as Adviser** : The company is led by Datuk 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. Amanie has more than ten (10) years of experience in advisory role in capital markets including unit trust funds and funds management. As at 31 December 2020, Amanie has become the Shariah Adviser for more than 100 funds.

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

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

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



## SHARIAH ADVISER'S PROFILE (*continued*)

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

### **Datuk Dr. Mohd Daud Bakar**

Shariah Adviser / Executive Chairman

Datuk 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).

Datuk 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), Oasis Asset Management (South Africa), Noor Islamic Bank (Dubai), Morgan Stanley (Dubai), Sedco Capital (Saudi and Luxembourg), and Dow Jones Islamic Market Index (New York) amongst many others.

In the corporate world, Datuk is currently a member of the PNB Investment Committee. He also served as a Board Director at Sime Darby Property Berhad and Chairman to Malaysia Islamic Economic Development Foundation (*YaPEIM*). Currently in the academic side, he is the 8<sup>th</sup> President of the International Islamic University of Malaysia (IIUM) due to his vast skill and experience serving the university. Previously, his last post there was as the Deputy Vice-Chancellor. He was also the third Chair Professor in Islamic Banking and Finance of Yayasan Tun Ismail Mohamed Ali Berdaftar (YTI) PNB at Faculty of Economics and Muamalat, Universiti Sains Islam Malaysia (USIM). In addition, he is the co-founder of Experts Analytics Centre Sdn Bhd and MyFinB.

In 2016, he received the “**Award of Excellence for Outstanding Contribution for Shariah Leadership & Advisory**” at London Sukuk Summit Awards and “**Shariah Adviser Award**” at The Asset Triple A Islamic Finance Award. 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.

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.

His 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.

His latest books include **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), **Harapan Buat Pakatan Harapan** (2018), dan **Membumikan Syariah : Menjelajahi Dimensi Syariah Secara 360 Darjah** (2018).

## SHARIAH ADVISER'S PROFILE (*continued*)

### **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 Datuk 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.

## OTHER INFORMATION

- There were no sanctions and/or penalties imposed on the Fund or its Manager by the relevant regulatory bodies during the financial year and up to the date of this report.
- There was no material litigation involving the Fund since the last annual balance sheet date.
- The amount of audit fees and non-audit fees incurred for the Financial Year 2019 for services rendered by PricewaterhouseCoopers PLT and PricewaterhouseCoopers Taxation Services Sdn. Bhd. (a company affiliated to the Auditor of the Fund) is RM16,350 and RM19,850 respectively.
- There was three (3) Board of Directors Meetings held in the Financial Year 2020.



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