



MyETF

# MyETF Dow Jones U.S. Titans 50

**2018**

ANNUAL REPORT

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

[www.myetf.com.my](http://www.myetf.com.my)

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## INTRODUCTION

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

MyETF-US50 was listed on the Main Market of Bursa Securities on 28 February 2018. The stock short name and stock number for MyETF-US50 are “METFUS50” and “0827EA” respectively.

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

## FUND INFORMATION

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

Registered Address

Level 9, Block B, HP Towers  
No. 12 Jalan Gelenggang  
Bukit Damansara  
50490 Kuala Lumpur  
Malaysia

Tel. No. (+603) 2093 7119

Fax No. (+603) 2094 7119

Board of Directors

*(Please refer to pages 48-54 for profile of the Directors)*

Rosli Bin Abdullah

*Chairman/Independent Non-Executive Director*

Sharifatu Laila Binti Syed Ali

*Non-Independent Non-Executive Director*

*(resigned effective 31 July 2018)*

Hassan Bin Ibrahim

*Independent Non-Executive Director*

Y.M. Tunku Afwida Binti Tunku A. Malek

*Independent Non-Executive Director*

Nik Amlizan Binti Mohamed

*Non-Independent Non-Executive Director*

Datuk Mohd. Nasir Bin Ali

*Independent Non-Executive Director*

Khairi Shahrin Arief Bin Baki

*Non-Independent Executive Director/Chief Executive Officer*

Company Secretaries

Firdaus Bin Ahmad Radhi (LS 0009423)

Mirza Mohamad (MAICSA 7051997)

Level 10, Block B, HP Towers

No. 12 Jalan Gelenggang

Bukit Damansara

50490 Kuala Lumpur

Malaysia

Tel. no.: (+603) 2788 5111

## FUND INFORMATION (*continued*)

<b>Investment Committee</b> (Please refer to page 56 for profile of the Members)	: Y.M. Tunku Afwida Binti Tunku A. Malek <i>Chairman/Independent Member</i>  Hassan Bin Ibrahim <i>Independent Member</i>  Shaharin Bin Md. Hashim <i>Non-Independent Member</i>
<b>Trustee</b>	: CIMB Islamic Trustee Berhad (167913-M) <u>Registered address</u> Level 13, Menara CIMB Jalan Stesen Sentral 2 Kuala Lumpur Sentral 50470 Kuala Lumpur Malaysia  <u>Business address</u> Level 21, Menara CIMB Jalan Stesen Sentral 2 Kuala Lumpur Sentral 50470 Kuala Lumpur  Tel. No. (+603) 2261 8888 Fax No. (+603) 2261 9894
<b>Auditor of the Manager and the Fund</b>	: PricewaterhouseCoopers PLT (LLP0014401-LCA & AF 1146) Level 10, 1 Sentral Jalan Rakyat Kuala Lumpur Sentral 50470 Kuala Lumpur  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 50470 Kuala Lumpur  Tel. No. (+603) 2173 1188 Fax No. (+603) 2173 1288

## FUND INFORMATION *(continued)*

- Fund Accountant** : Citibank N.A. Singapore Branch  
8, Marina View,  
Asia Square, Tower 1  
Singapore 018960  
  
Tel. No. (+65) 6225 5225  
Email APAC.FA.MYS.FUNDACCT@citi.com  
Website www.citibank.com.sg
- Shariah Adviser** : IBFIM (763075-W)  
*(Please refer to  
pages 58-59 for  
corporate  
information,  
experience and  
details of the  
designated person  
for the Shariah  
Adviser)*  
  
No. 149A, 149B, 151B  
Persiaran Raja Muda Musa  
42000 Port Klang  
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Tel. no.: (+603) 2031 1010  
Fax no.: (+603) 2078 5250  
Email: info@ibfim.com  
Website: www.ibfim.com
- Participating  
Dealers** : CIMB Bank Berhad (13491-P)  
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** : S&P Opco, LLC  
55 Water Street, New York  
New York 10041  
United States of America  
  
Tel. No. (+1) 212 438 3544  
Fax No. (+1) 212 438 3523
- Share Registrar** : Symphony Share Registrars Sdn. Bhd. (378993-D)  
Level 6, Symphony House  
Pusat Dagangan Dana 1  
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## MANAGER'S REPORT

### For the Financial Period 20 February to 30 June 2018

<b>Name of Fund</b>	: MyETF Dow Jones U.S. Titans 50 (“MyETF-US50” or “the Fund”)
<b>Type of Fund</b>	: Exchange Traded Fund
<b>Fund Category</b>	: Shariah-Compliant Equity
<b>Commencement Date</b>	: 20 February 2018
<b>Listing Date</b>	: 28 February 2018
<b>Benchmark Index</b>	: Dow Jones Islamic Market U.S. Titans 50 Index (“DJUS50 Index”)
<b>Manager</b>	: <i>i</i> -VCAP Management Sdn. Bhd. (“ <i>i</i> -VCAP”)

#### 1. Investment Objective

MyETF-US50 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 Dow Jones Islamic Market U.S. Titans 50 Index is a float-adjusted market capitalisation weighted, price return index calculated, maintained and published by S&P Dow Jones Indices.

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

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



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

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

In November 2017, S&P Dow Jones Indices and MSCI Inc. have announced a result of their annual review of the Global Industry Classification Standard (GICS®) structure in which the Telecommunication Services Sector is being broadened and renamed as Communication Services to include companies that facilitate communication and offer related content and information through various media. The renamed Sector would include the existing telecommunication companies, as well as companies selected from the Consumer Discretionary Sector currently classified under the Media Industry Group and the Internet & Direct Marketing Retail Sub-Industry, along with select companies currently classified in the Information Technology Sector.

Another important change being made to the GICS structure is the reclassification of online marketplaces for consumer products and services regardless of whether they hold inventory to the Internet & Direct Marketing Retail Sub-Industry under the Consumer Discretionary Sector. All of these e-commerce companies are dominant players in the Internet Retail Industry, targeting the same consumers and competing with one another. The changes to the GICS structure will be implemented after the close of business (ET) on Friday, September 28, 2018.

Based on the Fund's quoted Investments as at 30 June 2018, the sector allocation of DJUS50 Index based on S&P Dow Jones sector classifications are as follows:

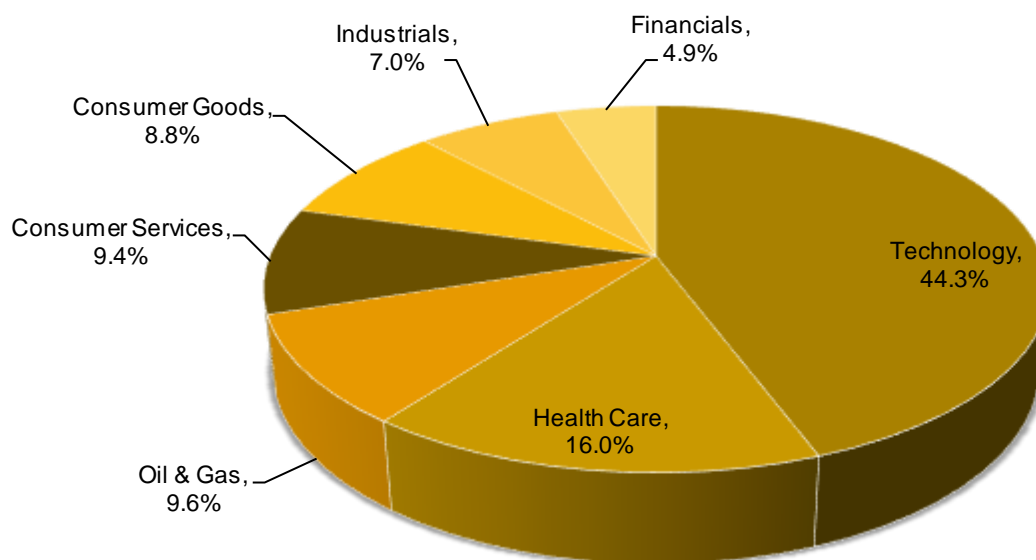
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<sup>1</sup> Maximum weights on the effective rebalancing dates are equal to the lesser of the companies' float-adjusted market capitalization weight or 10% of the Benchmark Index.



**Chart 1: Sector Classification – S&P Dow Jones**

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Source: S&P Dow Jones

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### **3. Investment Strategy**

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

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 substantially the same weightings as they appear in the Benchmark Index.

### **4. Fund Performance**

MyETF-US50 which had its prospectus launched on 15 January 2018, was initially created at USD1.00 per unit at the close of 20 February 2018. Subsequently, the Fund debut its listing on Bursa Securities on 28 February 2018 with total units in circulation of 11.8 million. Since inception, the Fund's NAV has tracked the performance of the underlying benchmark, i.e. DJUS50 Index, in line with Fund's objective to correspond closely to the performance of the Benchmark Index. As at end-June, the tracking error of the Fund and the Benchmark Index on both Price Return and Total Return basis were 0.13%.

In terms of NAV movement, the Fund's NAV per unit hit a high of USD1.0407 on 14 June 2018 after rebounding from its lowest point at USD0.9465 on 2 April 2018. The on-going US-China trade spats continued to inject volatility in the market. Despite the bouts of market turbulence, the Fund managed to close its financial year higher at USD1.0142, translating to an increase of 1.42% from its initial NAV of USD1.00. The Fund's benchmark, the DJUS50 Index also posted a positive return of 2.01%, closing at 4,881.57 points. Despite the increase in NAV, the Fund's units which are traded on Bursa Securities closed 3.00% lower at USD0.9700 at the end-June.

As at end of June, total NAV of the Fund increased to USD12.28 million from USD11.81 million on inception date with its units in circulation remained at 11.81 million. The key statistics and comparative performance of the Fund for the period between its initial creation at the close of 20 February 2018 against its position as at 30 June 2018 are summarized as follows:

**Table 1: Key Statistics**

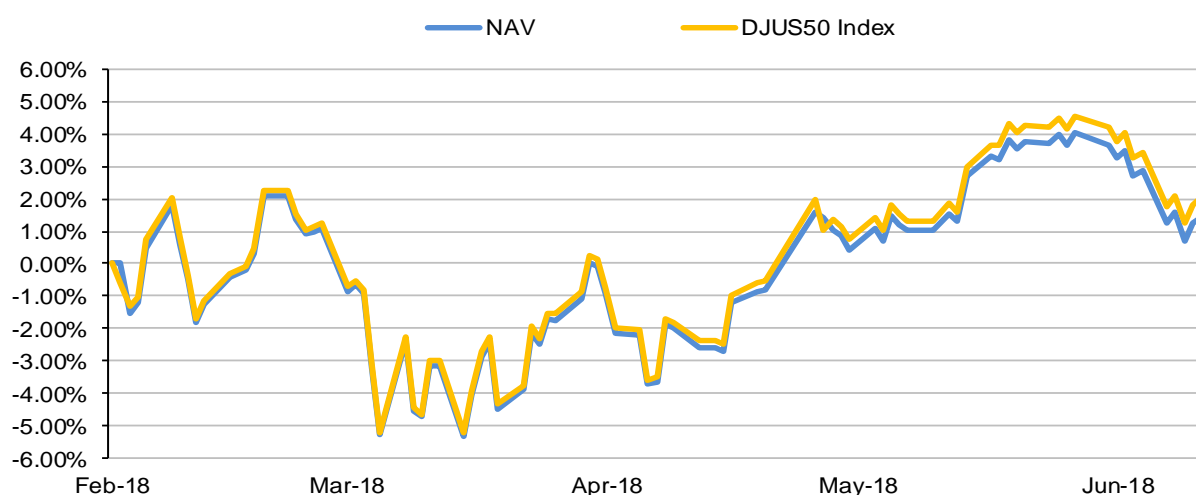
	As at 30-Jun-18	As at 20-Feb-18	Changes
NAV per unit (USD) <sup>#</sup>	1.0142	1.0000	1.42%
- Highest	1.0407 (14 Jun)		
- Lowest	0.9465 (2 Apr)		
<i>(During the period)</i>			
Price per unit (USD) <sup>#</sup>	0.9700	1.0000	-3.00%
- Highest	1.0350 (7 Jun)		
- Lowest	0.9500 (23 Mar)		
<i>(During the period)</i>			
Units in Circulation	12,112,300	11,812,300	2.54%
Total NAV (USD)	12,284,162	11,812,300	3.99%
Market Capitalisation (USD)	11,748,931	11,812,300	-0.54%
DJUS50 Index	4,881.57	4,785.16	2.01%
DJUS50T Index	6,820.94	6,655.86	2.48%
Tracking Error vs. Price Return DJUS50 Index (%) <sup>*</sup>	0.13		
Tracking Error vs. Total Return DJUS50 Index (%) <sup>*</sup>	0.13		
Management Expense Ratio (%)	0.65		

Sources: Bloomberg, i-VCAP

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

<sup>^</sup>The Fund was initially created at USD1.00 per unit based on the close of 20 February 2018. The Fund had its listing debut on 28 February 2018.

**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 Return**

	YTD 30 Jun 18 (%)
MyETF-US50 - NAV Price Return <sup>(a)</sup>	1.42
DJUS50 - Price Return Index	2.01
MyETF-US50 - NAV Total Return <sup>(a)</sup>	1.42
DJUS50 - Total Return Index	2.48

Sources: Bloomberg, i-VCAP

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

\* The Fund commencement date on 20 February 2018

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

	Cumulative Returns <sup>(b)</sup>		
	1-Month	3-Month	Since Inception *
	(%)	(%)	(%)
MyETF-US50 - NAV Price Return <sup>(a)</sup>	0.12	4.71	1.42
DJUS50 - Price Return Index	0.41	5.18	2.01
MyETF-US50 - NAV Total Return <sup>(a)</sup>	0.12	4.71	1.42
DJUS50 - Total Return Index	0.47	5.54	2.48

Sources: Bloomberg, i-VCAP

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

(b) Cumulative returns are up to 31 December 2017.

\* The Fund commencement date on 20 February 2018

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

	Average Returns <sup>(b)</sup>		
	1-Month (%)	3-Month (%)	Since Inception * (%)
MyETF-US50 - NAV Price Return <sup>(a)</sup>	1.44	18.90	3.96
DJUS50 - Price Return Index	4.99	20.79	5.61
MyETF-US50 - NAV Total Return <sup>(a)</sup>	1.44	18.90	3.96
DJUS50 - Total Return Index	5.70	22.23	6.91

Sources: Bloomberg, i-VCAP

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

(b) Average returns for both MyETF-US50 and DJUS50 Index are annualized figures computed based on the price and total returns for the respective period

\* The Fund commencement date on 20 February 2018

S&P Dow Jones performs four quarterly reviews in a year (in March, June, September and December) and rebalances the composition of the Benchmark Index in accordance with its index methodology. The quarterly reviews result in changes to the weightings of the component stocks and stock constituents in the Benchmark Index. During the year and pursuant to the listing of MyETF-US50, the Benchmark Index underwent two reviews in March and June. The two reviews saw the removal of Amgen Inc., CVS Health Corporation and Monsanto Co. while Federal Express Corporation and AbbVie Inc. were included in the Fund. The Manager had undertaken the rebalancing exercise to ensure that the Fund's investment would be in line with the changes in the Benchmark Index. The summary of the changes are as follows:

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

	Stock Inclusions	Stock Exclusions
<b>3Q18</b>	Federal Express Corporation	Amgen Inc.
<b>4Q18</b>	AbbVie Inc.	CVS Health Corporation
	-	Monsanto Co.

Sources: S&P Dow Jones, i-VCAP

In terms of sectoral weightings, there were no major changes after the rebalancing. Technology maintained the top sector exposure with 43.36% followed by Health Care sector of 16.07%. Details of the top 10 holdings as well as Fund's sector exposure as at end-June are as follows:

**Table 4: Top Ten Holdings of the Fund as at 30 June 2018**

Stock	% of NAV
1. Apple Inc	9.77
2. Microsoft Corp	9.03
3. Facebook Inc-A	5.33
4. Exxon Mobil Corp	4.34
5. Johnson & Johnson	3.93
6. Alphabet Inc-CI A	3.92
7. Alphabet Inc-CI C	3.91
8. Chevron Corp	2.94
9. Visa Inc-Class A Shares	2.82
10. Intel Corp	2.73
<b>Total</b>	<b>48.72</b>

Sources: Bloomberg, i-VCAP

**Table 5: Fund's Sector Allocation \***

	As at 30-Jun-18
Technology	43.36%
Health Care	16.07%
Oil & Gas	10.05%
Consumer Goods	9.17%
Consumer Services	9.14%
Industrials	6.79%
Financials	5.00%
Cash & Others	0.42%

Sources: S&P Dow Jones, i-VCAP

\* Based on S&P Dow Jones classification

Details of the Fund's quoted Investments as at 30 June 2018 are as follows:

**Table 6: MyETF-US50's Investment in Listed Equities**

	Quantity (Units)	Market Value (RM)	Market Value as a percentage of Net Asset Value (%)
<b>Technology</b>			
1. Apple Inc	6,481	1,199,698	9.77
2. Microsoft Corp	11,251	1,109,461	9.03
3. Facebook Inc-A	3,367	654,275	5.33
4. Alphabet Inc-CI A	426	481,035	3.92
5. Alphabet Inc-CI C	431	480,845	3.91
6. Intel Corp	6,749	335,493	2.73
7. Nvidia Corp	881	208,709	1.70
8. Intl Business Machines Corp	1,260	176,022	1.43
9. Adobe Systems Inc	721	175,787	1.43
10. Texas Instruments Inc	1,438	158,540	1.29
11. Broadcom Inc	576	139,761	1.14
12. Salesforce.Com Inc	1,000	136,400	1.11
13. Applied Materials Inc	1,516	70,024	0.57
		<b>5,326,049</b>	<b>43.36</b>
<b>Health Care</b>			
14. Johnson & Johnson	3,982	483,176	3.93
15. Pfizer Inc	8,657	314,076	2.56
16. Merck & Co. Inc.	3,983	241,768	1.97
17. Abbvie Inc	2,243	207,814	1.69
18. Medtronic Plc	1,989	170,278	1.39
19. Gilead Sciences Inc	1,923	136,225	1.11
20. Bristol-Myers Squibb Co	2,367	130,990	1.07
21. Eli Lilly & Co	1,392	118,779	0.97
22. Biogen Inc	305	88,523	0.72
23. Celgene Corp	1,041	82,676	0.67
		<b>1,974,306</b>	<b>16.07</b>
<b>Oil &amp; Gas</b>			
24. Exxon Mobil Corp	6,439	532,698	4.34
25. Chevron Corp	2,859	361,463	2.94
26. Schlumberger Ltd	2,056	137,814	1.12
27. Eog Resources Inc	852	106,014	0.86
28. Occidental Petroleum Corp	1,153	96,483	0.79
		<b>1,234,473</b>	<b>10.05</b>
<b>Consumer Goods</b>			
29. Procter & Gamble Co/The	3,683	287,495	2.34
30. Coca-Cola Co/The	5,644	247,546	2.02
31. Pepsico Inc	2,019	219,809	1.79
32. Nike Inc -CI B	1,867	148,763	1.21
33. Mondelez International Inc-A	2,122	87,002	0.71
34. Colgate-Palmolive Co	1,275	82,633	0.67
35. Kraft Heinz Co/The	841	52,832	0.43
		<b>1,126,078</b>	<b>9.17</b>
<b>Consumer Services</b>			
36. Home Depot Inc	1,674	326,597	2.66
37. Mcdonald'S Corp	1,170	183,327	1.49
38. Walmart Inc	2,140	183,291	1.49
39. Booking Holdings Inc	70	141,896	1.16
40. Lowe'S Cos Inc	1,219	116,500	0.95
41. Starbucks Corp	2,007	98,042	0.80
42. Walgreens Boots Alliance Inc	1,218	73,098	0.60
		<b>1,122,752</b>	<b>9.14</b>
<b>Industrials</b>			
43. 3M Co	880	173,114	1.41
44. Union Pacific Corp	1,129	159,957	1.30
45. Honeywell International Inc	1,096	157,879	1.29
46. Accenture Plc-CI A	937	153,284	1.25
47. United Parcel Service-CI B	1,011	107,399	0.87
48. Fedex Corp	355	80,606	0.67
		<b>832,238</b>	<b>6.79</b>
<b>Financials</b>			
49. Visa Inc-Class A Shares	2,614	346,224	2.83
50. Mastercard Inc - A	1,349	265,105	2.17
		<b>611,330</b>	<b>5.00</b>
		<b>12,227,226</b>	<b>99.57</b>

Sources: S&P Dow Jones, i-VCAP

## **5. Distribution Policy**

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

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

## **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. Soft Dollar Commissions**

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

## **8. Market Review and Outlook**

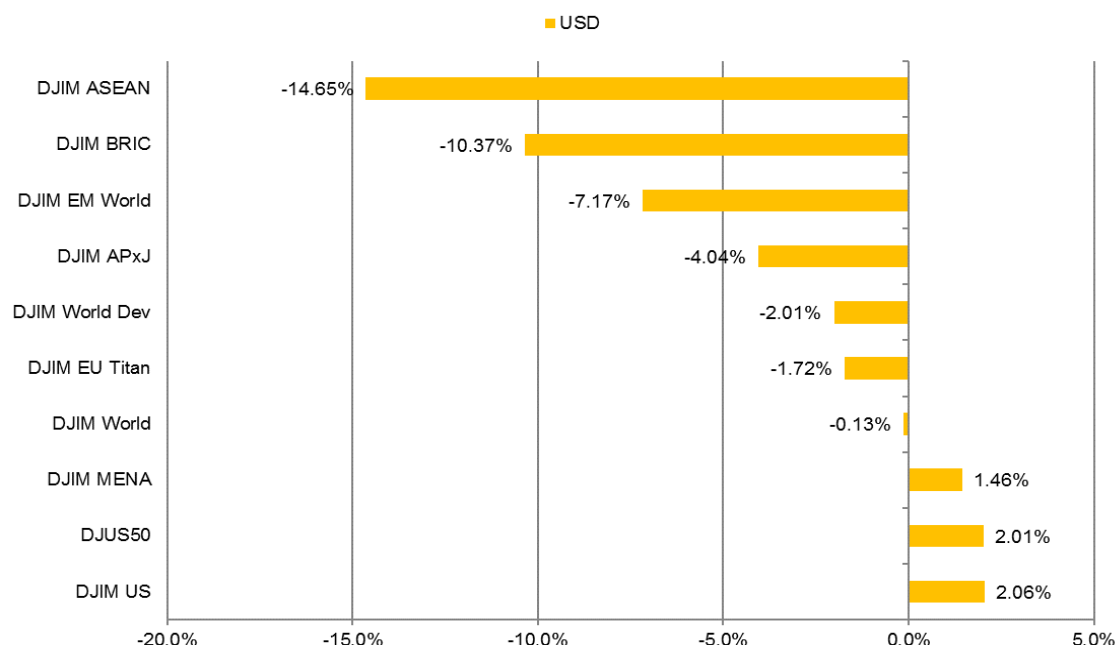
US equities advanced in 2Q, stemming from strong earnings momentum and supportive economic data. Consumer confidence remained strong and retail sales data suggested a rebound in consumption from a softer 1Q. The unemployment rate also reached an 18-year low of 3.8%, accompanied by robust wage growth. Average earnings in May were 2.7% higher than a year earlier. As expected, the Federal Reserve (Fed) raised target rate for Fed Funds by 0.25% and marginally increased its 2018 forecasts for growth and inflation. It now anticipates two further rate increases for this year and three for next.

The positive economic data was, however, balanced by moves from the Trump administration to impose tariffs on Chinese imports, and withdraw from the Iran nuclear accord. In combination, the steps amounted to a more defensive trade stance from the US, driving oil prices higher, and weighing on longer-term growth expectations.



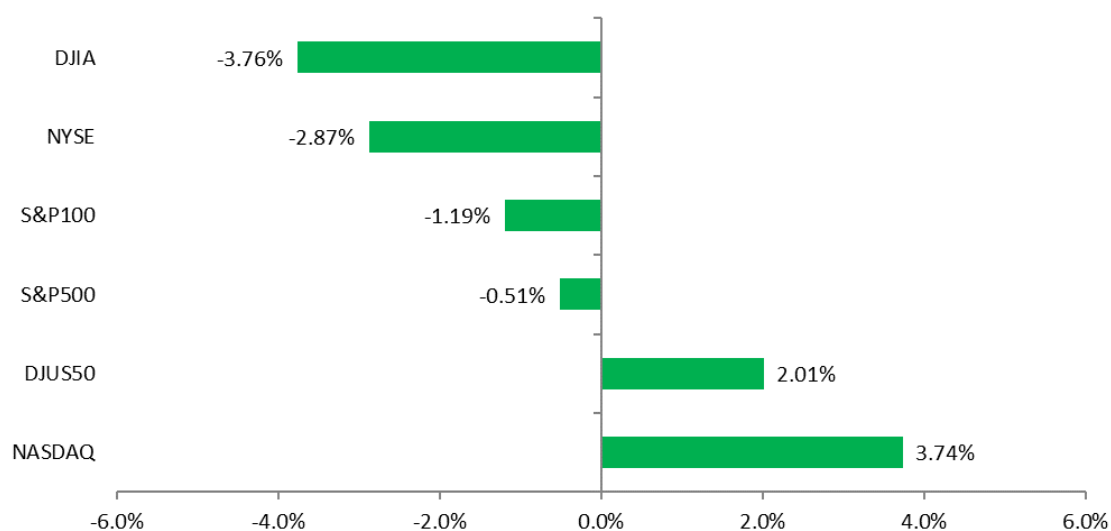
Over the quarter, energy, consumer discretionary and technology stocks performed well, while a rotation into non-cyclical sectors supported stocks within real estate and utility sectors. Meanwhile, industrial stocks were adversely impacted given the discussions surrounding trade sanctions.

**Chart 3: DJUS50 Index Performance against Other Shariah Indices (20 Feb to 30 June 2018)**



Sources: Bloomberg, i-VCAP

**Chart 4: DJUS50 Index Performance against Local Indices (20 Feb to 30 June 2018)**



Sources: Bloomberg, i-VCAP

Despite challenges, US economy is expected to continue to grow significantly in 2018 and 2019, boosted by tax cuts and pick-up in government spending. Job gains remain well above the long-term sustainable pace and will likely push down the unemployment rate to levels not seen since the late 1960s.

Consequently, the strength in economy will sustain strong US equity market. Growth in earnings will likely be the main driver of equity market returns. Earnings have been growing rapidly. In the first quarter, earnings grew 26% on year-on-year basis versus estimates of 18% prior to reporting season. Thus far, second-quarter earnings have also been encouraging. Going forward, the growth is expected to continue on the back of President Trump's tax cuts.

As for the Fed, investors will be listening for any possible surprises related to interest rate increases ahead, with policymakers' forecasts suggesting two more rate increases this year for a total of four. With economy growing strongly, there is a possibility for the Fed to take advantage to increase rates more than suggested. The Fed has increased interest rates seven times since 2015 in the recovery from the economic recession that began in 2009.

In summary, despite numerous challenges, US equity market is expected to continue performing steadily on the back of strong US economic growth, with quality stocks leading the pack.

## TRUSTEE'S REPORT TO THE UNIT HOLDERS OF MyETF DOW JONES U.S. TITANS 50



### TRUSTEE'S REPORT TO THE UNITHOLDERS OF MyETF DOW JONES U.S. TITANS 50

We, **CIMB Islamic Trustee Berhad** ("the Trustee") being the Trustee of **MyETF Dow Jones U.S. Titans 50** ("the Fund") are of the opinion that **i-VCAP Management Sdn Bhd** ("the Manager"), acting in the capacity as Manager of the Fund, has fulfilled its duties in the following manner for the financial period from 15 January 2018 (date of launch) to 30 June 2018.

- a) The Fund has been managed in accordance with the limitations imposed on the investment powers of the Manager and the Trustee under the Deed, the Securities Commission Malaysia's Guidelines on Exchange-Traded Funds, the Capital Markets and Services Act 2007 (as amended from time to time) and other applicable laws;
- b) Valuation/pricing for the Fund has been carried out in accordance with the Deed and relevant regulatory requirements; and
- c) Creation and cancellation of units have been carried out in accordance with the Deed and relevant regulatory requirements.

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

A handwritten signature in black ink, appearing to read 'Lee Kooi Yoke'.

**Lee Kooi Yoke**  
Chief Operating Officer

Kuala Lumpur, Malaysia  
9 August 2018

**CIMB Islamic Trustee Berhad** (167913-M)  
17th Floor Menara CIMB No. 1 Jalan Stesen Sentral 2 Kuala Lumpur Sentral 50470 Kuala Lumpur Malaysia  
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## SHARIAH ADVISER'S REPORT TO THE UNIT HOLDERS OF MyETF DOW JONES U.S. TITANS 50



### SHARIAH ADVISER'S REPORT FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2018

#### TO THE UNIT HOLDERS OF MyETF DOW JONES U.S. TITANS 50

We have acted as the Shariah Adviser of **MyETF Dow Jones U.S. Titans 50** ("the Fund"). Our responsibility is to ensure that the procedures and processes employed by **VCAP Management Sdn. Bhd.** are in accordance with Shariah principles.

In our opinion, the Manager of the Fund, **VCAP Management Sdn. Bhd.** has administered the Fund in accordance with Shariah principles and complied with applicable guidelines, rulings and decisions issued by the Securities Commission pertaining to Shariah matters for the financial period from 15 January 2018 (date of launch) to 30 June 2018.

In addition, we also confirm that the investment portfolio of the Fund comprises securities which have been classified as Shariah-compliant by the Shariah Supervisory Board of S&P Dow Jones Indices and duly verified as Shariah-compliant by us.

For and on behalf of the Shariah Adviser  
**IBFIM**

  
**MUHAMMAD KHAIRULNIZAM BIN ALIAS**  
Consultant (Shariah)/Designated Person Responsible for Shariah Advisory

Kuala Lumpur  
**09 Aug 2018**

**IBFIM** (763075-W)

3rd Floor, Menara Takaful Malaysia, Jalan Sultan Sulaiman, 50000 Kuala Lumpur, MALAYSIA.  
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**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 25 to 46 are drawn up in accordance with the provisions of the Deed and give a true and fair view of the state of affairs of the Fund as at 30 June 2018 and of its results, changes in net assets attributable to unit holders 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  
9 August 2018

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

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

### Our opinion

In our opinion, the financial statements of MyETF Dow Jones U.S Titans 50 (“the Fund”) give a true and fair view of the financial position of the Fund as at 30 June 2018, and of its financial performance and its cash flows for the year then ended in accordance with Malaysian Financial Reporting Standards and International Financial Reporting Standards.

### What we have audited

We have audited the financial statements of the Fund, which comprise the statement of financial position as at 30 June 2018, 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 25 to 46.

### 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.

### 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.

# INDEPENDENT AUDITORS' REPORT TO THE UNIT HOLDERS OF MyETF DOW JONES U.S. TITANS 50 (CONTINUED)

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

### Key audit matters (continued)

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 9 and Note 21 (Notes to the financial statements).</p> <p>The investment portfolio at the year-end comprised listed equity investments valued at USD12,227,226.</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 by 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>

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

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

The Manager of the Fund is responsible for the other information. The other information comprises 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.



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

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

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

In connection with our audit of the financial statements of the Fund, our responsibility is to read 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 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 DOW JONES U.S. TITANS 50 (CONTINUED)**

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

#### **Auditors' responsibilities for the audit of the financial statements**

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

- (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 DOW JONES U.S. TITANS 50 (CONTINUED)**

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

**OTHER MATTERS**

This report is made solely to the members of the Fund 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  
02954/03/2019 J  
Chartered Accountant

Kuala Lumpur  
9 August 2018

**STATEMENT OF COMPREHENSIVE INCOME  
FOR THE FINANCIAL PERIOD FROM 15 JANUARY 2018 (DATE OF LAUNCH)  
TO 30 JUNE 2018**

	<u>Note</u>	<b>15 January 2018 (date of launch) to 30 June 2018 USD</b>
<b>INVESTMENT INCOME</b>		
Gross dividend income		77,744
Net gain on financial assets at fair value through profit or loss	9	255,945
Net foreign exchange gain		2,980
		<hr/> 336,669
<b>EXPENSES</b>		
Management fee	4	(17,447)
Trustee's fee	5	(1,506)
License fee	6	(1,778)
Transaction cost		(39,474)
Audit fee		(2,017)
Tax agent's fee		(1,049)
Shariah Adviser's fee		(808)
Purification of non Shariah-compliant income		(2,026)
Other expenses	7	(58,278)
		<hr/> (124,383)
<b>PROFIT BEFORE TAXATION</b>		<hr/> 212,286
Taxation	8	(22,514)
		<hr/>
<b>PROFIT AFTER TAXATION AND TOTAL COMPREHENSIVE INCOME FOR THE FINANCIAL PERIOD</b>		<hr/> <hr/> 189,772
Profit after taxation is made up as follows:		
Realised amount		(37,528)
Unrealised amount		227,300
		<hr/> 189,772
		<hr/> <hr/>

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

**STATEMENT OF FINANCIAL POSITION  
AS AT 30 JUNE 2018**

	<b><u>Note</u></b>	<b><u>30 June 2018</u></b> <b>USD</b>
<b>ASSETS</b>		
Financial assets at fair value through profit or loss	9	12,227,226
Dividends receivable	10	7,936
Cash and cash equivalents	11	62,509
<b>TOTAL ASSETS</b>		<b>12,297,671</b>
<b>LIABILITIES</b>		
Amount due to Manager		3,987
Amount due to Trustee		349
Audit fee payable		2,017
Tax agent's fee payable		1,049
Shariah Adviser's fee payable		808
Other payables and accruals	12	5,299
<b>TOTAL LIABILITIES</b>		<b>13,509</b>
<b>NET ASSET VALUE OF THE FUND</b>		<b>12,284,162</b>
<b>EQUITIES</b>		
Unit holders' capital		12,094,390
Retained earnings		189,772
<b>NET ASSETS ATTRIBUTABLE TO UNIT HOLDERS</b>	14	<b>12,284,162</b>
<b>NUMBER OF UNITS IN CIRCULATION</b>	14	<b>12,112,300</b>
<b>NET ASSET VALUE PER UNIT (USD)</b>		<b>1.0142</b>

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

**STATEMENT OF CHANGES IN EQUITY**  
**FOR THE FINANCIAL PERIOD FROM 15 JANUARY 2018 (DATE OF LAUNCH)**  
**TO 30 JUNE 2018**

	<b>Note</b>	<b>Unit holders' capital USD</b>	<b>Retained earnings USD</b>	<b>Total USD</b>
Balance as at 15 January 2018 (date of launch)		-	-	-
Creation of units	14	12,404,980	-	12,404,980
Cancellation of units	14	(310,590)	-	(310,590)
Total comprehensive income for the financial period		-	189,772	189,772
Balance as at 30 June 2018		12,094,390	189,772	12,284,162

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

**STATEMENT OF CASH FLOW**  
**FOR THE FINANCIAL PERIOD FROM 15 JANUARY 2018 (DATE OF LAUNCH)**  
**TO 30 JUNE 2018**

	<u>Note</u>	<b>15 January 2018 (date of launch) to 30 June 2018</b> USD
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Cash used in purchase of investments		(12,932,023)
Proceeds from sales of investments		919,014
Dividends received		47,294
Derivative income received		5,179
Management fee paid		(13,460)
Trustee fee paid		(1,157)
Payment for other fees and expenses		(54,529)
Net foreign exchange loss		(2,199)
Net cash used in operating activities		(12,031,881)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds from creation of units	20	12,404,980
Payments for cancellation of units	20	(310,590)
Net cash generated from financing activities		12,094,390
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>		62,509
<b>CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE FINANCIAL PERIOD</b>		-
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL PERIOD</b>		62,509

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



**SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES  
FOR THE FINANCIAL PERIOD FROM 15 JANUARY 2018 (DATE OF LAUNCH)  
TO 30 JUNE 2018**

Unless otherwise stated, the following accounting policies have been applied consistently in dealing with items that are considered material in relation to the financial statements.

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

The financial statements of the Exchange-Traded Fund ("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, except as disclosed in the summary of significant accounting policies.

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 reported period. 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 Manager's best knowledge of current events and actions, actual results may differ.

It also requires the Manager to exercise their judgment in the process of applying the Fund's accounting policies. Although these estimates and assumptions are based on the Manager's 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 L.

**(a) The new amendments to published standards that are effective:**

The Fund has applied the following standard for the first time for the financial year beginning on 15 January 2018 (date of launch)

- Amendments to MFRS 107 "Statement of Cash Flows - Disclosure Initiative" introduce an additional disclosure on changes in liabilities arising from financing activities.
- MFRS 9 "Financial Instruments" has replaced MFRS 139 "Financial Instruments: Recognition and Measurement".

The adoption of these amendments did not have any impact on the current financial period and is not likely to affect future years.

**SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES  
FOR THE FINANCIAL PERIOD FROM 15 JANUARY 2018 (DATE OF LAUNCH)  
TO 30 JUNE 2018 (CONTINUED)**

**A BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS (CONTINUED)**

b) The new standards and amendments to published standards that are applicable to the Fund but not yet effective and have not been early adopted are as follows:

(i) Financial year beginning on/after 1 July 2019

- Amendments to MFRS 9 'Prepayment features with negative compensation' (effective 1 January 2019) allow companies to measure some prepayable financial assets with negative compensation at amortised cost.

Negative compensation arises where the contractual terms permit the borrower to prepay the instrument before its contractual maturity, but the prepayment amount could be less than the unpaid amounts of principal and profit.

To qualify for amortised cost measurement, the negative compensation must be reasonable compensation for early termination of the contract, and the asset must be held within a 'held to collect' business model.

The Fund will apply these standards when effective. These standards are not expected to have a significant impact on the Fund's financial statements.

- Amendments to MFRS 112 'Income Taxes' (effective from 1 January 2019) clarify that where income tax consequences of dividends on financial instruments classified as equity is recognised (either in profit or loss, other comprehensive income or equity) depends on where the past transactions that generated distributable profits were recognised.

Accordingly, the tax consequences are recognised in profit or loss when an entity determines payments on such instruments are distribution of profits (that is, dividends). Tax on dividend should not be recognised in equity merely on the basis that it is related to a distribution to owners.

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

Revenue arising from assets yielding profit is recognised on a time proportionate basis using the effective profit method on an accruals basis.

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

**SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES  
FOR THE FINANCIAL PERIOD FROM 15 JANUARY 2018 (DATE OF LAUNCH)  
TO 30 JUNE 2018 (CONTINUED)**

**C SHARIAH NON-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 Shariah non-compliant income.

This Shariah non-compliant Income is subject to an income purification process as determined by the Index Provider from time to time and without limitation based on the impure ratio for each component stock as determined by S&P Dow Jones Indices. The Shariah non-compliant income may be distributed to baitulmal or any other 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.

Tax on investment income from foreign investment is based on tax regime of the respective countries that the Fund invests in.

**E CASH AND CASH EQUIVALENTS**

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

**F FINANCIAL ASSETS**

**(i) Classification**

The Fund designates its investment in Shariah-compliant equity securities as financial assets at fair value through profit or loss at inception.

Financial assets are designated at fair value through profit or loss when they are managed and their performance evaluated on a fair value basis. For assets measured at fair value through profit or loss, gains and losses will be recorded in the statement of comprehensive income.

Receivables are non-derivative financial assets with fixed or determinable payment that are not quoted in an active market and have been included in current assets. The Fund's receivables comprise cash and cash equivalents and dividends receivable which are all expected to realised within 12 months.

**(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 the financial asset are expensed in the statement of comprehensive income.

**SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES  
FOR THE FINANCIAL PERIOD FROM 15 JANUARY 2018 (DATE OF LAUNCH)  
TO 30 JUNE 2018 (CONTINUED)**

**F FINANCIAL ASSETS (CONTINUED)**

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

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.

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.

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 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 investments are accounted for on the trade date.

If a valuation based on the market price does not represent the fair value of the Shariah-compliant 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 Shariah-compliant securities for a period exceeding 14 days, or such shorter period as agreed by Trustee, the Shariah-compliant 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.

**(iii) Impairment of financial assets**

For trade receivables, the fund applies the simplified approach permitted by MFRS 9, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

**G FINANCIAL LIABILITIES**

**(i) Classification**

Financial liabilities are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability.

The Fund's financial liabilities include amount due to Manager, amount due to Trustee, audit fee payable, tax agent's fee payable and Shariah Adviser's fee payable.

The Fund classifies amount due to index licensor, amount due to beneficial organisations and other payables and accruals as other financial liabilities.

**SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES  
FOR THE FINANCIAL PERIOD FROM 15 JANUARY 2018 (DATE OF LAUNCH)  
TO 30 JUNE 2018 (CONTINUED)**

**G FINANCIAL LIABILITIES (CONTINUED)**

**(ii) Recognition and measurement**

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

A financial liability is de-recognised when the obligation under the liability is extinguished. Gains and losses are recognised as profit or loss when the liabilities are de-recognised, and through the amortisation process.

**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 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 ("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 PRESENTATION AND FUNCTIONAL CURRENCY**

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

**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.

**K NET GAINS/(LOSSES)**

The analysis of realised and unrealised net gains/(losses) after tax as disclosed in the statement of comprehensive income is prepared in accordance with the SC Guidelines on Exchange-Traded Funds.

**SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES  
FOR THE FINANCIAL PERIOD FROM 15 JANUARY 2018 (DATE OF LAUNCH)  
TO 30 JUNE 2018 (CONTINUED)**

**L 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 Guidelines on Exchange-Traded Funds.

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

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FINANCIAL PERIOD FROM 15 JANUARY 2018 (DATE OF LAUNCH)  
TO 30 JUNE 2018**

**1 INFORMATION ON THE FUND**

The Exchange-Traded Fund (the “Fund”) was constituted under the name MyETF Dow Jones U.S. Titans 50 pursuant to the execution of a trust deed dated 25 September 2017 (the “Deed”) entered into between i-VCAP Management Sdn. Bhd. (the “Manager”) and CIMB Islamic Trustee Berhad (the “Trustee”).

The Fund was launched on 15 January 2018 and will continue its operations until terminated in accordance with Part 26 of the Deed.

The Fund is a Shariah-compliant exchange traded fund which designed to provide investment results that closely correspond to the performance of the Dow Jones Islamic Market U.S. Titans 50 Index (“Benchmark Index”). The Benchmark Index shall comprise of the 50 largest companies (by float-adjusted market capitalisation) listed on the Relevant Exchanges in the U.S. which have passed rules-based screens for Shariah compliance of S&P Dow Jones Indices. 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 30 June.

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

These financial statements were authorised for issue by the Manager on 9 August 2018.

**2 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES**

The Fund is exposed to a variety of risks which include market risk, interest rate risk, credit/default risk and reclassification of Shariah-compliant securities risk from the following financial instruments:

	<b>Note</b>	<b>Receivables</b>	<b>Financial asset at fair value through profit or loss</b>	<b>Total</b>
		<b>USD</b>	<b>USD</b>	<b>USD</b>
<b>2018</b>				
Financial assets at fair value through profit or loss	9	-	12,227,226	12,227,226
Dividends receivable		7,936	-	7,936
Cash and cash equivalents	11	62,509	-	62,509
<b>Total</b>		<b>70,445</b>	<b>12,227,226</b>	<b>12,297,671</b>



**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FINANCIAL PERIOD FROM 15 JANUARY 2018 (DATE OF LAUNCH)  
TO 30 JUNE 2018 (CONTINUED)**

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

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 Guidelines on Exchange-Traded Funds.

Market risk

Price Risk

The Fund is exposed to Shariah-compliant 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 Shariah-compliant securities from different market sectors so that the collapse of any one Shariah-compliant security or any one market sector would not impact too greatly on the value of the fund.

At 30 June, the fair value of Shariah-compliant equities exposed to price risk was as follows:

	<u><b>2018</b></u> <b>USD</b>
Financial assets at fair value through profit or loss	12,227,226

The table below summarises the sensitivity of the Fund's unrealized income or loss to equity price movements as at 30 June. The analysis is based on the assumptions that the Dow Jones Islamic U.S. Titans 50 Index ("the 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 Shariah-compliant equity securities moved in correlation with the Index.

**2018**

<b>% Change in benchmark index</b>	<b>Benchmark index</b>	<b>Market value</b>	<b>Impact to profit after tax/NAV</b>
		<b>USD</b>	<b>USD</b>
-10%	6,139	11,986,533	(240,693)
0%	6,821	12,227,226	-
10%	7,503	12,467,919	240,693

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.

**NOTES TO THE FINANCIAL STATEMENTS  
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**2 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)**

Interest rate risk

Interest rate risk is the risk that the value of a financial instrument will fluctuate because of the changes in market interest rate.

The fund's exposure to the interest rate risk is mainly confined to Islamic deposits with licensed financial institutions. The Manager overcomes this by way of maintaining the Islamic deposits on short term basis.

The above interest rate is a general economic indicator that will have an impact on the management of the fund regardless whether it is a Shariah-compliant fund or otherwise. It does not in any way suggest that the fund will invest in conventional financial instruments. All the investments carried out for the fund are in accordance with Shariah requirements.

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 Islamic deposits in licensed financial institutions is managed by ensuring that the Fund will only place Islamic 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 credit/default risk is minimal as all transactions in quoted investments are settled/paid upon delivery using approved brokers.

The maximum exposure to credit risk before any credit enhancements at 30 June is the carrying amount of the financial assets as set out below.

	<b>Cash and cash equivalents USD</b>	<b>Dividends receivable USD</b>	<b>Total USD</b>
<b>2018</b>			
Financial institutions			
– AAA	62,509	-	62,509
Others	-	7,936	7,936
	<u>62,509</u>	<u>7,936</u>	<u>70,445</u>

Reclassification of Shariah-compliant securities risk

The reclassification of Shariah-compliant securities risk may occur if the Shariah-compliant securities invested by the fund are reclassified to be Shariah non-compliant in the periodic review of the securities by the Shariah Advisory Council of the Securities Commission, the Shariah Adviser or the Shariah boards of the relevant Islamic indices. If this occurs, the Manager will have to take the necessary steps to dispose of such securities. There may be opportunity loss to the fund due to the fund not being allowed to retain the excess capital gains derived from the disposal of the Shariah non-compliant equities. The value of the fund may also be adversely affected in the event of a disposal of Shariah non-compliant equities at a price lower than the investment cost.

**NOTES TO THE FINANCIAL STATEMENTS  
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**3 CAPITAL AND LIQUIDITY RISK MANAGEMENT**

The capital of the Fund is represented by the net assets attributable to unit holders as shown in the Statement of Financial Position. 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 perfect basket which comprises 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 Shariah-compliant 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> USD	<u>One month to one year</u> USD	<u>Total</u> USD
<b><u>2018</u></b>			
Amount due to Manager	3,987	-	3,987
Amount due to Trustee	349	-	349
Auditors' remuneration	-	2,017	2,017
Tax agent's fee	-	1,049	1,049
Shariah Adviser's fee	-	808	808
Payables	-	5,299	5,299
	<u>4,336</u>	<u>9,173</u>	<u>13,509</u>

**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 of the Deed.

For the financial period from 15 January 2018 (date of launch) to 30 June 2018, the Management fee was recognised at a rate of 0.4% 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.

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**5 TRUSTEE'S FEE**

The Trustee is entitled to an annual fee at a rate not exceeding 0.35% per annum on the Net Asset Value ("NAV") of the Fund, as provided under Clause 15.2 of the Deed.

For the financial period from 15 January 2018 (date of launch) to 30 June 2018, the Trustee's fee was recognised at a rate of 0.035% per annum on the NAV of the Fund, subject to a minimum of RM12,000 per annum (excluding foreign sub-custodian fees and charges), 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 S&P Dow Jones Indices LLC, the Benchmark Index provider.

For the financial period from 15 January 2018 (date of launch) to 30 June 2018, the License fee was recognised at a rate of 0.04% per annum, subject to an annual minimum fee of USD8,000 per annum, calculated on a daily basis.

There will be no further liability to S&P Dow Jones Indices LLC in respect of license fee other than the amounts recognised above.

**7 OTHER EXPENSES**

	<b><u>2018</u> USD</b>
Establishment cost	47,892
Other expenses	10,386
	<u>58,278</u>

**8 TAXATION**

	<b><u>2018</u> USD</b>
Tax charged for the financial period:	
- Withholding taxation	22,514
	<u>22,514</u>

**NOTES TO THE FINANCIAL STATEMENTS  
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TO 30 JUNE 2018 (CONTINUED)**

**8 TAXATION (CONTINUED)**

The explanation of the relationship between taxation and profit before taxation of the Fund is as follows:

	<b><u>2018</u> USD</b>
Profit before taxation	212,286
Tax at Malaysian statutory rate of 24%	50,949
Tax effect of:	
- Investment income not subject to tax	(80,801)
- Restriction on tax deductible expenses for exchange-traded funds	4,671
- Expenses not deductible for tax purposes	25,181
Investment income subject to withholding tax	22,514
Taxation	<u>22,514</u>

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

	<b><u>2018</u> USD</b>
Designated at fair value through profit or loss at inception	
- Quoted Shariah-compliant shares	<u>12,227,226</u>
Net gain on financial assets at fair value through profit or loss	
- Realised gain	28,645
- Unrealised gain on changes in fair value	227,300
	<u>255,945</u>

**10 DIVIDENDS RECEIVABLE**

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

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

**NOTES TO THE FINANCIAL STATEMENTS  
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## 11 CASH AND CASH EQUIVALENTS

	<b><u>2018</u> USD</b>
Cash at bank – From Shariah-compliant income	60,994
Cash at bank – From Shariah non-compliant income	1,515
	<u>62,509</u>

## 12 OTHER PAYABLES AND ACCRUALS

	<b><u>2018</u> USD</b>
Amount due to index licensor	1,778
Amount due to beneficial organisations (Note 13)	2,026
Other payables and accruals	1,495
	<u>5,209</u>

## 13 AMOUNT DUE TO BENEFICIAL ORGANISATIONS

Amount due to beneficial organisations is the Shariah non-compliant income portion of profits and dividends received and receivable as at 30 June 2018. It comprises the following amounts:

	<b><u>2018</u> USD</b>
Cash at bank – Shariah non-compliant income	1,515
Dividends receivable – Shariah non-compliant income	511
	<u>2,026</u>

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

Dividends receivable – Shariah non-compliant income represents the portion of the dividends receivable which relates to income that does not comply with Shariah. The level of Shariah non-compliant income is based on the impure ratio for each Shariah-compliant component stock as determined by S&P Dow Jones Indices.

**NOTES TO THE FINANCIAL STATEMENTS  
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**14 NUMBER OF UNITS IN CIRCULATION AND NET ASSETS ATTRIBUTABLE TO UNIT HOLDERS**

Net asset value attributable to unit holders is represented by:

	<b><u>Note</u></b>	<b><u>2018</u></b> <b><u>USD</u></b>
Unit holders' contribution	(a)	12,094,390
Retained earnings		189,772
		<u>12,284,162</u>

**(a) UNIT HOLDERS' CONTRIBUTION/UNITS IN CIRCULATION**

	<b>2018</b>	
	<b><u>No. of Units</u></b>	<b><u>USD</u></b>
At beginning of the financial period	-	-
Creation during the financial period	12,412,300	12,404,980
Cancellation during the financial period	(300,000)	(310,590)
At the end of the financial period	<u>12,112,300</u>	<u>12,094,390</u>

**15 TRANSACTIONS WITH BROKERS**

Details of transactions with the brokers as at 30 June 2018 are as follows:

<b><u>Name of broker</u></b>	<b><u>Value of trade</u></b>	<b><u>Percentage of total trades</u></b>	<b><u>Brokerage fees</u></b>	<b><u>Percentage of total brokerage</u></b>
	<b><u>USD</u></b>	<b><u>%</u></b>	<b><u>USD</u></b>	<b><u>%</u></b>
Maybank Investment Bank Bhd.	<u>13,814,977</u>	<u>100.00</u>	<u>41,728</u>	<u>100.00</u>

**NOTES TO THE FINANCIAL STATEMENTS  
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**16 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>
iVCAP 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

	<b>2018</b>	
	<b>No. of Units</b>	<b>USD</b>
The Manager	626,000	634,889
Valuecap	10,000,000	10,142,000
	<u>10,626,000</u>	<u>10,776,889</u>

The units are held legally by the Manager for booking purposes. The units are held beneficially by Valuecap.

**17 MANAGEMENT EXPENSE RATIO ("MER")**

	<b><u>2018</u></b>
	<b><u>USD</u></b>
MER	<u>0.65</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 transaction costs)
H	=	Average net asset value of Fund calculated on daily basis

The average net asset value of the Fund for the financial period calculated on a daily basis is USD11,999,402.



**NOTES TO THE FINANCIAL STATEMENTS  
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## 18 PORTFOLIO TURNOVER RATIO ("PTR")

	<b><u>2018</u> USD</b>
PTR (times)	<u>0.57</u>

PTR is derived from the following calculation:

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

where: total acquisition for the financial period = USD12,893,129  
total disposal for the financial period = USD893,203

The average net asset value of the Fund for the financial period calculated on a daily basis is USD11,999,402.

## 19 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. There were no changes in the reportable segments during the financial period.

As at 30 June 2018, there was 1 unit holder who held more than 10% of the Fund's NAV. The unit holder's holding was 82.56%.

## 20 NON CASH TRANSACTIONS

Creations and cancellations are done by 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:

	<b><u>2018</u> USD</b>
Creation	
- Fair value of benchmark index shares	-
- Cash component	12,404,980
	<u>12,404,980</u>
Cancellation	
- Fair value of benchmark index shares	-
- Cash component	310,590
	<u>310,590</u>

**NOTES TO THE FINANCIAL STATEMENTS  
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**21 FAIR VALUES OF FINANCIAL INSTRUMENTS**

Fair value is 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.

The fair value of financial assets traded in active markets (such as trading Shariah-compliant securities) is based on quoted market prices at the close of trading on the period end date.

An active market is a market in which transactions 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 at:

	<u>Level 1</u> USD	<u>Level 2</u> USD	<u>Level 3</u> USD	<u>Total</u> USD
<b><u>2018</u></b>				
Financial assets at fair value through profit or loss				
- Quoted Shariah-compliant shares	12,227,226	-	-	12,227,226

Investments whose values are based on quoted market prices in active markets, and are therefore classified within Level 1, include Islamic collective investment schemes. The Fund does not adjust the quoted prices for these instruments.

**NOTES TO THE FINANCIAL STATEMENTS  
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21 FAIR VALUES OF FINANCIAL INSTRUMENTS (CONTINUED)

- (ii) The carrying values of cash and cash equivalents, amount due from manager, rebate of management fee receivable and all current liabilities are a reasonable approximation of the fair values due to their short term nature.

22 SHARIAH INFORMATION OF THE FUND

The Shariah Adviser confirmed that the investments portfolio of the fund is Shariah-compliant, which comprises equity securities in foreign markets that have been classified as Shariah-compliant by the Shariah Supervisory Board of S&P Dow Jones Indices and duly verified as Shariah-compliant by the Shariah Adviser.

23 COMPARATIVE FIGURES

There are no comparative figure as this is the Fund's first set of financial statements.

## ANALYSIS OF UNIT HOLDINGS

### Summary of Unit Holders

*As at 31 July 2018*

	No. of unit holders	% of unit holders	No. of units held	% of units in circulation
Less than 100	-	-	-	-
100 - 1,000	235	77.04	84,000	0.69
1,001 - 10,000	62	20.33	204,100	1.68
10,001 - 100,000	4	1.31	60,300	0.50
100,001 to less than 5% of issued units	2	0.66	1,134,400	9.37
5% and above of issued units	2	0.66	10,629,500	87.76
<b>TOTAL</b>	<b>305</b>	<b>100.00</b>	<b>12,112,300</b>	<b>100.00</b>

## PROFILE OF DIRECTORS OF THE MANAGER & INVESTMENT COMMITTEE MEMBERS OF THE FUND

### DIRECTORS' PROFILE

<b>Name:</b>	<b>Rosli Bin Abdullah</b>
<b>Age:</b>	65
<b>Nationality:</b>	Malaysian
<b>Designation:</b>	Independent Non-Executive Chairman
<b>Qualifications:</b>	Master in Business Administration from Universiti Kebangsaan Malaysia, Post-Graduate Diploma in Accounting and Bachelor in Economics (Honours) both from Universiti Malaya. Chartered Accountant and Member of Malaysian Institute of Accountants.
<b>Working Experience and Occupation:</b>	<p>Rosli is currently serving as a Director on the Boards of CapitaLand Malaysia Mall REIT Management Sdn. Bhd. (formerly known as CapitaMalls Malaysia REIT Management Sdn Bhd) ("CapitaLand REIT"), Dagang NeXchange Berhad (formerly known as Time Engineering Berhad) and Malaysia Airports Holdings Berhad and Group.</p> <p>The SC had in its letter dated 11 June 2012 approved an exemption from Clause 3.11(a) of the Guidelines on Real Estate Investment Trusts in respect of CapitaMalls REIT for Rosli to assume his directorship at the CapitaMalls REIT notwithstanding his directorship at i-VCAP.</p> <p>Rosli was the Registrar of MIA for 5 years until 2012, where he also served as the CEO. He has served in various capacities in the public sector as the Chief Accountant of the Ministry of Works, Chief Accountant of the Ministry of Education, Chief Accountant of the Public Services Department (Pension Division), the Secretary to the Teachers Provident Fund, the Bursar of the University Putra Malaysia and the Director of Corporate Services, Accountant General Department, Ministry of Finance Malaysia.</p> <p>Subsequently, he joined the private sector and served as the Financial Controller / General Manager Finance of Kuala Lumpur International Airport Berhad and the Senior General Manager of Putrajaya Holdings Sdn Bhd (a company under the Petronas Group). He also served as an Adviser to the Economic Planning Unit of the Prime Ministers Department upon his retirement in 2008/2009.</p>
<b>Date Appointed to Board:</b>	16 December 2009
<b>Details of Membership of any Board Committee:</b>	None
<b>Directorship of other public companies:</b>	<ul style="list-style-type: none"> <li>CapitaLand Malaysia Mall REIT Management Sdn. Bhd. (formerly known as CapitaMalls Malaysia REIT Management Sdn. Bhd.)</li> <li>Dagang NeXchange Berhad (formerly known as Time Engineering Berhad)</li> <li>Malaysia Airports Holdings Berhad and Group</li> </ul>
<b>Family relationship with any director:</b>	None
<b>Conflict of interest with the Fund:</b>	Rosli is the Independent Non-Executive Chairman of i-VCAP of which is a unit holder of the Fund

## DIRECTORS' PROFILE (*continued*)

**List of convictions for offences within the past 10 years other than traffic offences:**

None

**Name:** Sharifatu Laila Binti Syed Ali

**Age:** 56

**Nationality:** Malaysian

**Designation:** Non-Independent Non-Executive Director

**Qualifications:** Master in Business Administration from Universiti Malaya and Bachelor of Science (Hons) from Universiti Kebangsaan Malaysia. Completed the Harvard Advanced Management Programme at Harvard Business School.

**Working Experience and Occupation:** Sharifatu Laila was appointed as CEO of Valuecap in 2002 and played a key role in the setting up of the company by the Malaysian government then. She has extensive experience in the field of portfolio investments both in the domestic and regional environment. She was appointed Group CEO in 2015 and appointed as Managing Director of Valuecap, effective 1 January 2018.

Sharifatu Laila began her career in Permodalan Nasional Berhad's ("PNB") and later held various positions at the Employees Provident Fund (EPF), including Head of Treasury overseeing a portfolio in excess of RM100 billion and subsequently Head of Equity, overseeing the pension fund's domestic and regional equity portfolios. She subsequently served as Head of Investment at Pilgrims Fund prior to her appointment as CEO of Valuecap. She holds a Capital Markets Services Representative License and also sits on the Board of VCAP Asset Managers Sdn Bhd, Valuecap's wholly-owned subsidiary.

**Date Appointed to Board:** 25 October 2007  
(resigned effective 31 July 2018)

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

**Directorship of other public companies:** None

**Family relationship with any director:** None

**Conflict of interest with the Fund:** Sharifatu Laila is the Managing Director and Group CEO of Valuecap of which is a unit holder of the Fund

**List of convictions for offences within the past 10 years other than traffic offences:** None

## DIRECTORS' PROFILE (*continued*)

<b>Name:</b>	<b>Hassan Bin Ibrahim</b>
<b>Age:</b>	66
<b>Nationality:</b>	Malaysian
<b>Designation:</b>	Independent Non-Executive Director
<b>Qualifications:</b>	Bachelor of Laws from University of Singapore
<b>Working Experience and Occupation:</b>	<p>Hassan established the firm of Messrs. Hassan &amp; Associates in March 2007, focusing on corporate and conveyancing matters. Prior to that, he was a partner with Messrs. Zainal Abidin &amp; Co. since 1989, with involvement in the same areas of specialisation.</p> <p>During his tenure with Messrs. Zainal Abidin &amp; Co., he had attended to the preparation and completion of several project financing facility documents based on the Shariah principle of Al-Ijarah, Murabahah and Bai-Bithaman Ajil.</p> <p>He has over ten (10) years of experience serving Bank Pembangunan Malaysia Berhad from 1976 to 1988 in Project Evaluation &amp; Investment functions. He is currently a Director of Syarikat Perumahan Negara Berhad.</p>
<b>Date Appointed to Board:</b>	2 November 2007
<b>Details of Membership of any Board Committee:</b>	Hassan is a member of the Board Audit and Risk Committee and of the Investment Committee.
<b>Directorship of other public companies:</b>	Syarikat Perumahan Negara Berhad & Group
<b>Family relationship with any director:</b>	None
<b>Conflict of interest with the Fund:</b>	None
<b>List of convictions for offences within the past 10 years other than traffic offences:</b>	None

## DIRECTORS' PROFILE (*continued*)

<b>Name:</b>	<b>Y.M. Tunku Afwida Binti Tunku A. Malek</b>
<b>Age:</b>	53
<b>Nationality:</b>	Malaysian
<b>Designation:</b>	Independent Non-Executive Director
<b>Qualifications:</b>	Bachelor in Science (Hons.) majoring in Economics and Accountancy from The City University (London). She also qualified as a Chartered Accountant from The Institute of Chartered Accountants in England and Wales and she is also a Member of the Malaysian Institute of Accountants.
<b>Working Experience and Occupation:</b>	Tunku Afwida is currently a Director / Shareholder of Asia Equity Research Sdn Bhd, a licensed entity specializing in corporate finance advisory, supported by research capabilities in specific sectors, namely energy, infrastructure and plantation in selected emerging economies. She is currently an Independent Director of Exim Bank Berhad, Gamuda Berhad, Lafarge Malaysia Berhad and Telekom Malaysia Berhad. She had previously served as an Independent Director of Cagamas Berhad, Transnational Insurance Brokers Sdn Bhd and Unitar Berhad. Tunku Afwida had also served as CEO and Executive Director ("ED") of Kenanga Investment Bank Berhad (2006 to 2008), CEO and ED of MIMB Investment Bank Berhad (2003 to 2006) and ED / CIO of Commerce Asset Fund Managers Sdn Bhd (1995 to 2003).
<b>Date Appointed to Board:</b>	17 July 2009
<b>Details of Membership of any Board Committee:</b>	Tunku Afwida is a member of the Board Audit and Risk Committee and a member and Chairman of the Investment Committee.
<b>Directorship of other public companies:</b>	<ul style="list-style-type: none"><li>• Gamuda Berhad</li><li>• Export-Import Bank of Malaysia Berhad</li><li>• Lafarge Malaysia Berhad</li><li>• Telekom Malaysia Berhad</li></ul>
<b>Family relationship with any director:</b>	None
<b>Conflict of interest with the Fund:</b>	None
<b>List of convictions for offences within the past 10 years other than traffic offences:</b>	None



## DIRECTORS' PROFILE (continued)

<b>Name:</b>	<b>Nik Amlizan Binti Mohamed</b>
<b>Age:</b>	50
<b>Nationality:</b>	Malaysian
<b>Designation:</b>	Non-Independent Non-Executive Director
<b>Qualifications:</b>	Bachelor's Degree in Economics/Accounting from Claremont McKenna College, USA
<b>Working Experience and Occupation:</b>	<p>Nik Amlizan assumes her current role of Chief Investment Officer (“<b>CIO</b>”) of Kumpulan Wang Persaraan (Diperbadankan) (“<b>KWAP</b>”) in September 2014. Prior to the appointment, she was the Senior Director/Head of Equity, a position she held since joining KWAP in 2007 before she became Senior Director, Equity in February 2014. Her current responsibilities include developing and overseeing investment functions for KWAP providing long term strategic direction for all investment matters, creation and implementation of investment organization, policies and procedures, performance matrix, development of asset allocation models, and formulating KWAP Fund Investment Strategies across all asset classes.</p> <p>She currently sits on the Board of Directors for Prestariang Berhad, Prima Ekuiti (UK) Limited, a wholly owned subsidiary of KWAP and Harta Integra Berkat Sdn. Bhd. She is also a member of the Institute of Integrity Malaysia since 2015.</p> <p>She has over twenty-four (24) years of experience in the fund management industry. Her last position before she joined KWAP in 2007 was General Manager / Head of Equity (Shariah / Ethical) at RHB Asset Management Sdn Bhd. She served as the Head of Investment Research / Senior Portfolio Manager at Mayban Investment Sdn Bhd until 2001. She started her career in the fund management industry in 1994 when she joined BBMB Unit Trust Management Sdn. Bhd. after a 2-year stint with Georgiou Incorporated, San Francisco, California, U.S.</p>
<b>Date Appointed to Board:</b>	1 January 2016
<b>Details of Membership of any Board Committee:</b>	None
<b>Directorship of other public companies:</b>	Prestariang Berhad
<b>Family relationship with any director:</b>	None
<b>Conflict of interest with the Fund:</b>	Nik Amlizan is the Chief Investment Officer of KWAP of which is a unit holder of the Fund
<b>List of convictions for offences within the past 10 years other than traffic offences:</b>	None

## DIRECTORS' PROFILE (continued)

<b>Name:</b>	<b>Datuk Mohd. Nasir Bin Ali</b>
<b>Age:</b>	60
<b>Nationality:</b>	Malaysian
<b>Designation:</b>	Independent Non-Executive Director
<b>Qualifications:</b>	Bachelor of Economics from University of Malaya and Master of Science in Financial Studies from University of Strathclyde (United Kingdom).
<b>Working Experience and Occupation:</b>	<p>Datuk Mohd. Nasir was previously Group Executive Director with Utusan Melayu (Malaysia) Berhad. Other various positions held by him were Executive Director/Chief Executive Officer with Kuala Lumpur City Securities Sdn. Bhd., General Manager, Dealing &amp; Research with Mayban Securities Sdn. Bhd., Investment Manager with BBMB Unit Trust Management Berhad and Senior Financial &amp; Marketing Executive, Amanah Saham Nasional Berhad &amp; Investment Executive with Permodalan Nasional Berhad.</p> <p>Apart from his directorships on the boards of Plenitude Berhad and E.A. Technique (M) Berhad, he also sits on the boards of Amanah Raya Berhad, Goodyear Malaysia Berhad and some private limited companies.</p>
<b>Date Appointed to Board:</b>	1 January 2016
<b>Details of Membership of any Board Committee:</b>	Datuk Mohd. Nasir is a member and Chairman of the Board Audit and Risk Committee (appointed effective from 1 January 2016).
<b>Directorship of other public companies:</b>	<ul style="list-style-type: none"> <li>• Plenitude Berhad &amp; Group</li> <li>• E.A. Technique (M) Berhad</li> <li>• Amanah International Finance Sdn. Bhd. (Subsidiary of Malaysian Industrial Development Finance (MIDF) Berhad</li> <li>• Amanah Raya Berhad</li> <li>• Goodyear Malaysia Berhad</li> </ul>
<b>Family relationship with any director:</b>	None
<b>Conflict of interest with the Fund:</b>	None
<b>List of convictions for offences within the past 10 years other than traffic offences:</b>	None

## DIRECTORS' PROFILE (continued)

<b>Name:</b>	<b>Khairi Shahrin Arief Bin Baki</b>
<b>Age:</b>	38
<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-VCAP Management Sdn Bhd ("i-VCAP") in January 2018 and bringing with him 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-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:</b>	None
<b>Family relationship with any director:</b>	None
<b>Conflict of interest with the Fund:</b>	Khairi is the CEO of i-VCAP of which is the Manager and unit holder of the Fund.
<b>List of convictions for offences within the past 10 years other than traffic offences:</b>	None

**Date of first appointment as Director and attendance of Board Meetings during 2018:**

<b><u>Name</u></b>	<b><u>Date First Appointed</u></b>	<b><u>Attendance</u></b>
<b>Rosli Bin Abdullah</b>	16 December 2009	5 of 5
<b>Sharifatu Laila Binti Syed Ali</b>	25 October 2007	4 of 5
<b>Hassan Bin Ibrahim</b>	2 November 2007	5 of 5
<b>Y.M. Tunku Afwida Binti Tunku A. Malek</b>	17 July 2009	5 of 5
<b>Nik Amlizan Binti Mohamed</b>	1 January 2016	5 of 5
<b>Datuk Mohd. Nasir Bin Ali</b>	1 January 2016	5 of 5
<b>Khairi Shahrin Arief Bin Baki</b>	11 January 2018	5 of 5

## INVESTMENT COMMITTEE MEMBER'S PROFILE

The Investment Committee has three (3) members, including Tunku Afwida Binti Tunku A. Malek (Chairman/Independent) and Hassan Bin Ibrahim (Independent) whose profiles are set out in the Director's Profile section of this Annual Report, whilst the profile of the other one (1) member of the Investment Committee is as follows:-

<b>Name:</b>	<b>Shaharin Bin Md. Hashim</b>
<b>Age:</b>	49
<b>Nationality:</b>	Malaysian
<b>Designation:</b>	Non-Independent Member of the Investment Committee
<b>Qualifications:</b>	Bachelor of Arts in Mathematics and Economics from University of Pennsylvania, Philadelphia, USA.
<b>Working Experience and Occupation:</b>	Shaharin is currently Director, Group Strategy and Sustainability of Valuecap. He joined Valuecap in 2005 and is involved in various strategic initiatives relevant to the Group. He has more than 20 years of working experience encompassing areas of analysis and policy and product research & development works in the Malaysian capital and financial markets through his various stints at Bank Negara Malaysia, Malaysian Technology Development Corporation and Bursa Malaysia Berhad.
<b>Date First Appointed to Investment Committee:</b>	18 February 2011
<b>Conflict of interest with the Fund:</b>	Shaharin is the Director, Group Strategy and Sustainability of Valuecap of which is a unit holder of the Fund.
<b>List of convictions for offences within the past 10 years other than traffic offences:</b>	None

**Date of first appointment on Investment Committee and attendance of Investment Committee Meetings for the Fund during 2018:**

<b><u>Name</u></b>	<b><u>Date First Appointed</u></b>	<b><u>Attendance</u></b>
Y.M. Tunku Afwida Binti Tunku A. Malek (Chairman)	17 July 2009	3 of 3
Hassan Bin Ibrahim	7 January 2008	3 of 3
Shaharin Bin Md. Hashim	18 February 2011	3 of 3

## SHARIAH ADVISER'S PROFILE

- Shariah Adviser** : IBFIM (763075-W)  
Incorporated in Malaysia in 15 February 2007. (Co. No. 763075-W) under the Companies Act, 2016.
- Corporate Information** : IBFIM was incorporated as a company limited by guarantee and not having share capital in Malaysia under the Companies Act, 2016 on 15 February 2007.
- Experience as Adviser** : IBFIM is registered with the SC to act as a Shariah Adviser for Shariah-compliant collective investment schemes. IBFIM is also involved in Shariah-compliant private mandates as well as the Shariah Adviser for Islamic REITs and Islamic asset management houses. As at 20 July 2018, IBFIM has 132 funds under its supervision.
- Designated Person** : The designated person responsible for Shariah advisory matters of the Fund is Haji Azizi Che Seman as the Chairman. Other consultants are:  
(1) Dr. Ahmad Zakirullah Bin Mohamed Shaarani  
(2) Muhammad Khairulnizam Bin Alias

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

IBFIM's Shariah team consists of the following personnel:

**Haji Azizi Che Seman**  
***Chairman, IBFIM Shariah Committee***

Haji Azizi Che Seman is currently a senior lecturer at the Department of Shariah and Economics, Academy of Islamic Studies, University of Malaya, a position he has held since 2002. He has been appointed as the Chairman of IBFIM Shariah Committee effective on October 2017. He is also the Chairman of the Shariah Committee of Bank Muamalat Malaysia Berhad and the Chairman of the Shariah Advisor of AIBIM.

In terms of qualification, he holds a Master Degree in Economics from International Islamic University of Malaysia in 2001 and a Bachelor of Shariah from University of Malaya in 1996. His specialisation areas are in Islamic Capital Market, Islamic Economics, Fiqh Muamalat and Islamic Research Methodology.

**Dr. Ahmad Zakirullah Bin Mohamed Shaarani**  
***Managing Advisor (Shariah)***

Dr. Ahmad Zakirullah is a member of Shariah Committee of the United Overseas Bank Malaysia Berhad. He joined IBFIM in February 2008. He is responsible in providing Shariah input on the advisory, consultancy and research functions with regard to Islamic banking, takaful, Islamic capital market and Shariah-compliant funds. Prior to joining IBFIM, he served at University Sains Islam Malaysia and PTPL College.

He obtained his Diploma of Shariah Islamiyyah (Hons) from Higher Institute of Islamic and Arabic Language (MADIWA), Perak, Bachelor of Shariah Islamiyyah (Hons) Degree from Al-Azhar University, Egypt, Master's Degree (Hons) of Islamic Revealed Knowledge and Heritage (Fiqh and Usul al-Fiqh) from the International Islamic University Malaysia and Doctor of Philosophy of Usul al-Fiqh from University of Malaya. He is the designated person responsible for Shariah matters related to the Shariah-compliant funds management-related activities.

**Mohd Asyraf Bin Sharunudin**  
***Consultant (Shariah)***

Muhammad Khairulnizam, a graduate of Bachelor of Islamic Revealed Knowledge and Heritage (Fiqh and Usul al-Fiqh) (Hons) Degree from International Islamic University Malaysia (IIUM). Prior to joining IBFIM, he has worked as a customer service and technical support.

Currently, he is responsible in providing Shariah input on the advisory, consultancy and research functions with regard to Islamic banking, takaful, Islamic capital market and Shariah-compliant unit trust funds, including but not limited to conduct surveillance on non-financial institutions activities. He is experienced in conversion of conventional product to Islamic as well as audit and review for many financial institutions. He is the designated person responsible for Shariah matters related to the Shariah-compliant funds management-related activities.



## 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 non-audit fees incurred for the financial period from 15 January 2018 (date of launch) to 30 June 2018 for services rendered by PricewaterhouseCoopers Taxation Services Sdn. Bhd. a company affiliated to the Auditor of the Fund is USD1,049.
- There were five (5) Board of Directors Meetings held in the financial period from 15 January 2018 (date of launch) to 30 June 2018.
- There were three (3) Investment Committee Meetings for the Fund held in the financial period from 15 January 2018 (date of launch) to 30 June 2018.

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

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