



ANNUAL REPORT 2020

MyETF

**MSCI MALAYSIA
ISLAMIC DIVIDEND**

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INTRODUCTION

MyETF MSCI Malaysia Islamic Dividend or MyETF-MMID is the first style-based Shariah exchange traded fund (“ETF”) introduced globally that aims to capture market alpha via investment in dividend yielding Shariah-compliant companies listed on Bursa Malaysia Securities Berhad (“Bursa Securities”). It is designed to provide investment results that closely correspond to the performance of its Benchmark Index i.e. MSCI Malaysia IMI Islamic High Dividend Yield 10/40 Index (“MIIMYD4P Index”).

Structured as an ETF, MyETF-MMID is a liquid and cost efficient financial instrument for investors who wish to get potential periodic income and capital gain from Malaysia’s Shariah equity market. MyETF-MMID was listed on the Main Market of Bursa Securities on 21 March 2014. The short name and stock number for MyETF-MMID are “MYETFID” and “0824EA” respectively.

The Benchmark Index, MIIMYD4P Index, is a free-float adjusted, market capitalisation weighted index, maintained and published by MSCI Inc. It may consist between 16 to 30 Shariah-compliant companies listed on Bursa Securities with higher than average dividend yield (of the Malaysia Shariah equity universe) that are deemed sustainable and persistent by MSCI. The Benchmark Index is reviewed and rebalanced periodically by MSCI’s Shariah Supervisory Committee and review committees to ensure the investability, Shariah-compliance and continuous representation of the dividend yielding opportunity set of the index are maintained.

FUND INFORMATION

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

Registered Address

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

Tel. No.: (+603) 7957 6558

Fax No.: (+603) 7841 5555

Business Address

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No. 12 Jalan Gelenggang
Bukit Damansara
50490 Kuala Lumpur

Tel. No.: (+603) 2093 7119

Fax No.: (+603) 2094 7119

Board of Directors

(Please refer to pages 57-61 for profile of the Directors)

Roslina Binti Abdul Rahman

Chairman/Non-Independent Non-Executive Director

Khairi Shahrin Arief Bin Baki

Non-Independent Executive Director/Chief Executive Officer

Datuk Dr Syed Muhamad Bin Syed Abdul Kadir

Independent Non-Executive Director

Encik Mohd Asri Bin Awang

Independent Non-Executive Director

Company Secretaries

Mirza Binti Mohamad (MAICSA 7051997)

(resigned effective 30 June 2020)

Halimah binti Haroon (MAICSA 7063294)

(appointed effective 1 July 2020)

Lim Yang Meng (MIA 15860)

(appointed effective 1 July 2020)

Genesis MR Corporate Sdn. Bhd.

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

FUND INFORMATION (*continued*)

Trustee	:	Deutsche Trustees Malaysia Berhad (763590-H) Level 20, Menara IMC 8, Jalan Sultan Ismail 50250 Kuala Lumpur Malaysia
		Tel. No. (+603) 2053 7522 Fax No. (+603) 2053-7526 Email cisops.dtmb@db.com
Custodian <i>(Trustee's Delegate)</i> <i>(Please refer to page 64 for Trustee's Delegate information)</i>		Deutsche Bank (Malaysia) Berhad (312552-W) Level 18, Menara IMC 8, Jalan Sultan Ismail 50250 Kuala Lumpur Malaysia
		Tel. No. (+603) 2053 6788 Email dbmb-dcs.cs@db.com Website www.db.com
Auditor of the Manager and the Fund	:	PricewaterhouseCoopers PLT (LLP0014401-LCA & AF 1146) Level 10, 1 Sentral Jalan Rakyat Kuala Lumpur Sentral 50706 Kuala Lumpur Malaysia
		Tel. No. (+603) 2173 1188 Fax No. (+603) 2173 1288
Tax Consultant	:	PricewaterhouseCoopers Taxation Services Sdn. Bhd. (464731-M) Level 15, 1 Sentral Jalan Rakyat Kuala Lumpur Sentral 50706 Kuala Lumpur Malaysia
		Tel. No. (+603) 2173 1188 Fax No. (+603) 2173 1288

FUND INFORMATION *(continued)*

- Fund Accountant** : Deutsche Trustees Malaysia Berhad (763590-H)
Level 20, Menara IMC
8, Jalan Sultan Ismail
50250 Kuala Lumpur
Malaysia

Tel. No. (+603) 2053 6788
Fax No. (+603) 2031 8710
Email Malaysia.team@list.db.com
Website www.db.com
- Shariah Adviser** : Amanie Advisors Sdn Bhd (684050-H)
(Please refer to pages 65-67 for corporate information, experience and details of the designated person for the Shariah Adviser)
Level 13A-2, Menara Tokio Marine Life,
189, Jalan Tun Razak,
50400 Kuala Lumpur.

Tel. no.: (+603) 2161 0260
Fax no.: (+603) 2161 0262
Website: www.amanieadvisors.com
- Participating Dealers** : CGS-CIMB Securities Sdn Bhd (48703-W)
(formerly known as Jupiter Securities Sdn. Bhd.)
Level 13, Menara CIMB
Jalan Stesen Sentral 2
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Tel. No. (+603) 2261 8888
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- Index Licensor** : MSCI Inc.
One Chase Manhattan Plaza, 44th Floor
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United States of America

Tel No. (+1) 212 804 3901
Fax No. (+1) 212 809 1213
- Share Registrar** : Boardroom Share Registrars Sdn Bhd (378993-D)
(formerly known as Symphony Share Registrars Sdn Bhd)
11th Floor, Menara Symphony
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Annual Manager's Report

For the Financial Year 1 January 2020 to 31 December 2020

Name of Fund	: MyETF MSCI Malaysia Islamic Dividend (“MyETF-MMID” or “the Fund”)
Type of Fund	: Exchange Traded Fund
Fund Category	: Shariah-Compliant Equity
Commencement Date	: 17 March 2014
Benchmark Index	: MSCI Malaysia IMI Islamic High Dividend Yield 10/40 Index (“MIMYDY40 Index” or “Benchmark Index”)
Manager	: i-VCAP Management Sdn. Bhd. (“i-VCAP”)

1. Investment Objective

MyETF-MMID is designed to provide investment results that closely correspond to the performance of the Benchmark Index. The Manager attempts to achieve an absolute value of tracking error of less than 3% between the Net Asset Value (“NAV”) of the Fund and the Benchmark Index.

2. Benchmark Index

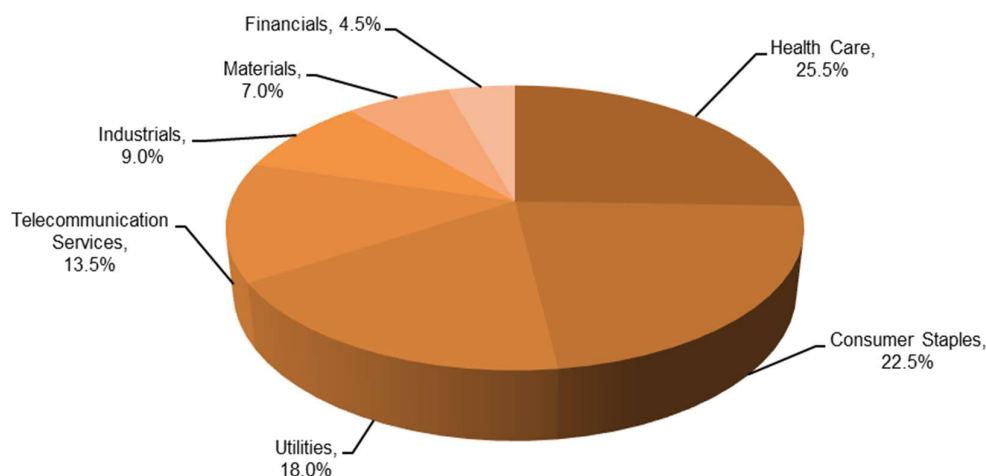
The Benchmark Index is a market capitalisation weighted and free-float adjusted index provided by MSCI Inc (“MSCI”). The Benchmark Index is designed as a performance benchmark for the high dividend-yielding companies of its Parent Index, i.e. the MSCI Malaysia IMI Islamic Index. The Benchmark Index shall consist between 16 to 30 Shariah-Compliant companies listed on Bursa Malaysia Securities Berhad (“Bursa Securities”) with higher than the average dividend yield of the Parent Index and are deemed both sustainable and persistent by MSCI.

The weight of any single group or entity in the Benchmark Index is capped at 10% of the Index total market capitalisation and the sum of weights of all groups or entities representing more than 5% of the Index is capped at 40% of the Index total market capitalisation.

The Parent Index is a free-float adjusted market capitalisation weighted index that is designed to measure the equity market performance of Malaysia. The Parent Index and Benchmark Index consist only of Shariah-compliant securities which are approved by the MSCI Shariah Supervisory Committee (“MSSC”) based on the MSCI Islamic Index Series Methodology. The MSSC will review and audit the Benchmark Index, the Parent Index as well as the MSCI Islamic Index Series Methodology on a regular basis to ensure compliance with Shariah.

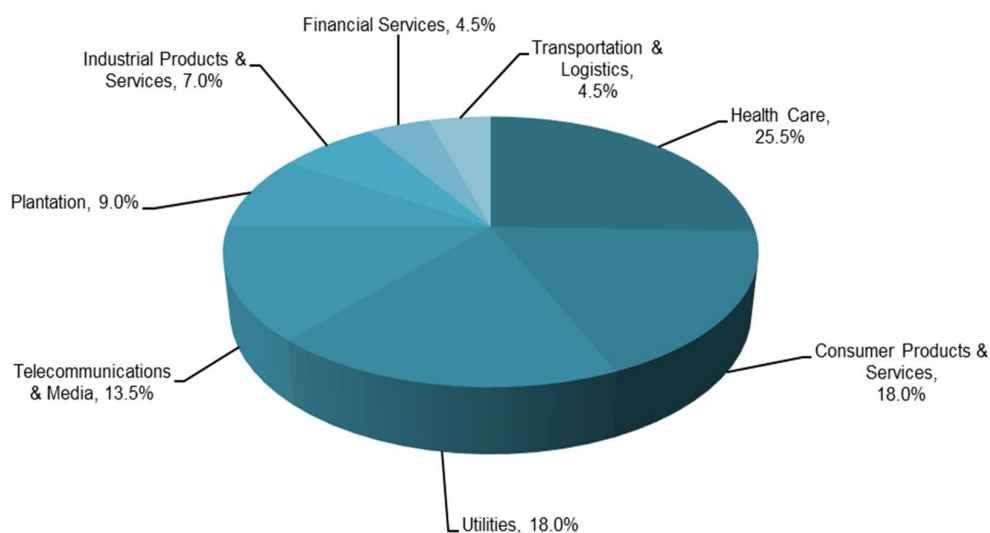
Based on the latest quarterly review (as at 30 November 2020), the sector allocation of MIMYDY40 Index based on MSCI and Bursa Securities sector classifications are as follows:

Chart 1(a): Sector Classification – MSCI



Source: MSCI

Chart 1(b): Sector Classification - Bursa Securities



Sources: Bursa Malaysia, MSCI

3. Investment Strategy

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

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

4. Fund Performance

For the Financial Year 2020, the Fund achieved its investment objective to track closely the underlying benchmark, i.e. MIMYDY40 Index. As at 31 December 2020, the 3-year rolling tracking errors¹ between the NAV per unit of the Fund and the Benchmark Index on both Price Return and Total Return basis were 0.16% respectively, well within the 3% limit stipulated under the Fund's investment objective.

The Fund's NAV per unit increased by 19.10% to RM1.3292 from RM1.1160 while the Benchmark Index and Benchmark's Total Return Index (MIMYDY40 Total Return Index) increased by 15.02% and 18.78% respectively over the same period. The variance between the MIMYDY40 Index and Fund's NAV movement was largely due to the rallied of glove stocks in 1H20 that the Fund had slight overweight. During the year, the Fund declared and paid income distribution for the Financial Year ended 31 December 2019 of 2.96 sen.

The Fund had a weak start with its NAV and price per unit retraced to its low for the year of RM0.9057 and RM0.8500 on 19 March and 8 April respectively, in tandem with the decline in the stock market. The drop was caused by unbridled global fears about the spread of the coronavirus, oil price drops, and the possibility of a 2020 recession. The Fund however, recovered sharply and hit its year high of RM1.3926 on 23 November due to the rollout of several Covid-19 vaccines and new economic relief packages were announced by the government. The Fund's NAV closed the year at RM1.3292 per unit. For the period, the Fund's unit price traded on Bursa Securities moved in tandem but largely at a discount to its NAV before closing the quarter at premium of RM1.4250.

The Fund closed its FY2020 with its total NAV contracted 5.21% to RM41.47 million from RM43.75 million a year earlier due to the net redemption of 8 million units during the year.

The key statistics and comparative performance of the Fund for the Financial Year ended 31 December 2020 are summarised as follows:

¹Independently sourced from Novagni Analytics and Advisory Sdn. Bhd.

Table 1: Key Statistics

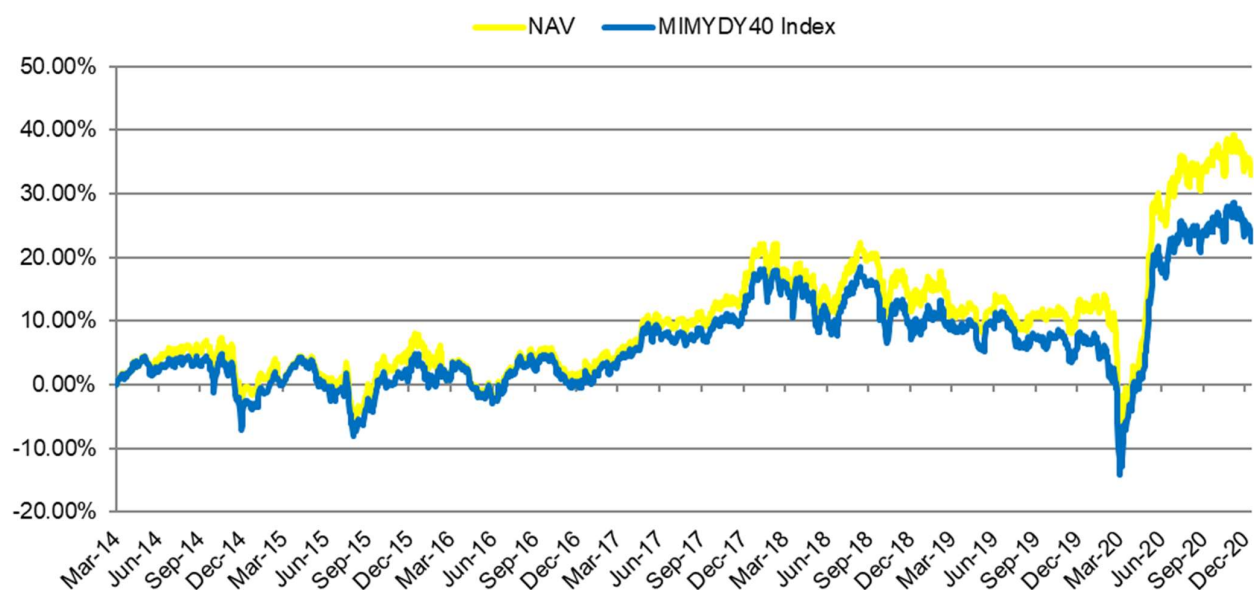
	As at 31-Dec-20	As at 31-Dec-19	As at 31-Dec-18	As at 31-Dec-17	As at 31-Dec-16
NAV per unit (RM) [#]	1.3292	1.1160	1.1457	1.1776	1.0210
NAV per unit (RM) (before distribution)	1.0873	1.1357	1.2136	1.0385	1.0512
NAV per unit (RM) (after distribution)	1.0577	1.1081	1.1836	1.0303	1.0125
- Highest	1.3926 (23 Nov)	1.1783 (21 Feb)	1.2239 (28 Aug)	1.1776 (29 Dec)	1.0794 (6 Jan)
- Lowest	0.9057 (19 Mar)	1.0796 (26 May)	1.1086 (26 Oct)	1.0175 (19 Jan)	0.9755 (16 Jun)
(During the period)					
Price per unit (RM) [#]	1.4250	1.1500	1.1600	1.1400	1.0150
- Highest	1.6000 (20 Nov)	1.1600 (30 Dec)	1.2100 (2 Aug)	1.1400 (29 Dec)	1.0750 (6 Jan)
- Lowest	0.8500 (8 Apr)	1.0400 (2 Apr)	1.0900 (24 May)	1.0150 (3 Jan)	0.9740 (24 Jun)
(During the period)					
Units in Circulation	31,200,000	39,200,000	46,400,000	48,000,000	51,600,000
Total NAV (RM)	41,470,998	43,748,713	53,158,345	56,522,726	52,683,579
Total NAV (RM) (before distribution)	33,488,068	48,608,394	39,745,078	53,947,832	22,550,945
Total NAV (RM) (after distribution)	32,576,388	47,427,114	38,823,398	53,163,512	21,870,545
Market Capitalisation (RM)	44,460,000	45,080,000	53,824,000	54,720,000	52,374,000
MIMYDY40 Index	2,862.90	2,489.15	2,569.68	2,666.89	2,349.94
MIMYDY40 Total Return Index	5,091.82	4,286.89	4,289.31	4,302.13	3,666.03
Tracking Error vs. MIMYDY40 Price Return Index (%) [*]	0.16	0.07	0.05	1.09	1.06
Tracking Error vs. MIMYDY40 Total Return Index (%) [*]	0.16	0.07	0.06	0.89	0.85
Management Expense Ratio (%)	0.73	0.63	0.63	0.69	0.71

Sources: Bloomberg, i-VCAP

[#] Unit price and net asset value per unit are shown as ex-income distribution.

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

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

	2020	2019	2018	2017	2016
	(%)	(%)	(%)	(%)	(%)
MyETF-MMID - NAV Price Return ^(a)	19.10	(2.59)	(2.71)	15.34	(5.31)
MIMYDY40 - Price Return Index	15.02	(3.13)	(3.65)	13.49	(3.96)
MyETF-MMID - NAV Total Return ^(a)	22.49	(0.17)	(0.40)	17.04	(2.36)
MIMYDY40 - Total Return Index	18.78	(0.06)	(0.30)	17.35	(0.84)

Sources: Bloomberg, i-VCAP

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

Table 2(b): Cumulative Returns

	Cumulative Returns (b)			
	1-Year	3-Year	5-Year	Since Inception
	(%)	(%)	(%)	(%)
MyETF- MMID - NAV Price Return ^(a)	19.10	12.87	23.28	32.92
MIMYDY40 - Price Return Index	15.02	7.35	17.01	22.59
MyETF- MMID - NAV Total Return ^(a)	22.49	21.80	39.19	53.41
MIMYDY40 - Total Return Index	18.78	18.36	37.73	54.18

Sources: Bloomberg, i-VCAP

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

(b) Cumulative returns are up to 31 December 2020 since inception date on 17 March 2014.

Table 2(c): Average Returns (Annualised)

	Average Returns (b)			
	1-Year	3-Year	5-Year	Since Inception
	(%)	(%)	(%)	(%)
MyETF- MMID - NAV Price Return ^(a)	19.10	4.12	4.27	4.28
MIMYDY40 - Price Return Index	15.02	2.45	3.40	3.32
MyETF- MMID - NAV Total Return ^(a)	22.49	6.79	6.83	6.50
MIMYDY40 - Total Return Index	18.78	6.11	7.53	7.95

Sources: Bloomberg, i-VCAP

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

(b) Average returns for MIMYDY40 Price Return Index and MIMYDY40 Total Return Index are annualized figures computed based on the price and total returns for the respective period.

Table 2(d): Historical Income Distribution

	For Financial Year Ended				
	2019	2018	2017	2016	2015
	First & Final	First & Final	First & Final	First & Final	First & Final
Income Distribution Per Unit (Sen)	2.96	2.76	2.81	1.52	3.15
Income Distribution Yield (%)*	2.57	2.38	2.37	1.45	3.03
Declaration Date	25-Feb-20	21-Feb-19	12-Feb-18	13-Feb-17	10-Feb-16
Ex-Date	11-Mar-20	11-Mar-19	1-Mar-18	1-Mar-17	26-Feb-16
Payment Date	9-Apr-20	8-Apr-19	29-Mar-18	30-Mar-17	29-Mar-16
NAV Per Unit Before Ex-Date (RM)	1.0873	1.1357	1.2136	1.0385	1.0512
NAV Per Unit On Ex-Date (RM)	1.0577	1.1081	1.1836	1.0303	1.0125

Sources: Bloomberg, i-VCAP

* Based on NAV on income distribution declared date.

The Benchmark Index is reviewed quarterly and rebalanced semi-annually and any changes to the constituents of Benchmark Index will be implemented at the close of the last business day of May and November. Meanwhile, the Parent Index of MIMYDY40 Index, the MSCI Malaysia IMI Islamic Index is reviewed quarterly (in February, May, August and November) and will not result in any change on the Benchmark Index except for inclusion or deletion of companies from the Parent Index due to corporate events or Shariah status and changes in the weighting of the Benchmark Index's constituents.

During the year, eight stocks were removed while seven stocks were included into the Fund at its quarterly reviews. The summary of the changes are as follows:

Table 3: List of Stock Inclusions and Exclusion

	Stock Inclusions	Stock Exclusions
1Q20	AirAsia Group Bhd	Kerjaya Prospek Group Bhd
2Q20	Kuala Lumpur Kepong Bhd	AirAsia Group Bhd
	Syarikat Takaful Malaysia Keluarga Bhd	Kossan Rubber Industries Bhd
	Top Glove Corporation Bhd	Cahaya Mata Sarawak Bhd
	-	Supermax Corporation Bhd
3Q20	-	-
4Q20	Lotte Chemical Titan Holding Bhd	Matrix Concepts Holdings Bhd
	Kossan Rubber Industries Bhd	Gamuda Bhd
	Fraser & Neave Holdings Bhd	Vitrox Corporation Bhd

Source: MSCI

In terms of sectoral weightings, notable changes to the Fund's sector composition as compared to the previous year were the deletion of Construction, Property and Technology sectors after the exclusion of Gamuda Bhd, Matrix Concepts Holdings Bhd and Vitrox Corporation Bhd. Meanwhile, weighting of Healthcare sector increased from 19.86% to 23.27% due to glove stocks jumped on a surge in demand for gloves as a result of the coronavirus pandemic. The inclusion of Syarikat Takaful Malaysia Keluarga Berhad led to the Fund to have Financial Services sector. Top holdings of the Fund and details of the sector exposure are as follows:

Table 4: Fund's Sector Allocation*

	As at 31-Dec-20	As at 31-Dec-19	Change (%)
Health Care	22.97%	19.86%	3.11%
Consumer Products & Services	17.86%	15.04%	2.82%
Utilities	17.47%	19.53%	-2.06%
Telecommunications & Media	13.85%	14.66%	-0.81%
Plantation	9.06%	5.18%	3.88%
Industrial Products & Services	8.00%	7.59%	0.41%
Financial Services	4.69%	0.00%	4.69%
Transportation & Logistics	4.47%	4.90%	-0.43%
Construction	0.00%	6.10%	-6.10%
Property	0.00%	4.62%	-4.62%
Technology	0.00%	2.03%	-2.03%
Cash & Others	1.63%	0.49%	1.14%

Sources: Bursa Malaysia, i-VCAP

* Restated based on Bursa Malaysia's latest sector classification.

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

Table 5: Investment in Listed Equities

	Quantity	Market Value	Market Value as a percentage of Net Asset Value
	(Units)	(RM)	(%)
<u>Consumer Products & Services</u>			
Fraser & Neave Holdings Bhd	58,400	1,873,472	4.52
Nestle (M) Bhd	13,900	1,930,710	4.66
QL Resources Bhd	296,550	1,719,990	4.15
Sime Darby Bhd	812,300	1,876,413	4.52
		7,400,585	17.85
<u>Financial Services</u>			
Syarikat Takaful Malaysia Keluarga Berhad	402,100	1,946,164	4.69
		1,946,164	4.69
<u>Health Care</u>			
Hartalega Holdings Bhd	131,200	1,592,768	3.84
IHH Healthcare Berhad	346,900	1,907,950	4.60
Kossan Rubber Industries Bhd	301,200	1,355,400	3.27
KPJ Healthcare Bhd	1,423,400	1,423,400	3.43
Top Glove Corporation Bhd	530,700	3,247,884	7.83
		9,527,402	22.97
<u>Industrial Products & Services</u>			
Lotte Chemical Titan Holding Berhad	540,500	1,497,185	3.61
Scientex Berhad	143,500	1,819,580	4.39
		3,316,765	8.00
<u>Plantation</u>			
Kuala Lumpur Kepong Bhd	81,100	1,920,448	4.63
Sime Darby Plantation Berhad	368,200	1,837,318	4.43
		3,757,766	9.06
<u>Telecommunications & Media</u>			
Maxis Berhad	767,200	3,874,360	9.34
Time Dotcom Bhd	141,000	1,869,660	4.51
		5,744,020	13.85
<u>Transportation & Logistics</u>			
Westports Holdings Berhad	430,600	1,851,580	4.46
		1,851,580	4.46
<u>Utilities</u>			
Petronas Gas Bhd	209,700	3,602,646	8.69
Tenaga Nasional Bhd	349,400	3,640,748	8.78
		7,243,394	17.47
		40,787,676	98.35

Sources: Bursa Malaysia, i-VCAP

5. Distribution Policy

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

In April 2020, the Fund paid an income distribution amounted to RM911,680 in relation to the first and final distribution of 2.96 sen per unit for the Financial Year 2019 (declared in February 2020). The first and final income distribution amount is derived from the dividend income and profit income during the year.

6. Other Information

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

7. Cross Trade

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

8. Soft Dollar Commissions

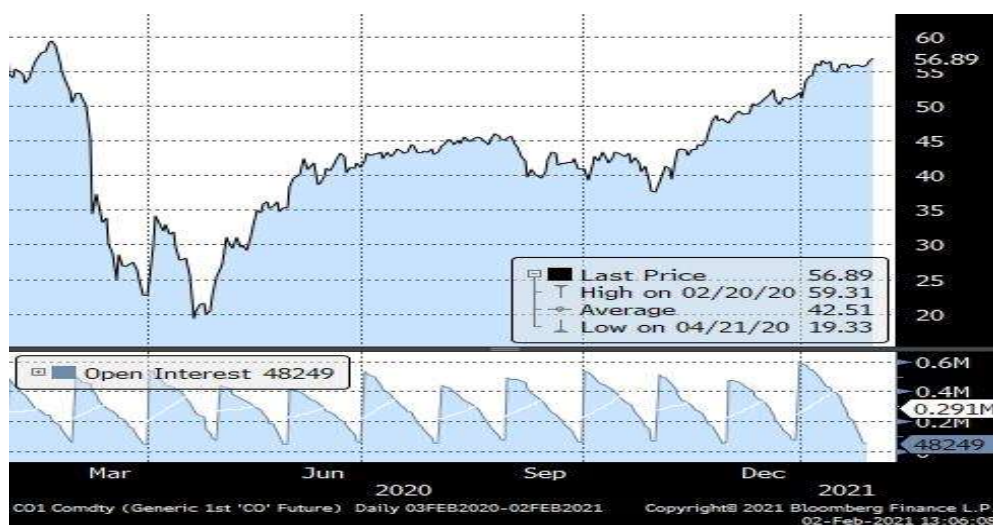
It is the Manager's policy to not receive any goods or services by way of soft commission.

9. Market Review and Outlook

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

Governments and central banks worked to cushion the blow, providing financial support for individuals and businesses and adjusting lending rates.

Chart 5: Brent Performance in 2020



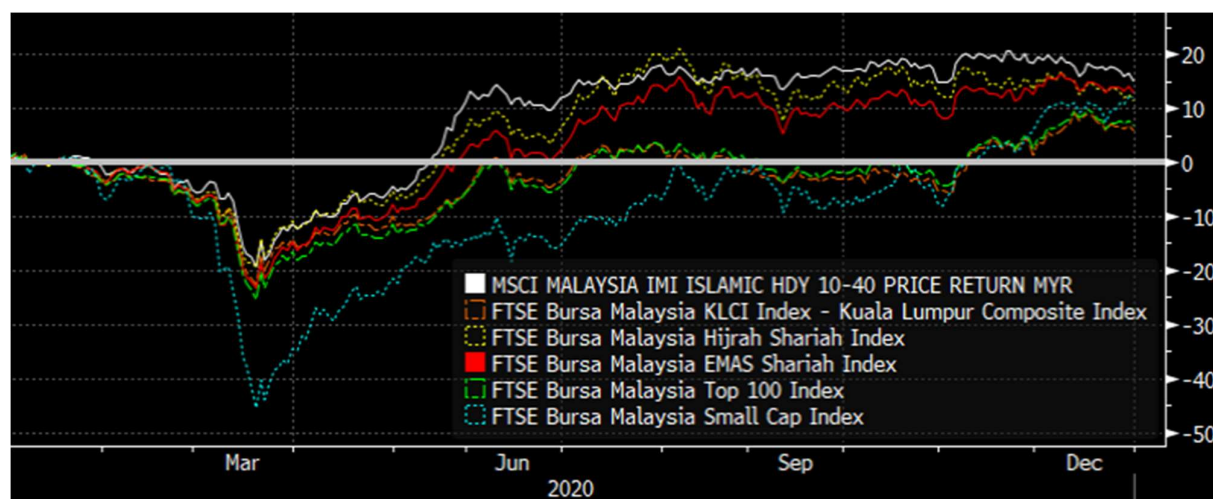
Sources: Bloomberg

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

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

Malaysia's GDP shrank by 2.7% in the 3Q20 compared with a sharper contraction of 17.1% in the 2Q20. The improved performance largely reflected the impact of the reopening of the economy after the Movement Control Order and better external demand conditions. Although significantly underperforming global equity markets in 2020, the FBMKLCI was up 2.42% after 2 years of losses, likely due to its severe underperformance, attractive valuations, investors' optimism that the global economy is starting to reopen and the Covid-19's vaccine developments.

Chart 6: MIMYDY40 Index Performance against Local Equity Markets in 2020



Sources: Bloomberg

The Fund's benchmark index, i.e MIMYDY40 Index, had a weak start to the year and reached its year-low of 2,004.43 points on 19 March after government announced an implementation of the Movement Control Order (MCO), which began on 18 March as investors feared the economic impact stemming from the lockdown. Bank Negara Malaysia (BNM) also introduced unprecedented forbearance of a 6-month blanket moratorium. The market rallied in the 2Q20 on the back of the announcement of stimulus packages by the governments across the world. US president Donald Trump signed the largest stimulus package in the country's history, amounting to USD2 trillion whilst Malaysia's prime minister unveiled a massive MYR250 billion fiscal stimulus package to rescue the Covid-19 battered economy. Meanwhile, BNM further cut OPR to a record low of 1.75% on 7 Jul (cumulative 125 basis points cut in 2020) as the country's economy continued to suffer from the pandemic and lockdowns. MIMYDY40 Index experienced a more volatile trading in the 3Q20 as daily new cases exploded after Sabah's state election, resulting in the government to re-impose conditional MCO to almost all states. MIMYDY40 Index closed the year at 2,862.90 points, translating to an increase of 15.02% year-on-year. Comparatively, MIMYDY40 Index was among the top performer for the year, outperforming local equity indices on the back of the strong performance from its key heavyweights particularly gloves stocks.

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

In Malaysia, GDP is expected to recover in 2021 and to grow in the range of 6.5%-7.5%, as almost all sectors are allowed to operate during MCO while households and businesses are able to adapt quickly to standard operating procedures. Budget 2021, which was expansionary in nature is expected to support businesses and the B40 segment remained the focus. The large allocation for development expenditure was a positive surprise. Against these backdrops, Malaysian equity market is expected to be positive in the near term. As such, MyETF-MMID which comprise of large and mid-cap stocks coupled with competitive dividend payout, can be an option for investors who seek growth and income opportunities.

TRUSTEE'S REPORT TO THE UNIT HOLDERS OF MyETF MSCI MALAYSIA ISLAMIC DIVIDEND

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

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

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

For Deutsche Trustees Malaysia Berhad

Ng Hon Leong
Head, Trustee Operations

Gerard Ang
Chief Executive Officer

Kuala Lumpur
16 February 2021

SHARIAH ADVISER'S REPORT TO THE UNIT HOLDERS OF MyETF MSCI MALAYSIA ISLAMIC DIVIDEND

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

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

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

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

For and on behalf of Shariah Adviser
Amanie Advisors Sdn Bhd

Datuk Dr. Mohd Daud Bakar
Executive Chairman
16 February 2021

STATEMENT BY THE MANAGER

I, Khairi Shahrin Arief Bin Baki, being a Director of the Manager, do hereby state that, in the opinion of the Manager, the financial statements set out on pages 26 to 55 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 31 December 2020 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.

KHAIRI SHAHRIN ARIEF BIN BAKI

For and on behalf of the Manager,
i-VCAP Management Sdn. Bhd.

Kuala Lumpur

16 February 2021

INDEPENDENT AUDITORS' REPORT TO THE UNIT HOLDERS OF MyETF MSCI MALAYSIA ISLAMIC DIVIDEND

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Our opinion

In our opinion, the financial statements of MyETF MSCI Malaysia Islamic Dividend ("the Fund") give a true and fair view of the financial position of the Fund as at 31 December 2020, and of its financial performance and its cash flows for the year then ended in accordance with Malaysian Financial Reporting Standards and International Financial Reporting Standards.

What we have audited

We have audited the financial statements of the Fund, which comprise the statement of financial position as at 31 December 2020, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 26 to 55.

Basis for opinion

We conducted our audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing. Our responsibilities under those standards are further described in the "Auditors' responsibilities for the audit of the financial statements" section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence and other ethical responsibilities

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

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

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONTINUED)

Our audit approach

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

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

Key audit matters

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

Key audit matters	How our audit addressed the key audit matters
<p>Valuation and existence of financial assets at fair value through profit or loss</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 RM 40,787,676.</p> <p>We focused on the valuation and existence of investments because investments represent the most significant element of the net asset value in the financial statements.</p>	<p>We have tested the valuation of the listed equity investments by agreeing the prices used in the valuation to independent third party sources. No misstatements were identified from our testing.</p> <p>We have tested the existence of the investment portfolio by agreeing the holdings for investments to an independent custodian confirmation.</p>

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

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONTINUED)

Information other than the financial statements and auditors' report thereon

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

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

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

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

Responsibilities of the Manager for the financial statements

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

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

Auditors' responsibilities for the audit of the financial statements

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

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

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONTINUED)

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

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

- (a) Identify and assess the risks of material misstatement of the financial statements of the Fund, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- (b) Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control.
- (c) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Manager.
- (d) Conclude on the appropriateness of the Manager's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Fund or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Fund to cease to continue as a going concern.
- (e) Evaluate the overall presentation, structure and content of the financial statements of the Fund, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONTINUED)

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

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

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

OTHER MATTERS

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

PRICEWATERHOUSECOOPERS PLT
LLP0014401-LCA & AF 1146
Chartered Accountants

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

Kuala Lumpur
16 February 2021

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

	<u>Note</u>	<u>2020</u> RM	<u>2019</u> RM
INVESTMENT INCOME			
Dividend income		1,198,321	1,502,669
Profit income from short term Shariah-compliant deposits		4,918	19,141
Net gain/(loss) on financial assets at fair value through profit or loss	9	6,587,195	(1,120,022)
		<u>7,790,434</u>	<u>401,788</u>
EXPENSES			
Management fee	4	(154,203)	(185,044)
Trustee's fee	5	(17,348)	(20,817)
License fee	6	(23,131)	(27,757)
Transaction costs		(78,723)	(66,951)
Auditors' remuneration		(16,400)	(15,984)
Tax agent's fee		(33,520)	(9,515)
Shariah adviser's fee		(6,087)	(6,501)
Purification of non Shariah-compliant income		(4,028)	(7,480)
Other expenses		(26,069)	(20,331)
		<u>(359,509)</u>	<u>(360,380)</u>
PROFIT BEFORE TAXATION		<u>7,430,925</u>	<u>41,408</u>
Taxation	7	-	-
NET PROFIT AFTER TAXATION AND TOTAL COMPREHENSIVE INCOME		<u><u>7,430,925</u></u>	<u><u>41,408</u></u>
Net profit after taxation is made up as follows:			
Realised amount		6,476,450	(636,278)
Unrealised amount		954,475	677,686
		<u><u>7,430,925</u></u>	<u><u>41,408</u></u>

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

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

	<u>Note</u>	<u>2020</u> RM	<u>2019</u> RM
ASSETS			
Cash and cash equivalents	11	132,671	248,300
Financial assets at fair value through profit or loss	9	40,787,676	43,526,077
Dividends receivable	10	87,566	57,749
Amount due from Manager		531,680	-
TOTAL ASSETS		41,539,593	43,832,126
LIABILITIES			
Management fee payable		14,137	15,248
Amount due to Trustee		1,590	1,715
Auditors' remuneration		16,400	16,400
Tax agent's fee		11,531	9,800
Shariah adviser's fee		1,625	440
Payables	12	23,312	39,810
TOTAL LIABILITIES		68,595	83,413
NET ASSET VALUE OF THE FUND		41,470,998	43,748,713
EQUITY			
Unit holders' capital		27,559,080	36,356,040
Retained earnings		13,911,918	7,392,673
NET ASSETS ATTRIBUTABLE TO UNIT HOLDERS	14	41,470,998	43,748,713
NUMBER OF UNITS IN CIRCULATION	14	31,200,000	39,200,000
NET ASSET VALUE PER UNIT		1.3292	1.1160

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

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

	Note	Unit holders' capital RM	Retained earnings RM	Total RM
Balance as at 1 January 2020		36,356,040	7,392,673	43,748,713
Total comprehensive income for the financial year		-	7,430,925	7,430,925
Distribution for the financial year ended 31 December 2019	8	-	(911,680)	(911,680)
Creation of units		2,028,760	-	2,028,760
Cancellation of units		(10,825,720)	-	(10,825,720)
Balance as at 31 December 2020		27,559,080	13,911,918	41,470,998
Balance as at 1 January 2019		44,625,800	8,532,545	53,158,345
Total comprehensive income for the financial year		-	41,408	41,408
Distribution for the financial year ended 31 December 2018	8	-	(1,181,280)	(1,181,280)
Cancellation of units		(8,269,760)	-	(8,269,760)
Balance as at 31 December 2019		36,356,040	7,392,673	43,748,713

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

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

	<u>Note</u>	<u>2020</u> RM	<u>2019</u> RM
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash used in purchase of investments		(23,697,057)	(18,977,833)
Proceeds from sales of investments		23,123,281	19,104,473
Dividends received		1,168,504	1,539,961
Profit from short-term Shariah-compliant deposits		4,918	19,141
Management fee paid		(155,314)	(187,816)
Trustee fee paid		(17,473)	(21,129)
License fee paid		(30,830)	(31,027)
Purification of non Shariah-compliant Income		(4,486)	-
Payment for other fees and expenses		(86,294)	(54,124)
Net cash generated from operating activities		305,249	1,391,646
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from creation of units	20	549,967	-
Payments for cancellation of units	20	(59,165)	(67,990)
Payment for income distribution	8	(911,680)	(1,181,280)
Net cash used in financing activities		(420,878)	(1,249,270)
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS		(115,629)	142,376
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE FINANCIAL YEAR		248,300	105,924
CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL YEAR	11	132,671	248,300

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

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

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

A BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS

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

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

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

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

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

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

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

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

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

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

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020 (CONTINUED)

B INCOME FROM SHARIAH-COMPLIANT FINANCIAL INSTRUMENTS

Profit Income

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

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

Dividend Income

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

Realised gain or loss on disposal of investments

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

C NON SHARIAH-COMPLIANT INCOME

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

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

D TAXATION

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

E CASH AND CASH EQUIVALENTS

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

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

F FINANCIAL ASSETS AND LIABILITIES

(i) Classification

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

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

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

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

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

(ii) Recognition and measurement

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

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

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

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

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

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

F FINANCIAL ASSETS AND LIABILITIES (CONTINUED)

(ii) Recognition and measurement (continued)

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

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

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

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

(iii) Impairment of financial assets

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

Significant increase in credit risk

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

Definition of default and credit-impaired financial assets

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

Quantitative criteria:

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

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

F FINANCIAL ASSETS AND LIABILITIES (CONTINUED)

(iii) Impairment of financial assets (continued)

Qualitative criteria:

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

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

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

Write-off

The Fund writes off financial assets, in whole or in part, when it has exhausted all practical recovery efforts and has concluded there is no reasonable expectation of recovery. The assessment of no reasonable expectation of recovery is based on unavailability of debtor's sources of income or assets to generate sufficient future cash flows to repay the amount. The Fund may write-off financial assets that are still subject to enforcement activity. Subsequent recoveries of amounts previously written off will result in impairment gains. There are no write-offs/recoveries during the financial year.

G AMOUNT DUE FROM/(TO) STOCKBROKERS

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

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

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

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

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's ("SC") Guidelines on Exchange-Traded Funds, investment positions are valued based on the last traded market price for the purpose of determining the net asset value per unit for creations and cancellations.

I PRESENTATION AND FUNCTIONAL CURRENCY

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

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

K DISTRIBUTION

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

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

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

L TRANSACTION COSTS

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

M REALISED AND UNREALISED PORTIONS OF PROFIT OR LOSS AFTER TAX

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

N CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS IN APPLYING ACCOUNTING POLICIES

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

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

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

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

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

1 INFORMATION ON THE FUND

The Exchange-Traded Fund (the “Fund”) was constituted under the name MyETF MSCI Malaysia Islamic Dividend pursuant to the execution of a trust deed dated 23 December 2013 and supplemental deeds dated 9 December 2016, 19 June 2017, 16 August 2018, 8 February 2019 and 13 September 2019 (the “Deed”) entered into between i-VCAP Management Sdn. Bhd. (the “Manager”) and Deutsche Trustees Malaysia Berhad (the “Trustee”).

The Fund was launched on 27 February 2014 and will continue its operations until terminated in accordance with Part 26 of the Deed.

The Fund is an Exchange-Traded Fund that is designed to provide investment results that closely correspond to the performance of the MSCI Malaysia IMI Islamic High Dividend Yield 10/40 Index (“Benchmark Index”) regardless of its performance. The Benchmark Index is a free-float adjusted, market capitalisation weighted, price return index representing securities of 16 to 30 leading Shariah-compliant Malaysian companies listed on Bursa Malaysia Securities Berhad as determined by MSCI Inc. All investments will be subjected to the SC Guidelines on Exchange-Traded Funds, the Deed and the objective of the Fund.

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

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

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

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

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

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

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

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

2 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

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

	Note	Amortised cost	Financial assets at fair value through profit or loss	Total
		RM	RM	RM
2020				
Cash and cash equivalents	11	132,671	-	132,671
Financial assets at fair value through profit or loss	9	-	40,787,676	40,787,676
Dividends receivable	10	87,566	-	87,566
Amount due from Manager		531,680	-	531,680
Total		751,917	40,787,676	41,539,593
2019				
Cash and cash equivalents	11	248,300	-	248,300
Financial assets at fair value through profit or loss	9	-	43,526,077	43,526,077
Dividends receivable	10	57,749	-	57,749
Total		306,049	43,526,077	43,832,126

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

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

Market risk

Price Risk

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

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

	2020 RM	2019 RM
Financial assets at fair value through profit or loss	<u>40,787,676</u>	<u>43,526,077</u>

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

2 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

Market risk (continued)

Price Risk (continued)

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

% Change in benchmark index	Benchmark index	Market value	Impact to profit after tax/NAV increase/(decrease)
<u>2020</u>			
		RM	RM
-10%	2,576.61	36,990,830	(3,796,846)
0%	2,862.90	40,787,676	-
10%	3,149.19	44,584,522	3,796,846
<u>2019</u>			
		RM	RM
-10%	2,240.24	39,465,789	(4,060,288)
0%	2,489.15	43,526,077	-
10%	2,738.07	47,586,364	4,060,288

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.

Profit rate risk

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

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

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

Credit/Default risk

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

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

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

2 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

Credit/Default risk (continued)

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 31 December is the carrying amount of the financial assets as set out below.

	Cash and cash equivalents	Dividends receivable	Amount due from Manager	Total
	RM	RM	RM	RM
<u>2020</u>				
Financial institutions				¶
– AAA	132,671	-	-	132,671
NR	-	-	531,680	531,680
Others	-	87,566	-	87,566
	<u>132,671</u>	<u>87,566</u>	<u>531,680</u>	<u>751,917</u>
<u>2019</u>				
Financial institutions	248,300	-	-	
– AAA				248,300
Others	-	57,749	-	57,749
	<u>248,300</u>	<u>57,749</u>	<u>-</u>	<u>306,049</u>

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 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.

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

3 CAPITAL AND LIQUIDITY RISK MANAGEMENT (CONTINUED)

	Within one month RM	One month to one year RM	Total RM
<u>2020</u>			
Management fee payable	14,137	-	14,137
Amount due to Trustee	1,590	-	1,590
Auditors' remuneration	-	16,400	16,400
Tax agent's fee	-	11,531	11,531
Shariah adviser's fee	-	1,625	1,625
Payables	-	23,312	23,312
	<u>15,727</u>	<u>52,868</u>	<u>68,595</u>
<u>2019</u>			
Management fee payable	15,248	-	15,248
Amount due to Trustee	1,715	-	1,715
Auditors' remuneration	-	16,400	16,400
Tax agent's fee	-	9,800	9,800
Shariah adviser's fee	-	440	440
Payables	-	39,810	39,810
	<u>16,963</u>	<u>66,450</u>	<u>83,413</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(b) of the Deed.

For the financial year ended 31 December 2020, the management fee was recognised at a rate of 0.4% (2019: 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.

5 TRUSTEE'S FEE

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

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

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

6 LICENSE FEE

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

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

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

7 TAXATION

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

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

	<u>2020</u> <u>RM</u>	<u>2019</u> <u>RM</u>
Profit before taxation	7,430,925	41,408
Tax at Malaysian statutory rate of 24% (2019: 24%)	1,783,422	9,938
Tax effect of:		
Investment income not subject to tax	(1,869,704)	(527,879)
Restriction on tax deductible expenses for exchange-traded funds	40,945	483,449
Expenses not deductible for tax purposes	45,337	34,492
	-	-

8 INCOME DISTRIBUTION

Distribution to unit holders is from the following sources:

	<u>2020</u> <u>RM</u>	<u>2019</u> <u>RM</u>
Undistributed net exempt income brought forward	911,680	1,181,280
Total amount of income distribution	911,680	1,181,280

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

8 INCOME DISTRIBUTION (CONTINUED)

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

<u>Distribution date (ex-date)</u>	<u>Cum-distribution RM</u>	<u>Distribution per unit RM</u>	<u>Ex-distribution RM</u>
<u>2020</u>			
11 March 2020	1.0873	0.0296	1.0577
<u>2019</u>			
11 March 2019	1.1357	0.0276	1.1081

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

<u>Distribution date (ex-date)</u>	<u>Cum-distribution RM</u>	<u>Total distribution amount RM</u>	<u>Ex-distribution RM</u>
<u>2020</u>			
11 March 2020	33,488,068	911,680	32,576,388
<u>2019</u>			
11 March 2019	48,608,394	1,181,280	47,427,114

Included in the above is an amount of RM911,680 distributed from previous financial year's undistributed net realised exempt income.

The first and final income distribution for the financial year ended 31 December 2019 of 2.96 sen per unit was declared on 25 February 2020 based on the financial position of the Fund as at 31 December 2019 with the ex-date of 11 March 2020 and entitlement date of 12 March 2020. The total amount of income distributed was RM911,680 based on 30,800,000 of the Fund's units in circulation, which was paid out to unit holders on 9 April 2020.

The first and final income distribution for the financial year ended 31 December 2018 of 2.76 sen per unit was declared on 21 February 2019 based on the financial position of the Fund as at 31 December 2018 with the ex-date of 11 March 2019 and entitlement date of 13 March 2019. The total amount of income distributed was RM1,181,280.00 based on 42,800,000 of the Fund's units in circulation, which was paid out to unit holders on 13 March 2019.

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

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

9 FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	<u>2020</u> RM	<u>2019</u> RM
Financial assets at fair value through profit or loss		
- Shariah compliant quoted securities - local	40,787,676	43,526,077
Net gain/(loss) on financial assets at fair value through profit or loss		
- Realised gain/(loss) on disposal	5,632,720	(1,797,708)
- Unrealised gain on changes in fair value	954,475	677,686
	6,587,195	(1,120,022)

Name of counter	Quantity Units	Aggregate cost RM	Market value RM	Percentage of NAV %
2020				
SHARIAH-COMPLIANT QUOTED SECURITIES				
Consumer Products & Services				
Fraser & Neave Holdings Bhd	58,400	1,897,893	1,873,472	4.52
Nestle Malaysia Bhd	13,900	2,009,497	1,930,710	4.66
QL Resources Bhd	296,550	1,243,058	1,719,990	4.15
Sime Darby Bhd	812,300	1,791,207	1,876,413	4.52
	1,181,150	6,941,655	7,400,585	17.85
Financial Services				
Syarikat Takaful Malaysia Keluarga Berhad	402,100	1,813,912	1,946,164	4.69
Health Care				
Hartalega Holdings Bhd	131,200	856,885	1,592,768	3.84
IHH Healthcare Bhd	346,900	1,951,204	1,907,950	4.60
Kossan Rubber Industries Bhd	301,200	1,865,433	1,355,400	3.27
KPJ Healthcare Berhad	1,423,400	1,320,606	1,423,400	3.43
Top Glove Corporation Bhd	530,700	3,184,702	3,247,884	7.83
	2,733,400	9,178,830	9,527,402	22.97
Industrial Products & Services				
Lotte Chemical Titan Holding Berhad	540,500	1,412,303	1,497,185	3.61
Scientex Bhd	143,500	1,176,679	1,819,580	4.39
	684,000	2,588,982	3,316,765	8.00

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

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

Name of counter	Quantity Units	Aggregate cost RM	Market value RM	Percentage of NAV %
2020 (CONTINUED)				
SHARIAH-COMPLIANT QUOTED SECURITIES (CONTINUED)				
Plantation				
Kuala Lumpur Kepong Bhd	81,100	1,789,061	1,920,448	4.63
Sime Darby Plantation Bhd	368,200	1,937,449	1,837,318	4.43
	449,300	3,726,510	3,757,766	9.06
Telecommunications & Media				
Maxis Bhd	767,200	4,329,347	3,874,360	9.34
Time DotCom Bhd	141,000	1,216,995	1,869,660	4.51
	908,200	5,546,342	5,744,020	13.85
Transportation & Logistics				
Westports Holdings Bhd	430,600	1,586,568	1,851,580	4.46
Utilities				
Petronas Gas Bhd	209,700	3,755,496	3,602,646	8.69
Tenaga Nasional Bhd	349,400	4,741,970	3,640,748	8.78
	559,100	8,497,466	7,243,394	17.47
TOTAL SHARIAH-COMPLIANT QUOTED SECURITIES	7,347,850	39,880,265	40,787,676	98.35
ACCUMULATED UNREALISED GAIN ON FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS				
		907,411		
TOTAL FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS		40,787,676		

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

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

Name of counter	Quantity Units	Aggregate cost RM	Market value RM	Percentage of NAV %
2019				
SHARIAH-COMPLIANT QUOTED SECURITIES				
Construction				
Gamuda Bhd	562,500	2,084,850	2,193,750	5.01
Kerjaya Prospek Group Bhd	362,800	473,744	475,268	1.09
	925,300	2,558,594	2,669,018	6.10
Consumer Products & Services				
Nestle Malaysia Bhd	14,700	2,163,765	2,160,900	4.94
QL Resources Bhd	290,300	1,666,873	2,360,139	5.40
Sime Darby Bhd	925,400	2,250,868	2,054,388	4.70
	1,230,400	6,081,506	6,575,427	15.04
Health Care				
Hartalega Holdings Bhd	397,100	1,753,982	2,176,108	4.97
IHH Healthcare Bhd	392,400	2,232,834	2,146,428	4.91
Kossan Rubber Industries Bhd	395,700	1,675,664	1,646,112	3.76
KPJ Healthcare Berhad	1,646,800	1,534,982	1,556,226	3.56
Supermax Corporation Bhd	835,966	1,195,363	1,161,993	2.66
	3,667,966	8,392,825	8,686,867	19.86
Industrial Products & Services				
Cahaya Mata Sarawak Bhd	676,200	2,038,786	1,534,974	3.51
Scientex Bhd	188,700	1,513,219	1,783,215	4.08
	864,900	3,552,005	3,318,189	7.59
Plantation				
Sime Darby Plantation Bhd	415,700	2,224,814	2,265,565	5.18
Property				
Matrix Concepts Holdings Bhd	1,058,500	2,072,302	2,021,735	4.62
Technology				
Vitrox Corporation Bhd	112,100	822,874	887,832	2.03
Telecommunications & Media				
Maxis Bhd	800,200	4,670,136	4,257,064	9.73
Time DotCom Bhd	233,900	1,945,914	2,156,558	4.93
	1,034,100	6,616,050	6,413,622	14.66

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

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

Name of counter	Quantity Units	Aggregate cost RM	Market value RM	Percentage of NAV %
2019 (CONTINUED)				
SHARIAH-COMPLIANT QUOTED SECURITIES (CONTINUED)				
Transportation & Logistics				
Westports Holdings Bhd	509,200	1,831,227	2,143,732	4.90
Utilities				
Petronas Gas Bhd	265,400	4,830,009	4,410,948	10.08
Tenaga Nasional Bhd	311,700	4,590,935	4,133,142	9.45
	577,100	9,420,944	8,544,090	19.53
TOTAL SHARIAH-COMPLIANT QUOTED SECURITIES	10,395,266	43,573,141	43,526,077	99.51
ACCUMULATED UNREALISED LOSS ON FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS				
		(47,064)		
TOTAL FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS		43,526,077		

10 DIVIDENDS RECEIVABLE

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

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

11 CASH AND CASH EQUIVALENTS

	2020 RM	2019 RM
Shariah compliant deposit with a licensed bank	102,314	239,697
Cash at bank – From Shariah-compliant income	25,316	996
Cash at bank – From non Shariah-compliant income	5,041	7,607
	<u>132,671</u>	<u>248,300</u>

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

11 CASH AND CASH EQUIVALENTS (CONTINUED)

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

	<u>2020</u> %p.a.	<u>2019</u> %p.a.
Shariah compliant deposit with a licensed bank	1.70	2.90

As at the end of financial year ended 31 December 2020, Shariah-compliant deposits with a licensed bank of the Fund have a weighted average maturity period of 5 days (2019: 4 days) and are denominated in Ringgit Malaysia.

12 PAYABLES

	<u>2020</u> RM	<u>2019</u> RM
Amount due to index licensor	6,461	14,160
Amount due to beneficial organisations (Note 13)	7,635	8,093
Payables	9,216	17,557
	<u>23,312</u>	<u>39,810</u>

13 AMOUNT DUE TO BENEFICIAL ORGANISATIONS

Amount due to beneficial organisations is the non Shariah-compliant income portion of dividends received and receivable as at 31 December. It comprises the following amounts:

	<u>2020</u> RM	<u>2019</u> RM
Cash at bank – non Shariah-compliant income	5,041	7,607
Dividends receivable – non Shariah-compliant income	2,594	486
	<u>7,635</u>	<u>8,093</u>

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

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

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

Net asset value attributable to unit holders is represented by:

	Note	2020 RM	2019 RM
Unit holders' contribution	(a)	27,559,080	36,356,040
Retained earnings		13,911,918	7,392,673
		<u>41,470,998</u>	<u>43,748,713</u>

(a) UNIT HOLDERS' CONTRIBUTION/UNITS IN CIRCULATION

	No. of Units	2020 RM	No. of Units	2019 RM
At beginning of the financial year	39,200,000	36,356,040	46,400,000	44,625,800
Creation during the financial year	1,600,000	2,028,760	-	-
Cancellation during the financial year	(9,600,000)	(10,825,720)	(7,200,000)	(8,269,760)
At the end of the financial year	<u>31,200,000</u>	<u>27,559,080</u>	<u>39,200,000</u>	<u>36,356,040</u>

15 TRANSACTIONS WITH BROKERS

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

Name of brokers	Value of trade RM	Percentage of total trades %	Brokerage fees RM	Percentage of total brokerage %
Maybank Investment Bank Bhd.	13,563,683	28.33	16,345	28.24
RHB Investment Bank Bhd.	13,506,097	28.21	16,262	28.10
Affin-Hwang Investment Bank Bhd.	10,637,585	22.22	12,818	22.14
CGS-CIMB Securities Sdn. Bhd.	10,171,269	21.24	12,456	21.52
	<u>47,878,634</u>	<u>100.00</u>	<u>57,881</u>	<u>100.00</u>

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

15 TRANSACTIONS WITH BROKERS (CONTINUED)

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

<u>Name of brokers</u>	<u>Value of trade</u>	<u>Percentage of total trades</u>	<u>Brokerage fees</u>	<u>Percentage of total brokerage</u>
	RM	%	RM	%
Maybank Investment Bank Bhd.	15,466,188	41.95	18,627	41.97
CGS-CIMB Securities Sdn. Bhd.	10,106,754	27.41	12,176	27.44
RHB Investment Bank Bhd.	9,827,612	26.66	11,814	26.62
MIDF Amanah Investment Bank Bhd.	902,979	2.45	1,084	2.44
BIMB Securities Sdn. Bhd.	564,644	1.53	677	1.53
	<u>36,868,177</u>	<u>100.00</u>	<u>44,378</u>	<u>100.00</u>

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>
i-VCAP Management Sdn. Bhd.	The Manager
Valuecap Sdn. Bhd. ("Valuecap")	Holding company of the Manager
Shareholders of Valuecap with significant influence on Valuecap	Shareholders of Valuecap

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

	<u>2020</u>		<u>2019</u>	
	<u>No. of Units</u>	<u>RM</u>	<u>No. of Units</u>	<u>RM</u>
The Manager	-	-	35,200	39,283
Valuecap	-	-	9,172,700	10,236,733
Shareholders of Valuecap	21,069,734	28,005,890	24,308,434	27,128,212
	<u>21,069,734</u>	<u>28,005,890</u>	<u>33,516,334</u>	<u>37,404,228</u>

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

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

17 MANAGEMENT EXPENSE RATIO (“MER”)

	<u>2020</u> %	<u>2019</u> %
MER	<u>0.72</u>	<u>0.63</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 goods and services tax on transaction costs)
H	=	Average net asset value of Fund calculated on daily basis

The average net asset value of the Fund for the financial year calculated on a daily basis is RM38,549,890 (2019: RM46,271,487).

18 PORTFOLIO TURNOVER RATIO (“PTR”)

	<u>2020</u>	<u>2019</u>
PTR (times)	<u>0.77</u>	<u>0.51</u>

PTR is derived from the following calculation:

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

where: total acquisition for the financial year = RM25,180,747 (2019: RM18,939,560)
total disposal for the financial year = RM34,416,878 (2019: RM27,928,095)

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

19 SEGMENT REPORTING

The Fund is designed to provide investment results that closely correspond to the performance of the Benchmark Index. The Manager attempts to achieve a tracking error of less than 3% between the net asset value of the Fund and the Benchmark Index.

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.

The Fund has a diversified unit holder population. However, as at 31 December 2020, there were 3 unit holders (2019: 3 unit holders) who held more than 10% of the Fund's NAV. The unit holdings were 36.50%, 20.16%, and 14.31% (2019: 38.61%, 23.40%, and 23.40%).

The investment objective of the Fund is to provide investments results that, before expenses, closely correspond to the performance of the MSCI Malaysia IMI Islamic High Dividend Yield 10/40 Index, regardless of its performance.

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

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:

	<u>2020</u> RM	<u>2019</u> RM
Creation		
- Fair value of benchmark index shares	1,478,793	-
- Cash component	549,967	-
	<u>2,028,760</u>	<u>-</u>
Cancellation		
- Fair value of benchmark index shares	10,766,555	8,201,770
- Cash component	59,165	67,990
	<u>10,825,720</u>	<u>8,269,760</u>

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

21 FAIR VALUES OF FINANCIAL INSTRUMENTS

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

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

An active market is a market in which 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.

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

21 FAIR VALUES OF FINANCIAL INSTRUMENTS (CONTINUED)

(i) Fair value hierarchy (continued)

The following table analyses within the fair value hierarchy the Fund's financial assets (by class) measured at fair value:

	<u>Level 1</u> RM	<u>Level 2</u> RM	<u>Level 3</u> RM	<u>Total</u> RM
<u>2020</u>				
Financial assets at fair value through profit or loss				
- Shariah compliant quoted securities	40,787,676	-	-	40,787,676
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
<u>2019</u>				
Financial assets at fair value through profit or loss				
- Shariah compliant quoted securities	43,526,077	-	-	43,526,077
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

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

- (ii) The carrying values of cash and cash equivalents, dividend receivables, amount due from Manager and all current liabilities are a reasonable approximation of the fair values due to their short-term nature.

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

22 SIGNIFICANT EVENT DURING THE FINANCIAL YEAR

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

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

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

Covid-19

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

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

23 SUBSEQUENT EVENTS AFTER THE FINANCIAL YEAR

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

ANALYSIS OF UNIT HOLDINGS

Summary of Unit Holders

As at 31 December 2020

	No. of unit holders	% of unit holders	No. of units held	% of units in circulation
Less than 100	5	4.42	57	0.00
100 - 1,000	56	49.56	25,109	0.08
1,001 - 10,000	33	29.20	158,600	0.51
10,001 - 100,000	13	11.50	535,700	1.74
100,001 to less than 5% of issued units	3	2.65	650,000	2.11
5% and above of issued units	3	2.65	29,430,534	95.55
TOTAL	113	100.00	30,800,000	100.00

PROFILE OF DIRECTORS OF THE MANAGER

DIRECTORS' PROFILE

Name:	Roslina Binti Abdul Rahman
Age:	52
Gender:	Female
Nationality:	Malaysian
Designation:	Chairman/Non-Independent Non-Executive Director
Qualifications:	Bachelor of Business Administration from Loyola Marymount University in Los Angeles and a Master of Business Administration from the Australia Graduate School of Management, University of New South Wales.
Working Experience and Occupation:	<p>Roslina Abdul Rahman was appointed to the Board of Directors of i-VCAP Management Sdn. Bhd. as Non-Independent Non-Executive Director on 1 August 2018. She is the Group Chief Executive Officer of Valuecap.</p> <p>Prior to joining Valuecap, Roslina was the Managing Director of Amundi Malaysia and Director of Amundi Islamic Malaysia. Roslina joined Amundi Malaysia in 2008, prior to which she held fund management roles at CIMB-Principal Asset Management from 2004 to 2008 and served across various units of AMMB Holdings Berhad – namely AmInvestment Management, Arab-Malaysian Merchant Bank/Arab-Malaysian Asset Management Berhad, and Arab-Malaysian Unit Trusts Berhad – from 1990 to 2004.</p>
Date Appointed to Board:	1 August 2018
Details of Membership of any Board Committee:	None
Directorship of other public companies and listed issuer:	None
Family relationship with any director and/or major shareholder of the Fund:	None
Conflict of interest with the Fund:	Roslina is the Managing Director and Group Chief Executive Officer of Valuecap Sdn. Bhd., holding company of the Manager.
List of convictions for offences within the past 5 years other than traffic offences and any public sanction or penalty imposed by the relevant regulatory bodies during the financial year:	None

DIRECTORS' PROFILE (continued)

Name:	Khairi Shahrin Arief Bin Baki
Age:	40
Gender:	Male
Nationality:	Malaysian
Designation:	Chief Executive Officer ("CEO") / Non-Independent Executive Director
Qualifications:	Bachelor of Business Administration from Universiti Putra Malaysia and Diploma in Investment Analysis from The Research Institute of Investment Analysts Malaysia (RIIAM).
Working Experience and Occupation:	<p>Khairi Shahrin was appointed as CEO of <i>i</i>-VCAP in January 2018 and bringing with him fourteen (14) years of experience in the capital market industry.</p> <p>Khairi Shahrin began his career with OSK Investment Bank in 2003 and later held various positions at various institutions which include Maybank Investment Bank, JP Morgan Securities and Citigroup Global Markets. He subsequently served as Senior Director & Head of Equity Dealing, MIDF Amanah Investment Bank prior to his appointment as CEO of <i>i</i>-VCAP.</p>
Date Appointed to Board:	11 January 2018
Details of Membership of any Board Committee:	None
Directorship of other public companies and listed issuer:	None
Family relationship with any director and/or major shareholder of the Fund:	None
Conflict of interest with the Fund:	Khairi is the CEO of <i>i</i> -VCAP of which is the Manager of the Fund.
List of convictions for offences within the past 5 years other than traffic offences and any public sanction or penalty imposed by the relevant regulatory bodies during the financial year:	None

DIRECTORS' PROFILE (continued)

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

DIRECTORS' PROFILE (continued)

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

None

Conflict of interest with the Fund:

None

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

None

Name: Mohd Asri Bin Awang

Age: 64

Gender: Male

Nationality: Malaysian

Designation: Independent Non-Executive Director

Qualifications: Bachelor of Arts from Macquarie University, Sydney

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

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

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

Date Appointed to Board: 1 January 2019

DIRECTORS' PROFILE (continued)

Details of Membership of any Board Committee: None

Directorship of other public companies and listed issuer: None

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

Conflict of interest with the Fund: None

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

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

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

DIRECTORS' TRAINING

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

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

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

TRUSTEE'S DELEGATE

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

SHARIAH ADVISER'S PROFILE

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

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

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

Shareholding

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

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

Experience as Adviser : The company is led by Datuk Dr. Mohd Daud Bakar and teamed by an active and established panel of consultants covering every aspect related to the Islamic banking and finance industry, both in Malaysia and the global market. Currently, the team comprises of eight (8) full-time consultants who represent dynamic and experienced professionals with a mixture of corporate finance, accounting, product development, Shariah law and education. Amanie has more than ten (10) years of experience in advisory role in capital markets including unit trust funds and funds management. As at 31 December 2020, Amanie has become the Shariah Adviser for more than 100 funds.

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

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

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

SHARIAH ADVISER'S PROFILE (*continued*)

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

Datuk Dr. Mohd Daud Bakar

Shariah Adviser / Executive Chairman

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

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

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

In 2016, he received the “**Award of Excellence for Outstanding Contribution for Shariah Leadership & Advisory**” at London Sukuk Summit Awards and “**Shariah Adviser Award**” at The Asset Triple A Islamic Finance Award. In 2014, he received the “Most Outstanding Individual” award by His Majesty, the King of Malaysia, in conjunction with the national-level Prophet Muhammad’s birthday. Under his leadership, Amanie Advisors received the “**Islamic Economy Knowledge Infrastructure Award**” at the Global Islamic Economy Summit, Dubai 2015, by His Highness Sheikh Mohammed bin Rashid Al Maktoum, Vice President and Prime Minister of the UAE and Ruler of Dubai, Oct 2015.

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

His first book entitled “**Shariah Minds in Islamic Finance: An Inside Story of A Shariah Scholar**” has won the “**Islamic Finance Book of the Year 2016**” by the Global Islamic Finance Award (GIFA) 2016. Then, his book on sukuk entitled “**An Insightful Journey to Emirates Airline Sukuk: Pushing The Boundaries of Islamic Finance**” has also won the “**Best Islamic Finance Case 2017**” by the GIFA 2017 in Kazakhstan.

His latest books include **Mindset Is Everything** (2019), **The Hard Truth Of Islamic Finance** (2019), **Ratiocination In Islamic Legal Theory** (2019), and **Corporate Matrimony** (2019), **Dukun Kegagalan** (2019), **Engsel Kehidupan** (2019) and **Sosialisasi Fekah Dalam Struktur Masyarakat** (2019).

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

SHARIAH ADVISER'S PROFILE (*continued*)

Suhaida Mahpot

Chief Executive Officer

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

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

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

OTHER INFORMATION

- There were no sanctions and/or penalties imposed on the Fund or its Manager by the relevant regulatory bodies during the financial year and up to the date of this report.
- There was no material litigation involving the Fund since the last annual balance sheet date.
- The amount of audit fees and non-audit fees incurred for the Financial Year 2019 for services rendered by PricewaterhouseCoopers PLT and PricewaterhouseCoopers Taxation Services Sdn. Bhd. (a company affiliated to the Auditor of the Fund) is RM16,400 and RM33,520 respectively.
- There was three (3) Board of Directors Meetings held in the Financial Year 2020.



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