

**MyETF MSCI SEA Islamic Dividend**

**Annual Report 2016**

Manager:

i-VCAP Management Sdn. Bhd. (792968-D)  
(A wholly owned subsidiary of Valuecap Sdn. Bhd.)



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## INTRODUCTION

MyETF MSCI SEA Islamic Dividend or MyETF-MSEAD is iVCAP's second style-based Shariah exchange traded fund ("ETF") introduced globally that aims to capture market alpha via investment in dividend yielding Shariah-compliant companies listed on the stock exchanges in Southeast Asia ("SEA"). As of the date of this annual report, the relevant stock exchanges are Bursa Securities, Singapore Exchange, The Stock Exchange of Thailand, Indonesia Stock Exchange and The Philippine Stock Exchange Inc. MyETF-MSEAD is designed to provide investment results that closely correspond to the performance of its Benchmark Index i.e. MSCI AC ASEAN IMI Islamic High Dividend Yield 10/40 Index ("MIISOD4P Index"). Structured as an ETF, MyETF-MSEAD is a liquid and cost efficient financial instrument for investors who wish to get potential periodic income and capital gain from the vast universe of companies of the SEA countries. MyETF-MSEAD was listed on the Main Market of Bursa Securities on 7 May 2015. The short name and stock number for MyETF-MSEAD are "METFSID" and "0825EA" respectively.

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

## FUND INFORMATION

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

Registered Address

Level 9, Block B, HP Towers  
No. 12 Jalan Gelenggang  
Bukit Damansara  
50490 Kuala Lumpur  
Malaysia  
Tel. No. +603 2093 7119  
Fax No. +603 2094 7119

Board of Directors

*(Please refer to pages 57-63 for profile of the Directors)*

Rosli Bin Abdullah

*Chairman/Independent Non-Executive Director*

*(appointed effective from 1 January 2016)*

Sharifatu Laila Binti Syed Ali

*Non-Independent Non-Executive Director*

Hassan Bin Ibrahim

*Independent Non-Executive Director*

Y.M. Tunku Afwida Binti Tunku A. Malek

*Independent Non-Executive Director*

Nik Amlizan Binti Mohamed

*Non-Independent Non-Executive Director*

*(appointed effective from 1 January 2016)*

Datuk Mohd. Nasir Bin Ali

*Independent Non-Executive Director*

*(appointed effective from 1 January 2016)*

Mahdzir Bin Othman

*Non-Independent Executive Director/Chief Executive Officer*

Company Secretary

Firdaus Bin Ahmad Radhi (LS 0009423)  
Level 9, Block B, HP Towers  
No. 12 Jalan Gelenggang  
Bukit Damansara  
50490 Kuala Lumpur  
Malaysia

Mirza Mohamad (MAICSA 7051997)

Level 9, Block B, HP Towers

No. 12 Jalan Gelenggang

Bukit Damansara

50490 Kuala Lumpur

Malaysia

*(appointed effective from 1 April 2016)*

## FUND INFORMATION (*continued*)

<b>Investment Committee</b> (Please refer to page 65 for profile of the Members)	: Y.M. Tunku Afwida Binti Tunku A. Malek <i>Chairman/Independent Member</i>  Hassan Bin Ibrahim <i>Independent Member</i>  Shaharin Bin Md. Hashim <i>Non-Independent Member</i>
<b>Trustee</b>	: 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.dtmdb@db.com
<b>Auditor of the Manager and the Fund</b>	: PricewaterhouseCoopers (AF 1146) Level 10, 1 Sentral Jalan Rakyat Kuala Lumpur Sentral PO Box 10192 50706 Kuala Lumpur Malaysia Tel. No. +603 2173 1188 Fax No. +603 2173 1288
<b>Tax Consultant</b>	: PricewaterhouseCoopers Taxation Services Sdn. Bhd. (464731-M) Level 10, 1 Sentral Jalan Rakyat Kuala Lumpur Sentral PO Box 10192 50706 Kuala Lumpur Malaysia Tel. No. +603 2173 1188 Fax No. +603 2173 1288
<b>Fund Accountant</b>	: Deutsche Bank (Malaysia) Berhad (312552-W) Level 20, Menara IMC 8, Jalan Sultan Ismail 50250 Kuala Lumpur Malaysia Tel. No. +603 2053 6788 Fax No. +603 2031 8710 Email dbkl.dfs@db.com Website www.db.com

## FUND INFORMATION *(continued)*

- Shariah Adviser** : CIMB Islamic Bank Berhad (671380-H)  
*(Please refer to pages 67-72 for corporate information, experience and details of the designated person for the Shariah Adviser)*  
13<sup>th</sup> Floor, Menara CIMB  
Jalan Stesen Sentral 2  
Kuala Lumpur Sentral  
50470 Kuala Lumpur  
Malaysia  
Tel. No. +603 2261 8888  
Fax No. +603 2261 0099
- Participating Dealers** : CIMB Bank Berhad (13491-P)  
13<sup>th</sup> Floor, Menara CIMB  
Jalan Stesen Sentral 2  
Kuala Lumpur Sentral  
50470 Kuala Lumpur  
Malaysia  
Tel. No. +603 2261 8888  
Fax No. +603 2261 8889
- RHB Investment Bank Berhad (19663-P)  
Level 3A, Tower One  
RHB Centre  
Jalan Tun Razak  
50400 Kuala Lumpur  
Malaysia  
Tel. No. +603 9200 2185  
Fax No. +603 9280 8967
- Index Provider** : DJI Opco, LLC  
c/o S&P Dow Jones Indices LLC  
55 Water Street  
New York, NY 10041  
United States of America  
Tel. No. 212-438-3544  
Fax No. 212-438-3523
- Share Registrar** : Symphony Share Registrars Sdn. Bhd. (378993-D)  
Level 6, Symphony House  
Pusat Dagangan Dana 1  
Jalan PJU 1A/46  
47301 Petaling Jaya  
Selangor  
Malaysia  
Helpdesk No. +603 7849 0777  
Fax No. +603 7841 8151 / 8152

## MANAGER'S REPORT

**For the Financial Period 1 January to 31 December 2016**

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

### 1. Investment Objective

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

### 2. Benchmark Index

The Benchmark Index, namely the MSCI AC ASEAN IMI Islamic High Dividend Yield 10/40 Index<sup>1</sup> is a free-float adjusted, market capitalisation weighted, price return index calculated, maintained and published by MSCI.

The Benchmark Index is designed as a performance benchmark for the high dividend-yielding segment of its Parent Index, the MSCI AC ASEAN IMI Islamic Index<sup>2</sup>. The Parent Index is a free-float adjusted market capitalisation weighted index that is designed to measure the equity market performance of selected South East Asia countries.

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<sup>1</sup> Previously known as MSCI South East Asia IMI Islamic High Dividend Yield 10/40 Index. In December 2016, MSCI Inc. has informed on the rebranding exercise for all its South East Asia-related indices to include the ASEAN trademark in the indices' names.

Following this exercise, MyETF-MSEAD's Benchmark Index, i.e. MSCI South East Asia IMI High Dividend Yield 10/40 Index has assumed a new name of MSCI AC ASEAN IMI Islamic High Dividend Yield 10/40 Index which took effect from 12 January 2017. The change of name however does not involve any change in the Benchmark Index's methodology, computation as well as the geographical exposure; and shall continue to be maintained and computed by MSCI. In addition, there is no change to the Fund's name, stock number and stock code pursuant to the change of name of the Fund's Benchmark Index.

<sup>2</sup> Previously known as MSCI South East Asia IMI Islamic Index. The name was changed due to the rebranding exercise for all MSCI's South East Asia-related indices to include the ASEAN trademark in the indices' names. The change took effect from 12 January 2017.

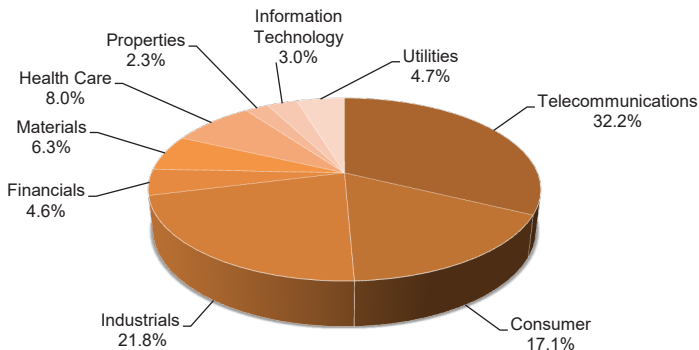
The Benchmark Index shall comprise up to 30 Shariah-compliant companies listed on the stock exchanges in South East Asia countries with dividend yields that are at least 30% higher than the Parent Index yield that are deemed both sustainable and persistent by MSCI.

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

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

Based on the latest quarterly review (as at 30 November 2016), the sector allocation of MIISOD40 Index based on MSCI sector classifications are as follows:

**Chart 1: Sector Classification – MSCI**

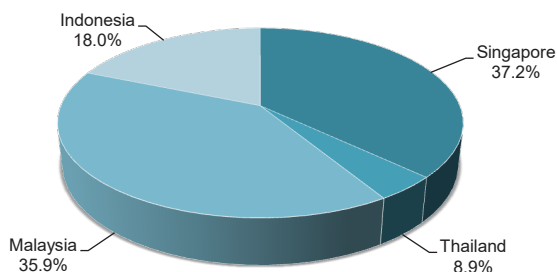


Sources: MSCI, i-VCAP



**Chart 2: Country Exposure**

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Sources: MSCI, i-VCAP

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### **3. Investment Strategy**

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

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

### **4. Fund Performance**

For Financial Year 2016, the Fund's NAV has met its investment objective of closely correspond the performance of the underlying benchmark, i.e. MIISOD40 Index. The tracking error of the Fund and the Benchmark Index on Price Return and Total Return basis were 1.38% and 1.11% respectively. In terms of NAV movement, the Fund's NAV per unit decreased by 1.11% to RM0.9277 from RM0.9381 at the end of the previous year while the Benchmark Index and Benchmark's Total Return Index increased by 0.38% and 4.44% respectively for the year.

MyETF-MSEAD's NAV had a weak start to the year, dropping sharply in January to reach its lowest level since inception of RM0.8539 and RM0.8500 respectively on 28 January. The Fund however, ascended gradually albeit intermittent volatilities before closing the year at RM0.9277. Meanwhile, the Fund's unit price traded on Bursa Securities closed the year at RM0.9320, representing a decrease of 0.11% for the year. As at end of December, total NAV of the Fund increased to RM49.40 million from RM19.59 million in 2015 due to net inflows (creation) that saw an increase in the Fund's units in circulation to 53 million units. The key statistics and comparative performance of the Fund as compared to the previous year are summarised as follows:

**Table 1: Key Statistics**

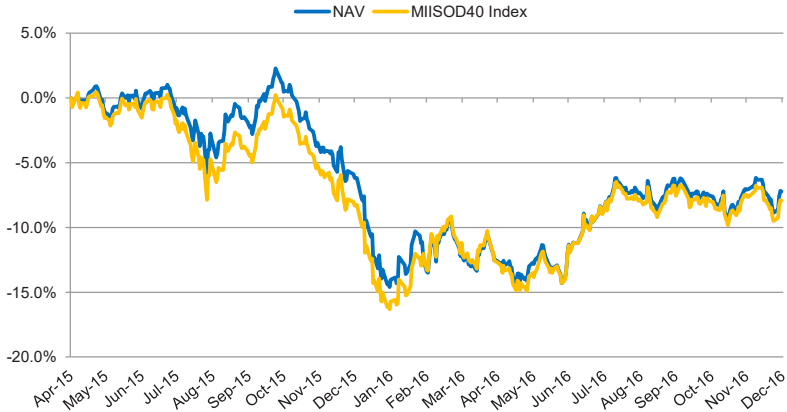
	As at 31-Dec-16	As at 31-Dec-15	Changes
NAV per unit (RM) #	0.9277	0.9381	(1.11%)
- Highest	0.9383 (8 Dec)	1.0228 (22 Oct)	
- Lowest	0.8539 (28 Jan)	0.9357 (21 Dec)	
<i>(During the period)</i>			
Price per unit (RM) #	0.9320	0.9330	(0.11%)
- Highest	0.9380 (11 Aug)	1.0150 (28 Oct)	
- Lowest	0.8500 (28 Jan)	0.9330 (31 Dec)	
<i>(During the period)</i>			
Units in Circulation	53,000,000	21,000,000	152.38%
Total NAV (RM)	49,168,342	19,699,942	149.59%
Market Capitalisation (RM)	49,396,000	19,593,000	152.11%
MIISOD40 Index	2,222.04	2,213.71	0.38%
MIISOD40 Total Return	3,661.88	3,506.08	4.44%
Tracking Error vs. Price Return MIISOD40 Index (%)*	1.38	1.35	
Tracking Error vs. Total Return MIISOD40 Index (%)*	1.11	0.94	
Management Expense Ratio (%)	1.04	1.40	

Sources: Bloomberg, i-VCAP

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

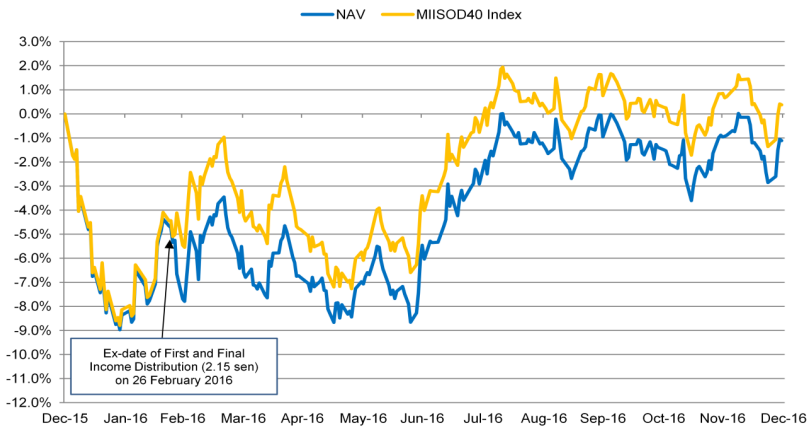
\* The tracking error (calculated since inception and on daily basis) between the NAV per unit of the Fund and the Price Return and Total Return Benchmark Index. The calculation was independently sourced from Novagni Analytics and Advisory Sdn. Bhd.

**Chart 3(a): Fund NAV Per Unit vs. Benchmark Index – Performance Since Inception**



Sources: Bloomberg, i-VCAP

**Chart 3(b): Fund NAV Per Unit vs. Benchmark Index – Performance in 2016**



Sources: Bloomberg, i-VCAP

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

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

	2016 (%)	2015 (%)
MyETF- MSEAD - NAV Price Return <sup>(a)</sup>	(1.11)	(6.19)
MIISOD40 - Price Return Index	0.38	(8.26)
MyETF- MSEAD - NAV Total Return <sup>(a)</sup>	1.32	(6.19)
MIISOD40 - Total Return Index	4.44	(4.81)

Sources: Bloomberg, i-VCAP

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

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

	3 Month (%)	Cumulative Returns <sup>(b)</sup>		
		6 Month (%)	1 Year (%)	Since Inception (%)
MyETF- MSEAD - NAV Price Return <sup>(a)</sup>	(0.15)	4.60	(1.11)	(7.23)
MIISOD40 - Price Return Index	(0.38)	3.91	0.38	(7.91)
MyETF- MSEAD - NAV Total Return <sup>(a)</sup>	(0.15)	4.60	1.32	(4.95)
MIISOD40 - Total Return Index	0.36	5.84	4.44	(0.58)

Sources: Bloomberg, i-VCAP

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

(b) Cumulative returns are up to 31 December 2016

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

	3 Month (%)	Average Returns <sup>(b)</sup>		
		6 Month (%)	1 Year (%)	Since Inception (%)
MyETF- MSEAD - NAV Price Return <sup>(a)</sup>	(0.60)	9.13	(1.11)	(4.31)
MIISOD40 - Price Return Index	(1.50)	7.76	0.38	(4.72)
MyETF- MSEAD - NAV Total Return <sup>(a)</sup>	(0.60)	9.13	1.32	(2.95)
MIISOD40 - Total Return Index	1.44	11.59	4.44	(0.35)

Sources: Bloomberg, i-VCAP

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

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

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

	2015
	<b>Final</b>
Income Distribution Per Unit (Sen)	2.15
Income Distribution Yield (%)*	3.70
Declaration Date	10 Feb 2016
Ex-Date	26 Feb 2016
Payment Date	29 Mar 2016
NAV Per Unit Before Ex-Date (RM)	0.8888
NAV Per Unit On Ex-Date (RM)	0.8757

Source: i-VCAP

\* Annualised figure based on market price on income distribution declared date.

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

The Benchmark Index is reviewed quarterly and rebalanced semi-annually and any changes to the constituents of the Benchmark Index will be implemented at the close of the last business day of May and November. Meanwhile, the Parent Index of MIISOD40 Index, the MSCI AC ASEAN IMI Islamic Index is reviewed quarterly (in February, May, August and November) and 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 and changes in the weightings of the Benchmark Index constituents. During the year, the Benchmark Index underwent four reviews which were in February, May, August and November. During the reviews, 17 stocks were removed while 26 stocks were included into the Fund. A summary of the changes are as follows:

**Table 3: List of Stock Inclusion and Exclusion in 2016**

	Stock Inclusions	Stock Exclusions
<b>1Q2016</b>	-	Advanced Info Service PCL Pharmaniaga Bhd Philippine Long Distance Telephone Company
<b>2Q2016</b>	Ara Asset Management Ltd Cahaya Mata Sarawak Bhd Carabao Group PCL-NVDR Comfortdelgro Corporation Ltd LPN Development PCL-NVDR Maxis Bhd MBM Resources Bhd MISC Bhd Petronas Gas Bhd PT Semen Indonesia Persero TBK PT Telekomunikasi Indonesia Persero TBK Siam Future Development PCL-NVDR Singapore Post Ltd V.S Industry Bhd Westport Holdings Bhd	Ichitan Group PCL-NVDR Keppel Corporation Ltd Padini Holdings Bhd Sembcorp Marine Ltd UMW Holdings Bhd Yangzijiang Shipbuilding Holdings Ltd
<b>3Q2016</b>	-	-
<b>4Q2016</b>	Bermaz Auto Bhd Hong Leong Industries Bhd Mega Lifesciences PCL-NVDR Padini Holdings Bhd PT Matahari Department Store TBK Riverstone Holdings Ltd Scientex Bhd Silverlake Axis Ltd Supermax Holdings Bhd Top Glove Corporation Bhd VGI Global Media PCL-NVDR	Cahaya Mata Sarawak Bhd Carabao Group PCL-NVDR LPN Development PCL-NVDR MBM Resources Bhd MC Group PCL-NVDR PT Semen Indonesia Persero TBK Siam Future Development PCL-NVDR Ta Ann Holdings Bhd

Sources: MSCI, i-VCAP

The Manager had undertaken rebalancing exercises during the reviews to ensure that the Fund's investment would be in line with the changes in the Benchmark Index. In terms of sectoral weightings, notable changes to the Fund's sector composition as compared to the previous year were the increase in Industrials from 17.53% to 21.75% while the weighting of Consumer decreased from 24.94% to 16.79% and Properties reduced from 6.62% to 2.27%. With regards to the inclusion of Petronas Gas Berhad, V.S Industry Berhad and Silverlake Axis Limited during the semi-annual reviews which were undertaken in May and November 2016, the Fund currently has exposure in the Utilities and Information Technology sector. Details of the Fund's key holdings, sector allocation as well as country exposure as at the end of the year are as follows:

**Table 4: Top Ten Holdings of the Fund as at 31 December 2016**

Stock	Country	% of NAV
1. PT Telekomunikasi Indonesia Persero TBK	Indonesia	9.44
2. Singapore Telecommunications Limited	Singapore	9.12
3. Singapore Press Holdings Limited	Singapore	6.30
4. Digi.Com Berhad	Malaysia	6.13
5. Comfortdelgro Corporation Limited	Singapore	5.77
6. Maxis Berhad	Malaysia	4.93
7. Petronas Gas Berhad	Malaysia	4.89
8. MISC Berhad	Malaysia	4.80
9. Westports Holdings Berhad	Malaysia	4.72
10. Singapore Post Limited	Singapore	4.72
<b>Total</b>		<b>60.82</b>

Sources: Bloomberg, i-VCAP

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

Sector	As at 31-Dec-16	As at 31-Dec-15	Change (%)
Telecommunications	32.10%	30.14%	1.96
Industrials	21.75%	17.53%	4.22
Consumer	16.79%	24.94%	(8.15)
Health Care	8.20%	7.28%	0.92
Materials	6.17%	8.42%	(2.25)
Utilities	4.89%	-	4.89
Financial	4.60%	3.99%	0.61
Information Technology	2.81%	-	2.81
Properties	2.27%	6.62%	(4.35)
Cash & Others	0.42%	1.08%	(0.66)

Sources: MSCI, i-VCAP

\* Based on MSCI classification

**Table 6: Country Exposure**

Country	As at 31-Dec-16	As at 31-Dec-15	Change (%)
Malaysia	40.00%	28.89%	11.11%
Singapore	37.00%	44.95%	(7.95%)
Indonesia	18.80%	4.76%	14.04%
Thailand	15.20%	15.48%	(0.28%)
Philippines	-	4.84%	(4.84%)

Sources: MSCI, i-VCAP

Details of the Fund's quoted Investments as at 31 December 2016 are as follows:

**Table 7: MyETF-MSEAD's Investment in Listed Equities**

	Country	Quantity (Units)	Market Value (RM)	Market Value as a percentage of Net Asset Value (%)
<b><u>Telecommunications</u></b>				
1. PT Telekomunikasi Indonesia Persero TBK	Indonesia	3,503,000	4,639,878	9.44
2. Singapore Telecommunications Limited	Singapore	395,782	4,485,496	9.12
3. Digi.Com Berhad	Malaysia	624,080	3,014,306	6.13
4. Maxis Berhad	Malaysia	405,500	2,424,890	4.93
5. M1 Limited	Singapore	200,360	1,219,351	2.48
			<b>15,783,921</b>	<b>32.10</b>
<b><u>Industrials</u></b>				
6. Comfortdelgro Corporation Limited	Singapore	370,000	2,837,660	5.77
7. MISC Berhad	Malaysia	321,100	2,360,085	4.80
8. Westports Holdings Berhad	Malaysia	540,100	2,322,430	4.72
9. Singapore Post Limited	Singapore	509,800	2,318,991	4.72
10. Riverstone Holdings Limited	Singapore	163,000	445,381	0.91
11. Hong Leong Industries Berhad	Malaysia	43,500	408,900	0.83
			<b>10,693,447</b>	<b>21.75</b>
<b><u>Consumer</u></b>				
12. Singapore Press Holdings Limited	Singapore	282,420	3,095,507	6.30
13. PT Matahari Department Store TBK	Indonesia	449,000	2,260,086	4.60
14. Thai Vegetable Oil PCL-NVDR	Thailand	222,050	1,126,197	2.29
15. Bermaz Auto Berhad	Malaysia	294,700	627,711	1.28
16. VGI Global Media PCL-NVDR	Thailand	892,000	625,549	1.27
17. Padini Holdings Berhad	Malaysia	203,000	517,650	1.05
			<b>8,252,700</b>	<b>16.79</b>
<b><u>Health Care</u></b>				
18. Top Glove Corporation Berhad	Malaysia	402,000	2,150,700	4.37
19. Religare Health Trust	Singapore	319,680	908,235	1.85
20. Mega Lifesciences PCL-NVDR	Thailand	159,000	502,767	1.02
21. Supermax Corporation Berhad	Malaysia	224,000	472,640	0.96
			<b>4,034,342</b>	<b>8.20</b>
<b><u>Materials</u></b>				
22. PT Indocement Tunggal Prakarsa TBK	Indonesia	441,350	2,261,972	4.60
23. Scientex Berhad	Malaysia	115,000	770,500	1.57
			<b>3,032,472</b>	<b>6.17</b>
<b><u>Utilities</u></b>				
24. Petronas Gas Berhad	Malaysia	112,800	2,402,640	4.89
			<b>2,402,640</b>	<b>4.89</b>
<b><u>Financial</u></b>				
25. Ara Asset Management Limited	Singapore	323,300	1,711,558	3.48
26. Syarikat Takaful Malaysia Berhad	Malaysia	132,740	549,544	1.12
			<b>2,261,102</b>	<b>4.60</b>
<b><u>Information Technology</u></b>				
27. Silverlake Axis Limited	Singapore	519,000	854,092	1.74
28. V.S Industry Berhad	Malaysia	374,200	527,622	1.07
			<b>1,381,714</b>	<b>2.81</b>
<b><u>Properties</u></b>				
29. UOA Development Berhad	Malaysia	320,740	753,739	1.53
30. Matrix Concepts Holdings Berhad	Malaysia	150,843	365,040	0.74
			<b>1,118,779</b>	<b>2.27</b>
			<b>48,961,117</b>	<b>99.58</b>

Sources: MSCI, i-VCAP

## **5. Distribution Policy**

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

Income distributions (if any) are expected to be made annually. The amount to be distributed will be at the discretion of the Manager. However, if the distribution available is too small or insignificant, any distribution may not be of benefit to the Unit Holders as the total cost to be incurred in any such distribution may be higher than the amount for distribution.

During the Financial Year under review, the Fund paid an income distribution amounted to RM430,000 in March 2016 in relation to the final distribution of 2.15 sen per unit for Financial Year Ended 2015 (declared in February 2016). For Financial Year Ended 2016, the Fund has announced the first and final income distribution of 2.34 sen per unit, to be paid to the unitholders in March 2017. The first and final income distribution amount is derived from the dividend income that the Fund received from its stocks investment holding and profit income in 2016.

## **6. Other Information**

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

## **7. Soft Dollar Commissions**

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

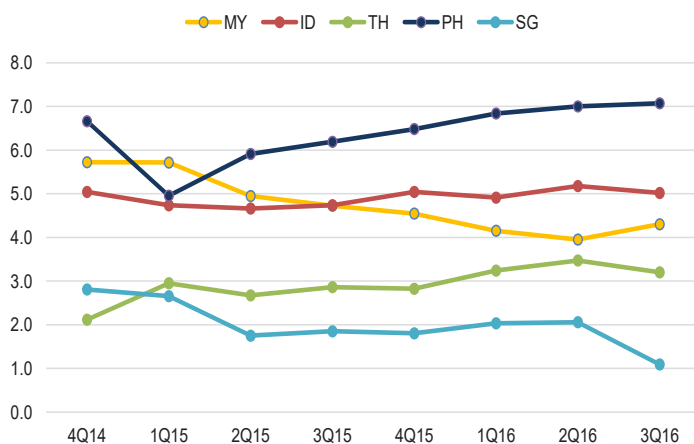
## **8. Market Review and Outlook**

The global economic growth remained subdued in 2016 mostly due to sustained weakness in trade activities. Key restraints in trade growth stemmed from investment slowdown, oversupply in the energy market, slower pace of trade liberalisation and the rise in protectionist measures. Such restraints have affected economic expansions in both, the advanced and developing countries. In addition to sluggish trade activities, the subpar growth in 2016 was also caused by negative sentiment triggered by the unexpected outcomes of key political events such as the UK referendum and the US election.



The US economy entered a soft patch in 2016 mainly attributed to the fall in oil prices and the stronger US dollar which hit the exporters and reduced external demand. Meanwhile, the economic growth in the Eurozone held steady at 1.7% in the first three quarters of 2016 supported by domestic demand despite fiscal consolidation remain a challenge for some member countries. In China, the economy grew at its slowest pace since the 1990s, albeit within the government's official target of 6.5-7% for 2016. Meanwhile, growth in the ASEAN-5 remained moderate in the third quarter, supported by a pick-up in consumption and investments that partly offset the weaker export performance. Among the member countries, growth in Thailand, Indonesia and Philippines were supported by robust domestic demand, given the government measures to boost investments while Malaysia and Singapore remain highly vulnerable to external factors as they are considered more open economies.

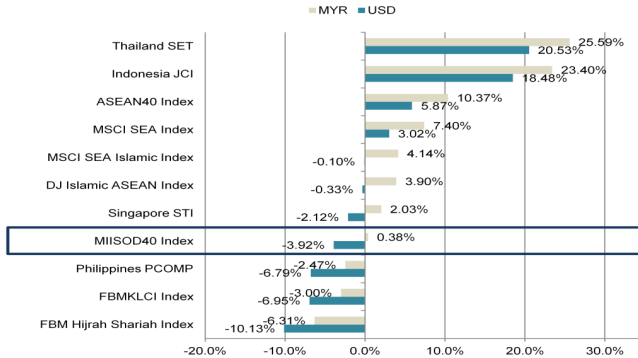
**Chart 4: ASEAN-5 GDP Growth Performance (Year-on-Year)**



Sources: Bloomberg, VCAP Research

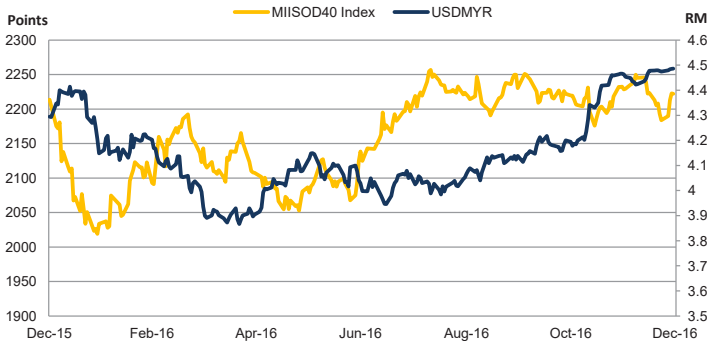
Against this backdrop of subdued global growth and ongoing external headwinds, capital markets endured a very turbulent year in 2016. Emerging equity markets, in particular, had a difficult start to the year, with sentiment hammered by the fears over China's economic slowdown, the slump in commodity prices and depreciation in the emerging market currencies. However, markets recovered again after the unexpected outcome of the Brexit referendum in the middle of the year which saw more capital inflows by investors into the emerging markets in search of higher yields given expectation of continued easing policies by major central banks. The real dramatic shift in sentiment came after the results of the US elections in November and the Federal Reserve's move to raise short-term interest rate for the first time in a year in December. This led to massive capital outflows from emerging markets and ASEAN region and a sharp depreciation of the ASEAN currencies; as investors expected US interest rates to rise at a faster rate than previously projected.

**Chart 5: ASEAN Equity Market Performance in 2016**



Sources: Bloomberg, VCAP Research

**Chart 6: MIISOD40 Index Performance in 2016**



Sources: Bloomberg, i-VCAP

The MIISOD40 Index trended downwards at the start of the year to touch its year low of 2,002.96 points on 29 January before recovering to 2,200 points in mid-March. It however suffered a pullback and continued its volatile trend until end-June. The MIISOD40 Index recovered in July to reach its year-high of 2,256.84 points in mid-August and traded within a tight range of 2,170 to 2,250 points until year-end. The MIISOD40 Index closed the year at 2,222.04 points, translating to a minimal increase of 0.38% year-on-year. On regional comparison, MIISOD40 Index which is priced in Ringgit lagged most of other major ASEAN big-cap indices. This was largely attributed to the weak performance of its Malaysian and Singaporean heavyweight stocks during the year.

Moving forward, trade activities are expected to undergo a modest recovery, given 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. The moderate recovery outlook underscores IMF's global growth projection of +3.4% in 2017 from +3.1% estimated in 2016. Meanwhile, the US economy is set to recover moderately over the next few years, given the expected fiscal spending and the likelihood for more rate hikes in 2017. In Eurozone, the ECB will continue with its asset buying program at least until December 2017. Key risks to the economic growth in 2017 can relate to political, policy and uncertainties, e.g. US administration stance on trade policies, Brexit negotiations and elections in Europe. As for China, the government is expected to drive growth through infrastructure stimulus and loosening property restrictions which may indirectly help to boost domestic demand.

Across ASEAN, GDP growth is likely to pick up at a moderate pace on the back of a modest recovery in external trade and investment. Public and private domestic demands are expected to improve modestly as infrastructure works are implemented. In Malaysia, the government expects growth to expand between 4.0-5.0% in 2017, similar to its estimates in 2016. In Indonesia, the IMF expects the economic growth to improve at 5.3% in 2017. In both cases, the slack in commodity exports previously is expected to subside, given the recovery in commodity prices. Growth in the Philippines is expected to improve, driven by a strong domestic demand while Singapore's growth is expected to trend up moderately as private investments rebound further. In Thailand, public investments and the gradual pick-up in private consumption and tourism, are expected to remain as its growth drivers. Based on these outlooks, central banks in the region are likely to maintain a relatively stable monetary policy whilst corporate earnings may see gradual improvement.

Given expectations of a moderate US recovery and a gradual increase in commodity prices are expected to be positive for emerging markets for 2017, investors may have a bias toward the more domestic demand-driven economies within ASEAN, such as Philippines, Thailand and Indonesia. Notwithstanding the uncertainties on capital flows, investors who have ASEAN region in their investment radar may consider MyETF-MSEAD in their portfolio, backed by the dividend yielding feature of its stock constituents that can provide downside support during uncertain market environment.

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

**Deutsche Bank**



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

Level 18-20, Menara IMC  
8 Jalan Sultan Ismail  
50250 Kuala Lumpur

Tel +603 2053 7522  
Fax +603 2053 7526

**TRUSTEE'S REPORT**

**TO THE UNITHOLDERS 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 2016. 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, the Securities Commission's Guidelines on Exchange-Traded Funds, the Capital Markets and Services Act 2007 and other applicable laws;
- (b) the valuation of the Fund has been carried out in accordance with the Deed of the Fund and applicable regulatory requirements; and
- (c) creation and cancellation of units for the Fund have been carried out in accordance with the Deed of the Fund and applicable regulatory requirements.

We are of the view that the distribution made during the financial year ended 31 December 2016 by the Manager is not inconsistent with the objectives of the Fund.

For Deutsche Trustees Malaysia Berhad

A handwritten signature in black ink, appearing to read 'Soon Lai Ching'.

**Soon Lai Ching**  
Senior Manager, Trustee Operations

A handwritten signature in black ink, appearing to read 'Mahesh Anchan'.

**Mahesh Anchan**  
Head, Trustee Operations

**13 Feb 2017**

Kuala Lumpur



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

We have acted as the Shariah Adviser of MyETF MSCI Sea Islamic Dividend (the "Fund") for the financial year ended 31 December 2016. 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, i-VCAP Management Sdn. Bhd. has managed and administered the Fund in accordance with the Shariah Investment Guidelines and complied with applicable guidelines, rulings or decisions issued by the Securities Commission Malaysia pertaining to Shariah matters for the financial year ended 31 December 2016.

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 of the Fund, as the body, and for no other purpose. 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  
**CIMB Islamic Bank Berhad**

A handwritten signature in black ink, appearing to read "AG", with a horizontal line drawn above it.

**ABDUL GHANI ENDUT**

Group Head, Shariah & Governance/Designated Person Responsible for Shariah Advisory

**13 Feb 2017**

CIMB Islamic Bank Berhad (671380-H)  
34th Floor Menara Bumiputra-Commerce No. 11 Jalan Raja Laut  
50350 Kuala Lumpur Malaysia / P O Box 10063 50704 Kuala Lumpur Malaysia  
Telephone +603 2619 1188 Facsimile +603 2691 3513 [www.cimb.com](http://www.cimb.com)

## STATEMENT BY THE MANAGER

I, Mahdzir Bin Othman, being a Director of the Manager, do hereby state that, in the opinion of the Manager, the financial statements set out on pages 28 to 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 2016 and of its results, changes in net assets attributable to unit holders and cash flows of the Fund for the financial year ended on that date in accordance with the Malaysian Financial Reporting Standards, International Financial Reporting Standards and the Securities Commission's Guidelines on Exchange-Traded Funds.



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**MAHDZIR BIN OTHMAN**

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

Kuala Lumpur  
23 February 2017

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

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

#### Our opinion

In our opinion, the financial statements of MyETF MSCI Sea Islamic Dividend ("the Fund") give a true and fair view of the financial position of the Fund as of 31 December 2016, 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 2016, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 28 to 54.

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

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

### REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

#### 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 matter	How our audit addressed the key audit matter
<p><b>Valuation and existence of financial assets at fair value through profit or loss</b></p> <p>Refer to Note F (Summary of significant accounting policies) Note 10 and Note 22 (Notes to the financial statements).</p> <p>The investment portfolio at the year-end comprised listed equity investments valued at RM 48,961,117.</p> <p>We focused on the valuation and existence of investments because investments represent the principal element of the net asset value in the financial statements.</p>	<p>We have tested the valuation of the listed equity investments by agreeing the prices used in the valuation to independent third party sources. No misstatements were identified by our testing.</p> <p>We have tested the existence of the investment portfolio by agreeing the holdings for investments to an independent custodian confirmation. No exceptions were identified.</p>



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

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

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

The Manager of the Fund is responsible for the other information. The other information comprises the Statement by Manager 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 intend to liquidate the Fund or to cease operations, or have no realistic alternative but to do so.

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

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

Auditors' responsibilities for the audit of the financial statements

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

As part of an audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing, we exercise professional 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 Fund's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Fund or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Fund to cease to continue as a going concern.
- (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.

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

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

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

We 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.

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 Manager 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 REPORTING RESPONSIBILITIES**

The supplementary information set out in Note 23 is disclosed to meet the requirement of Bursa Malaysia Securities Berhad and is not part of the financial statements. The Manager is responsible for the preparation of the supplementary information in accordance with Guidance on Special Matter No. 1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, as issued by the Malaysian Institute of Accountants ("MIA Guidance") and the directive of Bursa Malaysia Securities Berhad. In our opinion, the supplementary information is prepared, in all material respects, in accordance with the MIA Guidance and the directive of Bursa Malaysia Securities Berhad.

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

**OTHER MATTERS**

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

PRICEWATERHOUSECOOPERS  
(AF: 1146)  
Chartered Accountants

MANJIT SINGH A/L HAJANDER SINGH  
(02954/03/17 J)  
Chartered Accountant

Kuala Lumpur  
23 February 2017

**STATEMENT OF COMPREHENSIVE INCOME**  
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2016

	<u>Note</u>	<u>2016</u> RM	Financial period from 08.04.2015 (date of launch) to 31.12.2015 RM
<b>INVESTMENT INCOME</b>			
Gross dividend income		1,699,656	804,594
Profit from short term Shariah-compliant deposits		6,355	4,199
Net loss on financial assets at fair value through profit or loss	10	(181,833)	(1,670,582)
Net foreign exchange loss		(349,868)	(43,292)
		<u>1,174,310</u>	<u>(905,081)</u>
<b>EXPENSES</b>			
Management fee	4	(208,975)	(93,243)
Trustee's fee	5	(16,626)	(8,121)
License fee	6	(19,290)	(8,816)
Transaction cost		(97,067)	(44,389)
Auditors' remuneration		(15,580)	(15,220)
Tax agent's fee		(9,380)	(8,200)
Shariah adviser's fee		(8,000)	(6,000)
Purification of non Shariah-compliant income		(18,470)	(9,134)
Other expenses	7	(46,698)	(148,396)
		<u>(440,086)</u>	<u>(341,519)</u>
<b>PROFIT/(LOSS) BEFORE TAXATION</b>		734,224	(1,246,600)
Taxation	8	(23,724)	(27,258)
<b>PROFIT/(LOSS) AFTER TAXATION AND TOTAL COMPREHENSIVE INCOME/(LOSS) FOR THE FINANCIAL YEAR</b>		<u>710,500</u>	<u>(1,273,858)</u>
Profit/(loss) after taxation is made up as follows:			
Realised amount		(156,411)	90,379
Unrealised amount		866,941	(1,364,237)
		<u>710,500</u>	<u>(1,273,858)</u>

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

**STATEMENT OF FINANCIAL POSITION**  
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2016

	<u>Note</u>	<u>2016</u> <u>RM</u>	<u>2015</u> <u>RM</u>
<b>ASSETS</b>			
Financial assets at fair value through profit or loss	10	48,961,117	19,480,626
Dividends receivable	11	92,212	42,008
Cash and cash equivalents	12	205,728	242,039
<b>TOTAL ASSETS</b>		<u>49,259,057</u>	<u>19,764,673</u>
<b>LIABILITIES</b>			
Amount due to Manager		26,171	10,996
Amount due to Trustee		1,812	1,019
Auditors' remuneration		15,580	15,220
Tax agent's fee		9,380	8,200
Shariah adviser's fee		6,000	6,000
Payables	13	31,772	23,296
<b>TOTAL LIABILITIES</b>		<u>90,715</u>	<u>64,731</u>
<b>NET ASSET VALUE OF THE FUND</b>		<u>49,168,342</u>	<u>19,699,942</u>
<b>EQUITY</b>			
Unit holders' capital		50,161,700	20,973,800
Accumulated losses		(993,358)	(1,273,858)
<b>NET ASSETS ATTRIBUTABLE TO UNIT HOLDERS</b>	15	<u>49,168,342</u>	<u>19,699,942</u>
<b>NUMBER OF UNITS IN CIRCULATION</b>	15	<u>53,000,000</u>	<u>21,000,000</u>
<b>NET ASSET VALUE PER UNIT (RM)</b>		<u>0.9277</u>	<u>0.9381</u>

The accompanying 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 2016

	<b>Note</b>	<b>Unit holders' capital RM</b>	<b>Accumulated losses RM</b>	<b>Total RM</b>
Balance as at 1 January 2016		20,973,800	(1,273,858)	19,699,942
Total comprehensive income for the financial year		-	710,500	710,500
Distribution for the financial year ended 31 December 2015	9	-	(430,000)	(430,000)
Creation of units		30,056,400	-	30,056,400
Cancellation of units		(868,500)	-	(868,500)
Balance as at 31 December 2016		50,161,700	(993,358)	49,168,342
Balance as at 8 April 2015 (date of launch)		-	-	-
Total comprehensive loss for the financial period		-	(1,273,858)	(1,273,858)
Creation of units		21,985,200	-	21,985,200
Cancellation of units		(1,011,400)	-	(1,011,400)
Balance as at 31 December 2015		20,973,800	(1,273,858)	19,699,942

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

**STATEMENT OF CASH FLOWS**

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2016

	<u>Note</u>	<u>2016</u> RM	Financial period from 08.04.2015 (date of launch) to 31.12.2015 RM
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Cash used in purchase of investments		(55,794,919)	(16,550,475)
Proceeds from sales of investments		26,132,596	14,522,149
Dividends received		1,649,452	735,328
Profit from short term Shariah-compliant deposits		6,355	4,199
Management fee paid		(193,800)	(82,247)
Trustee fee paid		(15,833)	(7,102)
License fee paid		(18,373)	(3,002)
Purification of non Shariah-compliant income		(14,955)	(8,958)
Payment for other fees and expenses		(544,734)	(175,479)
Net cash (used in) operating activities		(28,794,211)	(1,565,587)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Proceeds from creation of units	21	30,056,400	2,819,026
Payments for cancellation of units	21	(868,500)	(1,011,400)
Payment for income distribution		(430,000)	-
Net cash generated from financing activities		28,757,900	1,807,626
<b>NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS</b>			
		(36,311)	242,039
<b>CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE FINANCIAL YEAR</b>			
		242,039	-
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL YEAR</b>			
	12	205,728	242,039

The accompanying 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 2016**

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

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

The financial statements of the Exchange-Traded Fund ("the Fund") have been prepared in accordance with Malaysian Financial Reporting Standards ("MFRS") and International Financial Reporting Standards ("IFRS").

The financial statements have been prepared under the historical cost convention, as modified by the 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 reported period. It also requires the Manager to exercise their judgement in the process of applying the Fund's accounting policies. Although these estimates and judgement are based on the Managers' best knowledge of current events and actions, actual results may differ.

Estimates and judgements 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.

The Fund makes estimates and assumption 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 Fund's results and financial position are tested for sensitivity to changes in the underlying parameters.

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

(i) Financial year beginning on/after 1 January 2017

- Amendments to MFRS 107 "Statement of Cash Flows - Disclosure Initiative" (effective from 1 January 2017) introduce an additional disclosure on changes in liabilities arising from financing activities.

This Fund will apply this standard when effective. This standard is not expected to have a significant impact on the Fund's financial statements.

**SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**  
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2016 (CONTINUED)

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

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

(ii) Financial year beginning on/after 1 January 2018

- MFRS 15 'Revenue from contracts with customers' (effective from 1 January 2018) replaces MFRS 118 'Revenue' and MFRS 111 'Construction contracts' and related interpretations. The core principle in MFRS 15 is that an entity recognises revenue to depict the transfer of promised goods or services to the customer in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services.

Revenue is recognised when a customer obtains control of goods or services, i.e. when the customer has the ability to direct the use of and obtain the benefits from the goods or services.

A new five-step process is applied before revenue can be recognised:

- Identify contracts with customers;
- Identify the separate performance obligations;
- Determine the transaction price of the contract;
- Allocate the transaction price to each of the separate performance obligations; and
- Recognise the revenue as each performance obligation is satisfied.

Key provisions of the new standard are as follows:

- Any bundled goods or services that are distinct must be separately recognised, and any discounts or rebates on the contract price must generally be allocated to the separate elements.
- If the consideration varies (such as for incentives, rebates, performance fees, royalties, success of an outcome etc), minimum amounts of revenue must be recognised if they are not at significant risk of reversal.
- The point at which revenue is able to be recognised may shift: some revenue which is currently recognised at a point in time at the end of a contract may have to be recognised over the contract term and vice versa.
- There are new specific rules on licenses, warranties, non-refundable upfront fees, and consignment arrangements, to name a few.
- As with any new standard, there are also increased disclosures.

**SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**  
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2016 (CONTINUED)

A BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS (CONTINUED)

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

- (ii) Financial year beginning on/after 1 January 2018 (continued)

- MFRS 9 "Financial Instruments" (effective from 1 January 2018) will replace MFRS 139 "Financial Instruments: Recognition and Measurement".

MFRS 9 retains but simplifies the mixed measurement model in MFRS 139 and establishes three primary measurement categories for financial assets: amortised cost, fair value through profit or loss and fair value through other comprehensive income ("OCI"). The basis of classification depends on the entity's business model and the cash flow characteristics of the financial asset. Investments in equity instruments are always measured at fair value through profit or loss with an irrevocable option at inception to present changes in fair value in OCI (provided the instrument is not held for trading).

A debt instrument is measured at amortised cost only if the entity is holding it to collect contractual cash flows and the cash flows represent principal and interest.

For liabilities, the standard retains most of the MFRS 139 requirements. These include amortised cost accounting for most financial liabilities, with bifurcation of embedded derivatives. The main change is that, in cases where the fair value option is taken for financial liabilities, the part of a fair value change due to an entity's own credit risk is recorded in other comprehensive income rather than the income statement, unless this creates an accounting mismatch.

MFRS 9 introduces an expected credit loss model on impairment that replaces the incurred loss impairment model used in MFRS 139. The expected credit loss model is forward-looking and eliminates the need for a trigger event to have occurred before credit losses are recognised.

The Fund will apply these standards when effective. The adoption of these standards and amendments are not expected to have significant impact on the results of the Fund.

**SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**  
**FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2016 (CONTINUED)**

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

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

Dividend income is recognised when the right to receive payment is established.

**C NON SHARIAH-COMPLIANT INCOME**

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

This non Shariah-compliant income is subject to an income purification process as determined by the Shariah Adviser from time to time and without limitation based on the impure ratio for each component stock. 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.

**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.

**F FINANCIAL ASSETS**

**(i) Classification**

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

Financial assets are designated at fair value through profit or loss when they are managed and their performance evaluated on a fair value basis.

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

**SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**  
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2016 (CONTINUED)

**F FINANCIAL ASSETS (CONTINUED)**

(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 are expensed in profit or loss.

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.

Unrealised gains or losses arising from changes in the fair value of the financial assets at fair value through profit or loss are presented in the statement of comprehensive income within 'net gain/(loss) on financial assets at fair value through profit and loss' in the period in which they arise.

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

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

If a valuation based on the market price does not represent the fair value of the 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.

Islamic deposits with licensed financial institutions are stated at cost plus accrued profit calculated in the effective profit method over the period from the date of placement to the date of maturity of the respective deposits, which is reasonable estimate of fair value due to the short-term nature of the deposits. Financing and receivables are subsequently carried at amortised cost using the effective profit rate method.

(iii) Impairment of financial assets

For assets carried at amortised cost, the Fund assesses at the end of the reporting year whether there is objective evidence that a financial asset or group of financial assets is impaired. A financial asset or a group of financial assets is impaired and impairment losses are incurred only if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a 'loss event') and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated.

**SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**  
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2016 (CONTINUED)

**F FINANCIAL ASSETS (CONTINUED)**

(iii) Impairment of financial assets (continued)

The amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective profit rate. The carrying amount of the asset is reduced and the amount of the loss is recognised in profit or loss. If the financial asset has a variable profit rate, the discount rate for measuring any impairment loss is the current effective profit rate determined under the contract. As a practical expedient, the Fund may measure impairment on the basis of an instrument's fair value using an observable market price.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised (such as an improvement in the debtor's credit rating), the reversal of the previously recognised impairment loss is recognised in profit or loss. When an asset is uncollectible, it is written off against the related allowance account. Such assets are written off after all the necessary procedures have been completed and the amount of the loss has been determined.

**G FINANCIAL LIABILITIES**

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

Financial liabilities, within the scope of MFRS 139, 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.

The current liabilities are recognised initially at fair value plus directly attributable transaction costs and subsequently measured at amortised cost using the effective interest method.

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

**H UNIT HOLDERS' CAPITAL**

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

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

**SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**  
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2016 (CONTINUED)

**H UNIT HOLDERS' CAPITAL (CONTINUED)**

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

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

**I FOREIGN CURRENCY**

(i) Functional and presentation currency

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

(ii) Transactions and balances

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

**J SEGMENT REPORTING**

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

**K NET GAINS/(LOSSES)**

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

**L DISTRIBUTION**

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

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2016

#### 1 INFORMATION ON THE FUND

The Exchange-Traded Fund (the "Fund") was constituted under the name MyETF MSCI SEA Islamic Dividend pursuant to the execution of a Master Deed dated 6 February 2015 and a Supplemental Deed dated 9 December 2016 (the "Deed") entered into between iVCAP Management Sdn. Bhd. (the "Manager") and Deutsche Trustees Malaysia Berhad (the "Trustee").

The Fund was launched on 8 April 2015 and commenced operations on 29 April 2015. The Fund will continue its operations until terminated in accordance with Part 26 of the Deed.

The Fund is an exchange-traded fund that is designed to provide investment results that closely correspond to the performance of the MSCI AC ASEAN IMI Islamic High Dividend Yield 10/40 Index ("Benchmark Index") regardless of its performance. The Benchmark Index is a free-float adjusted, market capitalisation weighted, price return index representing securities of 30 leading Shariah-compliant companies listed in the stock exchanges in South East Asia countries as determined by MSCI Inc. All investments will be subjected to the SC Guidelines on Exchange-Traded Funds, the Deed and the objective of the Fund.

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

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

These financial statements were authorised for issue by the Manager on 23 February 2017.

#### 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:

	Financing and receivables	Financial asset at fair value through profit or loss	Total
	RM	RM	RM
<b>2016</b>			
Financial assets at fair value through profit or loss	-	48,961,117	48,961,117
Dividends receivables	92,212	-	92,212
Cash and cash equivalents	205,728	-	205,728
<b>Total</b>	<b>297,940</b>	<b>48,961,117</b>	<b>49,259,057</b>
<b>2015</b>			
Financial assets at fair value through profit or loss	-	19,480,626	19,480,626
Dividends receivables	42,008	-	42,008
Cash and cash equivalents	242,039	-	242,039
<b>Total</b>	<b>284,047</b>	<b>19,480,626</b>	<b>19,764,673</b>



**NOTES TO THE FINANCIAL STATEMENTS**

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2016 (CONTINUED)

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

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

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

Market risk**(i) Price Risk**

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

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

	<b><u>2016</u></b> <b>RM</b>	<b><u>2015</u></b> <b>RM</b>
Financial assets at fair value through profit or loss	48,961,117	19,480,626

The table below summarises the sensitivity of the Fund's unrealized income or loss to equity price movements as at 31 December. The analysis is based on the assumptions that the MSCI AC ASEAN IMI Islamic High Dividend Yield 10/40 Index ("the Index") increased by 10% and decreased by 10%, with all other variables held constant, and that the fair value of the Fund's portfolio of equity securities moved according to their historical correlation with the Index.

% Change in benchmark index	Benchmark index	Impact to profit after	
		Market value	tax/NAV
		RM	RM
<b><u>2016</u></b>			
-10%	1,999.84	47,703,857	(1,257,260)
0%	2,222.04	48,961,117	-
10%	2,444.24	50,218,377	1,257,260
<b><u>2015</u></b>			
-10%	1,992.34	18,291,242	(1,189,384)
0%	2,213.71	19,480,626	-
10%	2,435.08	20,670,010	1,189,384

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

**NOTES TO THE FINANCIAL STATEMENTS**

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2016 (CONTINUED)

**2 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)**Market risk (continued)

## (ii) Currency risk

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

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

	<b>Financial assets at fair value through profit or loss</b>
	<b>RM</b>
<b><u>2016</u></b>	
SGD	17,876,271
IDR	9,161,936
THB	2,254,513
<b><u>2015</u></b>	
SGD	8,852,108
THB	3,050,133
IDR	937,617
PHP	952,488

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

**NOTES TO THE FINANCIAL STATEMENTS**

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2016 (CONTINUED)

**2 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)**Market risk (continued)

## (ii) Currency risk (continued)

	Change in foreign exchange rate %	Impact to profit or loss/NAV RM
<b><u>2016</u></b>		
SGD	+/- 6.25	+/- 1,117,267
IDR	+/- 7.32	+/- 670,654
THB	+/- 7.47	+/- 168,412
<b><u>2015</u></b>		
SGD	+/- 6.90	+/- 610,795
THB	+/- 7.39	+/- 225,405
IDR	+/- 8.86	+/- 83,073
PHP	+/- 7.46	+/- 71,056

Profit rate risk

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

Fair value profit rate risk is the risk that the value of a financial instrument will fluctuate due to changes in market profit rates.

The Fund's exposure to fair value profit rate risk arises from investment in money market instruments. The profit rate risk is expected to be minimal as the Fund's investments comprise mainly short term deposits with approved licensed financial institutions. The Fund is not exposed to cash flow profit rate risk as the Fund does not hold any financial instruments at variable profit rate.

**NOTES TO THE FINANCIAL STATEMENTS**

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2016 (CONTINUED)

**2 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)**Credit/Default risk

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

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

The 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.

	<b>Cash and cash equivalent RM</b>	<b>Dividends receivable RM</b>	<b>Total RM</b>
<b>2016</b>			
Financial institutions			
- AA1	65,014	-	65,014
- AAA	140,714	-	140,714
Others	-	92,212	92,212
	<u>205,728</u>	<u>92,212</u>	<u>297,940</u>
<b>2015</b>			
Financial institutions			
- AA1	33,777	-	33,777
- NR <sup>^</sup>	208,262	-	208,262
Others	-	42,008	42,008
	<u>242,039</u>	<u>42,008</u>	<u>284,047</u>

<sup>^</sup> Foreign financial institution that is locally incorporated (non-rated). However, its holding company is rated BBB+ by an international credit rating agency.

**3 CAPITAL AND LIQUIDITY RISK MANAGEMENT**

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

**NOTES TO THE FINANCIAL STATEMENTS**

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2016 (CONTINUED)

**3 CAPITAL AND LIQUIDITY RISK MANAGEMENT (CONTINUED)**

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.

	<b>Within one month RM</b>	<b>One month to one year RM</b>	<b>Total RM</b>
<b>2016</b>			
Amount due to Manager	26,171	-	26,171
Amount due to Trustee	1,812	-	1,812
Auditors' remuneration	-	15,580	15,580
Tax agent's fee	-	9,380	9,380
Shariah adviser's fee	-	6,000	6,000
Payables	1,679	30,093	31,772
	<u>29,662</u>	<u>61,053</u>	<u>90,715</u>
<b>2015</b>			
Amount due to Manager	10,996	-	10,996
Amount due to Trustee	1,019	-	1,019
Auditors' remuneration	-	15,220	15,220
Tax agent's fee	-	8,200	8,200
Shariah adviser's fee	-	6,000	6,000
Payables	721	22,575	23,296
	<u>12,736</u>	<u>51,995</u>	<u>64,731</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 2016, the management fee was recognised at a rate of 0.65% (2015: 0.65%) per annum on the NAV of the Fund, calculated on a daily basis.

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

**5 TRUSTEE'S FEE**

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

For the financial year ended 31 December 2016, the Trustee's fee was recognised at a rate of 0.045% (2015: 0.045%) per annum on the NAV of the Fund, subject to a minimum of RM12,000 per annum, inclusive of local custodian fee and excluding foreign custodian fee, calculated on a daily basis.

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

**NOTES TO THE FINANCIAL STATEMENTS**

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2016 (CONTINUED)

**6 LICENSE FEE**

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

For the financial year ended 31 December 2016, the License Fee was recognised at a rate of 0.06% (2015: 0.06%) per annum of the Net Asset Value ("NAV") of the Fund, calculated on a daily basis.

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

**7 OTHER EXPENSES**

	<b>2016</b>	<b>Financial period from 08.04.2015 (date of launch) to 31.12.2015</b>
	<b>RM</b>	<b>RM</b>
Printing cost	3,500	4,000
GST expense	25,209	16,066
Other expenses	17,989	128,330
	<u>46,698</u>	<u>148,396</u>

**8 TAXATION**

	<b>2016</b>	<b>Financial period from 08.04.2015 (date of launch) to 31.12.2015</b>
	<b>RM</b>	<b>RM</b>
Tax charged for the financial year:		
- Current taxation	<u>23,724</u>	<u>27,258</u>

**NOTES TO THE FINANCIAL STATEMENTS**

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2016 (CONTINUED)

## 8 TAXATION (CONTINUED)

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

	<b>2016</b> <b>RM</b>	<b>Financial period</b> <b>from 08.04.2015</b> <b>(date of launch)</b> <b>to 31.12.2015</b> <b>RM</b>
Profit/(loss) before taxation	734,224	(1,246,600)
Tax at Malaysian statutory rate of 24% (2015: 25%)	176,214	(311,650)
Tax effect of:		
Investment income not subject to tax	(246,733)	269,449
Effect of lower foreign tax rate	(23,958)	(15,920)
Restriction on tax deductible expenses for exchange-traded funds	48,986	54,119
Expenses not deductible for tax purposes	69,215	31,260
	<u>23,724</u>	<u>27,258</u>

**NOTES TO THE FINANCIAL STATEMENTS**

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2016 (CONTINUED)

**9 INCOME DISTRIBUTION**

Distribution to unit holders is from the following sources:

	<b>2016</b>	<b>Financial period</b>
	<b>RM</b>	<b>from 08.04.2015</b>
		<b>(date of launch)</b>
		<b>to 31.12.2015</b>
		<b>RM</b>
Undistributed net exempt income brought forward	430,000	-
Exempt dividend income	-	-
Profits from money market placements	-	-
	<u>430,000</u>	<u>-</u>
Less: Expenses		
Exempt non Shariah-compliant income	-	-
Fund related expenses	-	-
	<u>-</u>	<u>-</u>
Total amount of income distribution	<u>430,000</u>	<u>-</u>

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

<u>Distribution date (ex-date)</u>	<u>Cum-distribution</u>	<u>Distribution</u>	<u>Ex-distribution</u>
	<u>RM</u>	<u>per unit</u>	<u>RM</u>
		<u>RM</u>	
<b>2016</b>			
26 February 2016	0.8977	0.0215	0.8757

Included in the above is an amount of RM430,000 distributed from previous financial year's undistributed net realised exempt income.

The first and final income distribution for the financial year ended 31 December 2015 of 2.15 sen per unit was declared on 10 February 2016 based on the financial position of the Fund as at 31 December 2015 with the ex-date on 26 February 2016 and entitlement date on 1 March 2016. The total amount of income distributed was RM430,000 based on 20,000,000 of the Fund's units in circulation, which was paid out to unit holders on 29 March 2016.

There is no interim income distribution declared for the financial year ended 31 December 2016.

Subsequent to 31 December 2016, the first and final income distribution for the financial year ended 31 December 2016 of 2.34 sen per unit was declared on 13 February 2017 based on the financial position of the Fund as at 31 December 2016 with the ex-date of 1 March 2017 and entitlement date of 3 March 2017.



**NOTES TO THE FINANCIAL STATEMENTS**

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2016 (CONTINUED)

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

	<b><u>2016</u></b> <b>RM</b>	<b><u>2015</u></b> <b>RM</b>
Designated at fair value through profit or loss at inception		
- Quoted shares	48,961,117	19,480,626
	<u>                    </u>	<u>                    </u>
Net loss on financial assets at fair value through profit or loss		
- Realised loss	(1,048,743)	(306,917)
- Unrealised gain/(loss)	866,910	(1,363,665)
	<u>                    </u>	<u>                    </u>
	<u>(181,833)</u>	<u>(1,670,582)</u>

## 11 DIVIDENDS RECEIVABLE

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

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

## 12 CASH AND CASH EQUIVALENTS

	<b><u>2016</u></b> <b>RM</b>	<b><u>2015</u></b> <b>RM</b>
Shariah compliant deposits with a licensed bank	140,714	208,262
Cash at bank – From Shariah-compliant income	61,323	33,601
Cash at bank – From non Shariah-compliant income	3,691	176
	<u>                    </u>	<u>                    </u>
	<u>205,728</u>	<u>242,039</u>

**NOTES TO THE FINANCIAL STATEMENTS**

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2016 (CONTINUED)

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

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

	<u>2016</u> % p.a.	<u>2015</u> % p.a.
Shariah compliant deposits with a licensed bank	3.20	4.30

As at the end of financial year ended 31 December 2016, the Shariah-compliant deposit with a licensed bank of the Fund have a weighted average maturity period of 4 days (2015: 4 days) and are denominated in Ringgit Malaysia.

**13 PAYABLES**

	<u>2016</u> RM	<u>2015</u> RM
Amount due to index licensor	6,731	5,814
Amount due to beneficial organisations (Note 14)	3,691	176
Printing costs	3,500	4,000
Other payables	17,850	13,306
	<u>31,772</u>	<u>23,296</u>

**14 AMOUNT DUE TO BENEFICIAL ORGANISATIONS**

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

	<u>2016</u> RM	<u>2015</u> RM
Cash at bank – non Shariah-compliant income	3,691	176

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

**NOTES TO THE FINANCIAL STATEMENTS**

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2016 (CONTINUED)

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

Net asset value attributable to unit holders is represented by:

	<u>Note</u>	<u>2016</u> RM	<u>2015</u> RM
Unit holders' contribution	(a)	50,161,700	20,973,800
Accumulated losses		(993,358)	(1,273,858)
		<u>49,168,342</u>	<u>19,699,942</u>

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

	<u>2016</u>		<u>Financial period from 08.04.2015 (date of launch) to 31.12.2015</u>	
	<u>No. of Units</u>	<u>RM</u>	<u>No. of Units</u>	<u>RM</u>
At the beginning of the financial year/period	21,000,000	20,973,800	-	-
Creation during the financial year/period	33,000,000	30,056,400	22,000,000	21,985,200
Cancellation during the financial year/period	(1,000,000)	(868,500)	(1,000,000)	(1,011,400)
	<u>53,000,000</u>	<u>50,161,700</u>	<u>21,000,000</u>	<u>20,973,800</u>
At the end of the financial year/period				
Approved size of Fund	<u>500,000,000</u>		<u>500,000,000</u>	

**NOTES TO THE FINANCIAL STATEMENTS**

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2016 (CONTINUED)

**16 TRANSACTIONS WITH BROKERS**

Details of transactions with the brokers for the financial year ended 31 December 2016 are as follows:

<b><u>Name of brokers</u></b>	<b>Value of trade</b>	<b>Percentage of total trades</b>	<b>Brokerage fees</b>	<b>Percentage of total brokerage</b>
	<b>RM</b>	<b>%</b>	<b>RM</b>	<b>%</b>
CIMB Investment Bank Bhd.	32,573,033	39.76	39,205	39.79
Maybank Investment Bank Bhd.	27,738,635	33.86	33,337	33.82
BIMB Securities Sdn. Bhd.	13,593,556	16.59	16,312	16.57
RHB Investment Bank Bhd.	8,022,291	9.79	9,673	9.82
	<u>81,927,515</u>	<u>100.00</u>	<u>98,527</u>	<u>100.00</u>

Details of transactions with the brokers for the financial year ended 31 December 2015 are as follows:

<b><u>Name of brokers</u></b>	<b>Value of trade</b>	<b>Percentage of total trades</b>	<b>Brokerage fees</b>	<b>Percentage of total brokerage</b>
	<b>RM</b>	<b>%</b>	<b>RM</b>	<b>%</b>
Maybank Investment Bank Bhd.	18,418,935	60.79	17,283	54.60
CIMB Investment Bank Bhd.	8,798,178	29.04	10,669	33.71
RHB Investment Bank Bhd.	2,403,522	7.93	2,884	9.11
Alliance Investment Bank Bhd.	679,770	2.24	816	2.58
	<u>30,300,405</u>	<u>100.00</u>	<u>31,652</u>	<u>100.00</u>

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

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

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

**NOTES TO THE FINANCIAL STATEMENTS**

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2016 (CONTINUED)

**17 UNITS HELD BY THE MANAGER AND PARTIES RELATED TO THE MANAGER (CONTINUED)****(a) Units held by the Manager and parties related to the Manager**

	<b>2016</b>		<b>2015</b>	
	<b>No. of Units</b>	<b>RM</b>	<b>No. of Units</b>	<b>RM</b>
The Manager	214,100	198,621	250,000	234,525
Valuecap	44,503,300	41,285,711	10,515,300	9,864,403
Shareholders of Valuecap	2,000,000	1,855,400	2,000,000	1,876,200
	<u>46,717,400</u>	<u>43,339,732</u>	<u>12,765,300</u>	<u>11,975,128</u>

**(b) Transactions with Government-related entities**

Shareholders of Valuecap are entities controlled by the Government of Malaysia ("GOM"). Management considers that, for the purpose of MFRS 124 "Related Party Disclosures", GOM is in the position to exercise control over the Fund. As a result, the GOM and GOM-related entities (collectively referred to as "government-related entities") are related parties of the Fund.

The Fund has collectively, but not individually, entered into significant transactions with other government-related entities which include but not limited to the investment transactions and investment income of the Fund.

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

	<b>Financial period from 08.04.2015 (date of launch) to 31.12.2015</b>	
	<b>2016</b>	<b>2015</b>
	<b>%</b>	<b>%</b>
MER	0.99	1.40

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
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 RM32,283,335 (2015: RM21,197,245).

**NOTES TO THE FINANCIAL STATEMENTS**

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2016 (CONTINUED)

## 19 PORTFOLIO TURNOVER RATIO ("PTR")

	<b>Financial period from 08.04.2015 (date of launch) to 31.12.2015</b>	
	<b>2016</b>	
PTR (times)	1.29	1.19

PTR is derived from the following calculation:

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

Where: total acquisition for the financial year = RM55,794,919 (2015: RM35,743,593)  
 total disposal for the financial year = RM27,181,339 (2015: RM14,531,511)

The average net asset value of the Fund for the financial year calculated on a daily basis is RM32,283,335 (2015: RM21,197,245).

## 20 SEGMENT REPORTING

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

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

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

**NOTES TO THE FINANCIAL STATEMENTS**

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2016 (CONTINUED)

**21 NON CASH TRANSACTIONS**

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

	<b>2016</b> <b>RM</b>	<b>2015</b> <b>RM</b>
Creation		
- Fair value of benchmark index shares	-	19,166,174
- Cash component	30,056,400	2,819,026
	<u>30,056,400</u>	<u>21,985,200</u>
Cancellation		
- Fair value of benchmark index shares	-	-
- Cash component	868,500	1,011,400
	<u>868,500</u>	<u>1,011,400</u>

**22 FAIR VALUES OF FINANCIAL INSTRUMENTS**

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

The amendment MFRS 7 'Financial Instruments: Disclosures' requires the Fund to classify fair value measurement using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

- Quoted prices (unadjusted) in active markets 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 or liability that are not based on observable market data, (that is, unobservable inputs) (Level 3).

The level in fair value hierarchy within which the fair value measurement is categorized 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 requires judgement, considering factors specific to the asset or liability.

The Fund's financial asset designated as fair value through profit or loss is an investment whose values are based on quoted market prices in active markets, and therefore classified within Level 1.

**NOTES TO THE FINANCIAL STATEMENTS**

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2016 (CONTINUED)

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

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

	<b><u>Level 1</u></b> <b>RM</b>	<b><u>Level 2</u></b> <b>RM</b>	<b><u>Level 3</u></b> <b>RM</b>	<b><u>Total</u></b> <b>RM</b>
<b><u>2016</u></b>				
Financial assets at fair value through profit or loss	48,961,117	-	-	48,961,117
<b><u>2015</u></b>				
Financial assets at fair value through profit or loss	19,480,626	-	-	19,480,626

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

**23 SUPPLEMENTARY INFORMATION DISCLOSED PURSUANT TO BURSA MALAYSIA SECURITIES BERHAD LISTING REQUIREMENTS**

The following analysis of realised and unrealised retained profits/(accumulated losses) at the legal entity level is prepared in accordance with Bursa Malaysia Securities Berhad's Listing Requirements and the Guidance on Special Matter No. 1, "Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements", as issued by the Malaysian Institute of Accountants whilst the disclosure is based on the prescribed format by Bursa Malaysia Securities Berhad.

	<b><u>2016</u></b> <b>RM</b>	<b><u>2015</u></b> <b>RM</b>
Total accumulated losses of the Fund		
- Realised	(2,055,541)	1,905,075
- Unrealised	1,062,183	(3,178,933)
	<u>(993,358)</u>	<u>(1,273,858)</u>

The analysis between realised and unrealised above is prepared on a different basis as compared to the analysis of realised and unrealised as disclosed in the statement of comprehensive income.



## ANALYSIS OF UNIT HOLDINGS

### Summary of Unit Holders

*As at 31 January 2017*

	No. of unit holders	% of unit holders	No. of units held	% of units in circulation
Less than 100	8	1.27	300	0.00
100 - 1,000	259	41.18	168,400	0.32
1,001 - 10,000	278	44.20	1,424,700	2.69
10,001 - 100,000	76	12.08	2,412,900	4.55
100,001 to less than 5% of issued units	7	1.11	4,490,400	8.47
5% and above of issued units	1	0.16	44,503,300	83.97
<b>TOTAL</b>	<b>629</b>	<b>100.00</b>	<b>53,000,000</b>	<b>100.00</b>

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

### DIRECTORS' PROFILE

<b>Name:</b>	<b>Rosli Bin Abdullah</b>
<b>Age:</b>	64
<b>Nationality:</b>	Malaysian
<b>Designation:</b>	Independent Non-Executive Chairman (appointed as Chairman of the Company effective from 1 January 2016)
<b>Qualifications:</b>	Master in Business Administration from Universiti Kebangsaan Malaysia, Post-Graduate Diploma in Accounting and Bachelor in Economics (Honours) both from Universiti Malaya. Chartered Accountant and Member of Malaysian Institute of Accountants.
<b>Working Experience and Occupation:</b>	<p>Rosli is currently serving as a Director on the Boards of CapitaLand Malaysia Mall REIT Management Sdn. Bhd. (formerly known as CapitaMalls Malaysia REIT Management Sdn Bhd) ("CapitaLand REIT"), Dagang NeXchange Berhad (formerly known as Time Engineering Berhad) and Malaysia Airports Holdings Berhad and Group. The SC had in its letter dated 11 June 2012 approved an exemption from Clause 3.11(a) of the Guidelines on Real Estate Investment Trusts in respect of CapitaMalls REIT for Rosli to assume his directorship at the CapitaMalls REIT notwithstanding his directorship at iVCAP.</p> <p>Rosli was the Registrar of MIA for 5 years until 2012, where he also served as the CEO. He has served in various capacities in the public sector as the Chief Accountant of the Ministry of Works, Chief Accountant of the Ministry of Education, Chief Accountant of the Public Services Department (Pension Division), the Secretary to the Teachers Provident Fund, the Bursar of the University Putra Malaysia and the Director of Corporate Services, Accountant General Department, Ministry of Finance Malaysia. Subsequently, he joined the private sector and served as the Financial Controller / General Manager Finance of Kuala Lumpur International Airport Berhad and the Senior General Manager of Putrajaya Holdings Sdn Bhd (a company under the Petronas Group). He also served as an Adviser to the Economic Planning Unit of the Prime Ministers Department upon his retirement in 2008/2009.</p>
<b>Date Appointed to Board:</b>	16 December 2009
<b>Details of Membership of any Board Committee:</b>	None
<b>Directorship of other public companies:</b>	<ul style="list-style-type: none"> <li>CapitaLand Malaysia Mall REIT Management Sdn. Bhd. (formerly known as CapitaMalls Malaysia REIT Management Sdn. Bhd.)</li> <li>Dagang NeXchange Berhad (formerly known as Time Engineering Berhad)</li> <li>Malaysia Airports Holdings Berhad and Group</li> </ul>
<b>Family relationship with any director:</b>	None
<b>Conflict of interest with the Fund:</b>	None

## DIRECTORS' PROFILE *(continued)*

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

None

<b>Name:</b>	<b>Sharifatu Laila Binti Syed Ali</b>
<b>Age:</b>	55
<b>Nationality:</b>	Malaysian
<b>Designation:</b>	Non-Independent Non-Executive Director
<b>Qualifications:</b>	Master in Business Administration from Universiti Malaya and Bachelor of Science (Hons) from Universiti Kebangsaan Malaysia. Completed the Harvard Advanced Management Programme at Harvard Business School.
<b>Working Experience and Occupation:</b>	<p>Sharifatu Laila was appointed as CEO of Valuecap in 2002 and played a key role in the setting up of the company by the Malaysian Government then. She has extensive experience in the field of portfolio investments both in the domestic and regional environment. She was appointed Group CEO of Valuecap in 2015.</p> <p>Sharifatu Laila began her career in Permodalan Nasional Berhad's ("<b>PNB</b>") and later held various positions at the Employees Provident Fund ("<b>EPF</b>"), including Head of Treasury overseeing a portfolio of RM100 billion and subsequently Head of Equity, overseeing the pension fund's domestic and regional equity portfolios. She subsequently served as Head of Investment at Pilgrims Fund prior to her appointment as CEO of Valuecap. She holds a Capital Markets Services Representative License and also sits on the Board of VCAP Asset Managers Sdn Bhd, Valuecap's wholly-owned subsidiary.</p>
<b>Date Appointed to Board:</b>	10 October 2007
<b>Details of Membership of any Board Committee:</b>	None
<b>Directorship of other public companies:</b>	None
<b>Family relationship with any director:</b>	None
<b>Conflict of interest with the Fund:</b>	Sharifatu Laila is the Group CEO of Valuecap of which is a unit holder of the Fund.
<b>List of convictions for offences within the past 10 years other than traffic offences:</b>	None

## DIRECTORS' PROFILE *(continued)*

<b>Name:</b>	<b>Hassan Bin Ibrahim</b>
<b>Age:</b>	65
<b>Nationality:</b>	Malaysian
<b>Designation:</b>	Independent Non-Executive Director
<b>Qualifications:</b>	Bachelor of Laws from University of Singapore.
<b>Working Experience and Occupation:</b>	<p>Hassan established the firm of Messrs Hassan &amp; Associates in March 2007, focusing on corporate and conveyancing matters. Prior to that, he was a partner with Messrs Zainal Abidin &amp; Co. since 1989, with involvement in the same areas of specialisation. During his tenure with Messrs Zainal Abidin &amp; Co., he had attended to the preparation and completion of several project financing facility documents based on the Shariah principle of Al-Ijarah, Murabahah and Bai-Bithaman Ajil.</p> <p>He has over 10 years of experience serving Bank Pembangunan Malaysia Berhad from 1976 to 1988 in Project Evaluation and Investment functions. He is currently a Director of Syarikat Perumahan Negara Berhad.</p>
<b>Date Appointed to Board:</b>	2 November 2007
<b>Details of Membership of any Board Committee:</b>	Hassan is a member of the Board Audit and Risk Management Committee and of the Investment Committee.
<b>Directorship of other public companies:</b>	Syarikat Perumahan Negara Berhad & Group
<b>Family relationship with any director:</b>	None
<b>Conflict of interest with the Fund:</b>	None
<b>List of convictions for offences within the past 10 years other than traffic offences:</b>	None

## DIRECTORS' PROFILE *(continued)*

<b>Name:</b>	<b>Y.M. Tunku Afwida Binti Tunku A. Malek</b>
<b>Age:</b>	52
<b>Nationality:</b>	Malaysian
<b>Designation:</b>	Independent Non-Executive Director
<b>Qualifications:</b>	Bachelor in Science (Hons.) majoring in Economics and Accountancy from The City University (London). She also qualified as a Chartered Accountant from The Institute of Chartered Accountants in England and Wales and she is also a Member of the Malaysian Institute of Accountants.
<b>Working Experience and Occupation:</b>	<p>Tunku Afwida is currently a Director / Shareholder of Asia Equity Research Sdn Bhd, a licensed entity specializing in corporate finance advisory, supported by research capabilities in specific sectors, namely energy, infrastructure and plantation in selected emerging economies.</p> <p>She is currently an Independent Director of Exim Bank Berhad, Gamuda Berhad, Lafarge Malaysia Berhad and Telekom Malaysia Berhad. She had previously served as an Independent Director of Cagamas Berhad, Transnational Insurance Brokers Sdn Bhd and Unitar Berhad. Tunku Afwida had also served as CEO and Executive Director ("ED") of Kenanga Investment Bank Berhad (2006 to 2008), CEO and ED of MIMB Investment Bank Berhad (2003 to 2006) and ED / CIO of Commerce Asset Fund Managers Sdn Bhd (1995 to 2003).</p>
<b>Date Appointed to Board:</b>	17 July 2009
<b>Details of Membership of any Board Committee:</b>	Tunku Afwida is a member of the Board Audit and Risk Management Committee and a member and Chairman of the Investment Committee.
<b>Directorship of other public companies:</b>	<ul style="list-style-type: none"> <li>• Gamuda Berhad</li> <li>• Export-Import Bank of Malaysia Berhad</li> <li>• Lafarge Malaysia Berhad</li> <li>• Telekom Malaysia Berhad</li> </ul>
<b>Family relationship with any director:</b>	None
<b>Conflict of interest with the Fund:</b>	None
<b>List of convictions for offences within the past 10 years other than traffic offences:</b>	None

## DIRECTORS' PROFILE (continued)

<b>Name:</b>	<b>Nik Amlizan Binti Mohamed</b>
<b>Age:</b>	49
<b>Nationality:</b>	Malaysian
<b>Designation:</b>	Non-Independent Non-Executive Director (appointed as Director effective from 1 January 2016)
<b>Qualifications:</b>	Bachelor's Degree in Economics/Accounting from Claremont McKenna College, USA
<b>Working Experience and Occupation:</b>	<p>Nik Amlizan assumes her current role of Chief Investment Officer ("CIO") of Kumpulan Wang Persaraan (Diperbadankan) ("KWAP") in September 2014. Prior to the appointment, she was the Director/Head of Equity, a position she held since joining KWAP in 2007 before she became Senior Director, Equity in February 2014. Her current responsibilities include developing and overseeing investment functions for KWAP namely creation and implementation of investment organization, policies and procedures, performance matrix, recruitment of staff, development of asset allocation models, and formulating KWAP Fund Investment Strategies across all asset classes.</p> <p>She currently sits on the Board of Directors for Prima Ekuiti (UK) Limited, a wholly owned subsidiary of KWAP. She is also on the Board of Directors for Prestariang Berhad and serves as an Investment Committee Member of Metropolitan Retail JV (Jersey) Unit Trust.</p> <p>She has over 20 years of experience in the fund management industry. Her last position before she joined KWAP in 2007 was General Manager / Head of Equity (Shariah / Ethical) at RHB Asset Management Sdn. Bhd. She served as Head of Investment Research / Senior Portfolio Manager at Mayban Investment Sdn. Bhd. until 2001. She started her career in the fund management industry in 1994 when she joined BBMB Unit Trust management Sdn. Bhd. after a 2-year stint with Georgiou Incorporated, San Francisco, California, U.S.A.</p>
<b>Date Appointed to Board:</b>	1 January 2016
<b>Details of Membership of any Board Committee:</b>	None
<b>Directorship of other public companies:</b>	Prestariang Berhad
<b>Family relationship with any director:</b>	None
<b>Conflict of interest with the Fund:</b>	Nik Amlizan is the Chief Investment Officer of KWAP of which is a unit holder of the Fund.
<b>List of convictions for offences within the past 10 years other than traffic offences:</b>	None

## DIRECTORS' PROFILE (continued)

<b>Name:</b>	<b>Datuk Mohd. Nasir Bin Ali</b>
<b>Age:</b>	59
<b>Nationality:</b>	Malaysian
<b>Designation:</b>	Independent Non-Executive Director (appointed as Director effective from 1 January 2016)
<b>Qualifications:</b>	Bachelor of Economics from University of Malaya and Master of Science in Financial Studies from University of Strathclyde (United Kingdom).
<b>Working Experience and Occupation:</b>	<p>Datuk Mohd. Nasir Bin Ali was previously Group Executive Director with Utusan Melayu (Malaysia) Berhad. Other various positions held by him were Executive Director/Chief Executive Officer with Kuala Lumpur City Securities Sdn. Bhd., General Manager, Dealing &amp; Research with Mayban Securities Sdn. Bhd., Investment Manager with BBMB Unit Trust Management Berhad and Senior Financial &amp; Marketing Executive, Amanah Saham Nasional Berhad &amp; Investment Executive with Permodalan Nasional Berhad.</p> <p>Apart from his directorships on the boards of Plenitude Berhad and E.A. Technique (M) Berhad, he is also Chairman of ICB Islamic Bank Ltd and a Director on other non-listed companies.</p>
<b>Date Appointed to Board:</b>	1 January 2016
<b>Details of Membership of any Board Committee:</b>	Datuk Mohd. Nasir is a member and Chairman of the Board Audit and Risk Management Committee (appointed effective from 1 January 2016).
<b>Directorship of other public companies:</b>	<ul style="list-style-type: none"> <li>• Plenitude Berhad &amp; Group</li> <li>• E.A. Technique (M) Berhad</li> </ul>
<b>Family relationship with any director:</b>	None
<b>Conflict of interest with the Fund:</b>	None
<b>List of convictions for offences within the past 10 years other than traffic offences:</b>	None

## DIRECTORS' PROFILE (continued)

<b>Name:</b>	<b>Mahdzir Bin Othman</b>
<b>Age:</b>	49
<b>Nationality:</b>	Malaysian
<b>Designation:</b>	Non-Independent Executive Director / Chief Executive Officer
<b>Qualifications:</b>	Bachelor of Science (Hons.) in Finance from Northern Illinois University and Diploma in Accountancy from Universiti Teknologi MARA.
<b>Working Experience and Occupation:</b>	Mahdzir is currently the CEO and assumes the role of Chief Investment Officer ("CIO") of i-VCAP since December 2010. He is also a holder of Capital Market Services Representative's Licence. He was previously with Valuecap, which he joined in February 2003 as a Portfolio Manager before assuming the position of CIO in July 2006. Together with the stint in Valuecap, Mahdzir has more than 20 years of working experience in the asset management, financial and capital market services at various institutions which include SBB Asset Management Sdn. Bhd., Utama Merchant Bank Berhad, BBMB Unit Trust Management Berhad and Kassim Chan & Co.
<b>Date Appointed to Board:</b>	13 December 2010
<b>Details of Membership of any Board Committee:</b>	None
<b>Directorship of other public companies:</b>	None
<b>Family relationship with any director:</b>	None
<b>Conflict of interest with the Fund:</b>	Mahdzir is the CEO of i-VCAP of which is the Manager and unit holder of the Fund.
<b>List of convictions for offences within the past 10 years other than traffic offences:</b>	None



**Date of first appointment as Director and attendance of Board Meetings during 2016:**

<b><u>Name</u></b>	<b><u>Date First Appointed</u></b>	<b><u>Attendance</u></b>
<b>Rosli Bin Abdullah</b> (appointed as Chairman of the Company effective from 1 January 2016)	16 December 2009	7 of 7
<b>Sharifatu Laila Binti Syed Ali</b>	25 October 2007	7 of 7
<b>Hassan Bin Ibrahim</b>	2 November 2007	6 of 7
<b>Y.M. Tunku Afwida Binti Tunku A. Malek</b>	17 July 2009	5 of 7
<b>Nik Amlizan Binti Mohamed</b> (appointed as Director effective from 1 January 2016)	1 January 2016	7 of 7
<b>Datuk Mohd. Nasir Bin Ali</b> (appointed as Director effective from 1 January 2016)	1 January 2016	7 of 7
<b>Mahdzir Bin Othman</b>	13 December 2010	7 of 7

## INVESTMENT COMMITTEE MEMBER'S PROFILE

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

<b>Name:</b>	<b>Shaharin Bin Md. Hashim</b>
<b>Age:</b>	48
<b>Nationality:</b>	Malaysian
<b>Designation:</b>	Non-Independent Member of the Investment Committee
<b>Qualifications:</b>	Bachelor of Arts in Mathematics and Economics from University of Pennsylvania, Philadelphia, USA.
<b>Working Experience and Occupation:</b>	Shaharin is currently Head, Group Strategy and Markets of Valuecap. He joined Valuecap in 2005 and is involved in various strategic initiatives relevant to the Group. He has more than 20 years of working experience encompassing areas of analysis and policy and product research & development works in the Malaysian capital and financial markets through his various stints at Bank Negara Malaysia, Malaysian Technology Development Corporation and Bursa Malaysia Berhad.
<b>Date First Appointed to Investment Committee:</b>	18 February 2011
<b>Conflict of interest with the Fund:</b>	Shaharin is the Head, Group Strategy and Markets of Valuecap of which is a unit holder of the Fund".
<b>List of convictions for offences within the past 10 years other than traffic offences:</b>	None

**Date of first appointment on Investment Committee and attendance of Investment Committee Meetings for the Fund during 2016:**

<u>Name</u>	<u>Date First Appointed</u>	<u>Attendance</u>
Y.M. Tunku Afwida Binti Tunku A. Malek (Chairman)	17 July 2009	5 of 5
Hassan Bin Ibrahim	7 January 2008	5 of 5
Shaharin Bin Md. Hashim	18 February 2011	4 of 5

## SHARIAH ADVISER'S PROFILE

**Shariah Adviser** : CIMB Islamic Bank Berhad ("CIMB Islamic")  
Incorporated in Kuala Lumpur, Malaysia on 2 November 2004 as a public company (Co. No. 671380-H) under the Companies Act, 1965.

**Corporate Information** : Principal Activities  
CIMB Islamic is the global Islamic banking and finance franchise of CIMB Group Sdn. Bhd. ("CIMB Group"). Currently, CIMB Islamic provides Shariah-Compliant financial products and services in investment banking, consumer banking, asset management, private banking and takaful.

Shareholding

CIMB Islamic is 100% owned by CIMB Bank Berhad.

**Experience as Adviser** : CIMB Islamic provides advisory services on various Islamic banking and finance products to ensure compliance with applicable Shariah principles as well as the relevant resolutions and rulings made by the Shariah advisory councils of the regulatory bodies and CIMB Islamic Shariah Committee which is comprised of experienced and knowledgeable Shariah advisers with expertise in the field of Islamic law and jurisprudence and Islamic finance.

During the financial year, there were four (4) Shariah Committee meetings with regards to MyETF MSCI SEA Islamic Dividend ("the Fund").

**Designated Person** : In relation to Shariah, the designated person responsible for the Fund is Abdul Ghani Bin Endut who is Director, Head of Group Shariah and Governance, Group Islamic Banking Division of CIMB Group.

Abdul Ghani joined CIMB in January 2005 as Manager, Shariah Advisory Unit and the Secretary of CIMB Islamic Shariah Committee. Previously, he was attached to Shariah Department of the first Islamic bank in Malaysia for more than ten years. There he was the Head of the Shariah Department and the Secretary of the Shariah Supervisory Council. He was actively involved in Shariah advisory activities of the Bank and other external parties, in Retail, Commercial, Corporate Banking and Debt Capital Market. He was also involved in the structuring of Islamic Venture Capital and Shariah adviser to Islamic Unit Trusts.

He holds a Bachelor of Art (Hons.) in Business Studies from the University of East London, United Kingdom and a Bachelor of Art (Hons.) in Islamic Jurisprudence and Legislation from the University of Jordan.

He is now the Head of the Group Shariah and Governance which is responsible to provide the Shariah advisory for all type of Islamic products both to CIMB Group and external parties in asset & fund management, investment & corporate banking, retail & commercial banking, treasury & structured products, takaful, private equity etc. He is also involved in developing curriculum for industry owned institutes dedicated for human capital development in the Islamic finance industry such as Islamic Banking and Finance Institute of Malaysia (IBFIM), Asian Institute of Finance (AIF), etc. He is currently a member of Association of Islamic Banking Institutions Malaysia (AIBIM) Shariah Governance Committee and leads one of its sub-committees. He is also a member of one of the sub-committees of Association of Shariah Advisor in Islamic Finance (ASAS).

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

He is currently a member of Shariah Governance Working Group for the Islamic Financial Services Board (IFSB), an international standard-setting organisation that promotes and enhances the soundness and stability of the Islamic financial services industry by issuing global prudential standards and guiding principles for the industry, broadly defined to include banking, capital markets and insurance sectors.

He is also a moderator and Accreditation Panel Member for Finance Accreditation Agency (FAA)'s Learning Standards. FAA is an international and independent quality assurance and accreditation body for the financial services industry supported by Bank Negara Malaysia and Securities Commission, Malaysia.

CIMB Islamic is backed by its own respective Shariah Committee comprises of the following members:

- **Sheikh Associate Professor Dr. Mohamed Azam Mohamed Adil (Chairman)**

*Deputy Chief Executive Officer ("CEO") cum Principal Fellow of the International Institute of Advanced Islamic Studies (IAIS) Malaysia.*

Sheikh Associate Professor Dr. Mohamed Azam, has been appointed as Independent Director of CIMB Islamic Bank Berhad on 5 November 2014 and is the Chairman of the Group Shariah Committee. He currently serves as Deputy CEO cum Principal Fellow of the International Institute of Advanced Islamic Studies (IAIS) Malaysia.

He began his career as a lecturer at Universiti Teknologi MARA (UiTM), Shah Alam, Malaysia since 1990 and was later promoted to Associate Professor in 2008. He held several administration posts in UiTM, where he was the Head of Islamic Studies Unit, Centre for Preparatory Studies from 1997 until 2001, the Coordinator for Minor and Elective Programmes at ACIS from 2006 until 2011 and later became the Head of Programme for Minor, Elective and Postgraduate Studies from 2011 until 2012.

He is also a Fellow of the Accounting Research Institute (ARI) and Institute of Zakat Studies, UiTM and member of the Research Ethics Committee, UiTM. He sits on the Selangor Religious Council (MAIS) Legal Committee, Shari'ah Community of Attorney General Chambers and on several Editorial Boards such as Shari'ah Journal, University of Malaya, Global Journal of al-Thaqafah, Kolej Universiti Sultan Azlan Shah, Jurnal Fikrah, UiTM and ESTEEM Journal, UiTM, Penang.

He was appointed on the panel of the Industrial Court of Malaysia from 2007 until 2009, and was awarded the Fulbright Visiting Award by the Council for International Exchange of Scholars (CIES), Washington, DC, USA in 2007. He is currently the President, Academy of Islamic Studies, University of Malaya's Alumni (ALIM).

He obtained his Bachelor degree in Shariah and Law from the University of Malaya, and his Master of Laws (LLM) and PhD degrees from the School of Oriental and African Studies (SOAS), University of London.

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

- **Sheikh Professor Dr. Mohammad Hashim Kamali**

*Founding Chief Executive Officer ("CEO") of the International Institute Of Advanced Islamic Studies (IAIS) Malaysia.*

Sheikh Professor Dr. Mohammad Hashim Kamali is the Founding CEO of the International Institute of Advanced Islamic Studies (IAIS) Malaysia. He was Professor of Islamic Law and Jurisprudence at the Ahmad Ibrahim Kulliyah of Laws, International Islamic University, Malaysia (1985-2004), and also Dean of the International Institute of Islamic Thought and Civilisation (ISTAC) from 2004 to 2006.

He serves on the advisory boards of 13 local and international academic journals; addressed over 200 national and international conferences, and has published 28 books and over 170 academic articles. He is Senior Fellow of the following: Royal Academy of Jordan; Institute of Advanced Study Berlin and Afghanistan Academy of Sciences.

His works have been translated into Bahasa Malaysia, Bahasa Indonesia, Farsi, Pashto, Dari, Arabic, Bengali, Bosnian, German, Italian, Turkish and Japanese. He is listed in a number of leading Who's Who in the world. He holds a 1st Class, BA Honours degree in Law and Political Science from Kabul University, Afghanistan, LLM degree from the London School of Economics, England and a PhD in Islamic Law from the School of Oriental & African Studies, University of London, England.

- **Sheikh Yang Amat Arif Dato' Dr. Haji Mohd Na'im Bin Haji Mokhtar**

*Chief Judge of Selangor Syariah Court.*

Sheikh Yang Amat Arif Dato' Dr. Haji Mohd Na'im Bin Haji Mokhtar is a Malaysian, is the Chief Judge of Selangor Syariah Court. He served as a lecturer at Ahmad Ibrahim Kulliyah of Laws, International Islamic University, Malaysia from 1990 to 1997. He then joined Messrs. Zulkifli Yong, Azmi & Co as a Shariah Lawyer before being appointed as a Shariah Judge in 1998. He was also assigned as a Research Officer at the Malaysian Shariah Judiciary Department, Prime Minister's Department from 2003 to 2004 as well as Shariah Subordinate Court Judge for Federal Territory from 2007 to 2008 and Shariah Prosecutor for Federal Territory in 2008. In 2009 he served as Director, Family Support Division at Department of Syariah Judiciary of Malaysia before being elevated as Chief Syarie Judge of Selangor.

He also served as Visiting Fellow, Islamic Legal Studies Program at Harvard Law School, Harvard University, USA and as Chevening Visiting Fellow, Oxford Centre for Islamic Studies, Oxford University in 2008/2009.

He received his Bachelor in Laws (LLB) degree from International Islamic University, Malaysia (IIUM), Master of Laws (LLM) from University of London, United Kingdom and PhD in Shariah from National University of Malaysia. He also holds a Diploma in Shariah Law & Practice and a Diploma in Administration & Islamic Judiciary both from Islamic International University, Malaysia (IIUM).

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

- **Sheikh Associate Professor Dr. Shafaai Bin Musa**

*Chairman of Sun Life Malaysia Takaful Berhad Shariah Committee.*

Associate Professor Dr. Shafaai Musa is a Malaysian, currently attach at Ahmad Ibrahim Kuliyyah of Laws, IIUM. He is also the Chairman of Sun Life Malaysia Takaful Berhad Shariah Committee. He has more than 15 years of experience in teaching Islamic law and jurisprudence and wrote several researches and articles. He also served as a member of Shariah Expert Panel for the Department of Islamic Development Malaysia since 2005.

He formerly served as Chief Executive Officer at Johor Institute of Integrity, Leadership and Training (IKLAS), Executive Director, Centre for Continuing Education International Islamic University Malaysia and Chief Executive Officer, International Islamic College cum Chief Executive Officer, International Islamic University Malaysia Higher Education Sdn. Bhd.

He received his Bachelor's Degree in Shariah from University of Al-Azhar, Egypt, a Master's Degree in Comparative Laws from IIUM and Ph.D. from Glasgow Caledonian University, United Kingdom.

- **Sheikh Dr. Nedham Yaqoobi**

*Independent Shariah Adviser.*

Sheikh Dr. Nedham Yaqoobi is a Bahrain national and is a renowned Shariah scholar. He sits on various Shariah boards of Islamic banking and Financial Institutions globally including the Dow Jones Islamic Market Indexes (DJIM), the Accounting and Auditing Organization for Islamic Financial Institutions (AAOIFI) and the International Islamic Financial Market (IIFM). He is the author of several articles and publications on Islamic finance and other sciences, in English and Arabic.

He was educated in the classical Shariah in his native Bahrain and in Makkah under the guidance of eminent scholars, including Sheikh Abdulla al-Farisi, Sheikh Yusuf al-Siddiqi, Sheikh Muhammed Saleh al-Abbasi, Sheikh Muhamed Yasin al Fadani (Makkah), Shaikh Habib-ur-Rahman A. Zaini (India), Sheikh Abdulla bin Al-Siddiq Al-Ghumar (Morocco), and others. He has a Bachelor of Arts in Economics and Comparative Religion, Master of Science in Finance from McGill University, Montreal, Canada and a Ph.D in Islamic Law at the University of Wales, United Kingdom.

- **Sheikh Professor Dr. Yousef Abdullah Al Shubaily**

*Professor, Comparative Jurisprudence Department, High Institute of Judiciary, Imam Muhammad Bin Saud Islamic University, Kingdom of Saudi Arabia.*

Sheikh Professor Dr. Yousef, a citizen of the Kingdom of Saudi Arabia is currently attached as a Professor at the Comparative Jurisprudence Department, High Institute of Judiciary, Imam Muhammad Bin Saud Islamic University in the Kingdom of Saudi Arabia. He also serves as a Co-operating professor for the American Open University.

He obtained a Bachelor Degree from the Faculty of Shariah and Fundamentals of Islam and a Masters Degree from the Department of Comparative Jurisprudence at Muhammad bin Saud Islamic University and Ph.D in Islamic Jurisprudence from the same university. Beyond his academic career, he has an extensive experience in serving on various Shariah boards of a number of banks and financial institutions in the Kingdom of Saudi Arabia, Bahrain, Kuwait, UAE, Qatar, United States of America and Britain. He also holds advisory functions in numerous religious and charitable organisations within and outside the Kingdom.

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

He has written many books, academic papers and articles on Islamic jurisprudence and commercial law and has actively participated in numerous seminars and conventions in related areas. He also participates in religious and economic programs on television and radio broadcasts in the Kingdom of Saudi Arabia and abroad.

- **Professor Dato' Dr. Noor Inayah Yaakub**

*Principal Fellow cum General Manager of Research & Development, Institut Kajian Strategik Islam Malaysia (IKSIM)*

Professor Dato' Dr. Noor Inayah is a Malaysian, currently attached as a Professor at Pusat Kebijaksanaan Sejagat (Global Wisdom Centre), Universiti Islam Malaysia. She received her Bachelor of Shariah Law (Hons) and Bachelor of Law (Hons) from International Islamic University, Malaysia, LL.M (Master of Comparative Civil & Banking Law) from University of Bristol, United Kingdom and Ph.D (Comparative Civil & Islamic Banking Law of Guarantee) from the University of Manchester, United Kingdom. She also holds a certificate of Project Management from "ISIS INNOVATION" Centre, University of Oxford, United Kingdom.

She was admitted to the Malaysian Bar as an Advocate & Solicitor of the High Court of Malaya in 1996 and in the same year she obtained her Shariah Lawyer Certificate. She practiced law with Messrs. Abraham & Ooi and Co. from 1996 to 1997 before joining University Kebangsaan Malaysia as a lecturer in 1998.

She has more than 15 years of experience in teaching Islamic Law, Islamic and Conventional Banking Law, Takaful and Insurance Law, Equity & Trust Law and Business Law and Ethics. She has produced several academic research papers and articles mainly on the subject of Islamic and conventional banking law and takaful and insurance law of which some were presented in Islamic banking and finance proceedings and conferences and published in Malaysian and International high refereed / impact journals.

- **Professor Dato' Dr. Sudin Haron**

*Chief Executive Officer, Malaysian Waqaf Foundation.*

Sheikh Professor Dato' Dr. Sudin has been appointed as Independent Director of CIMB Islamic Bank Berhad on 5 November 2014 and is a Member of the Group Shariah Committee. He is currently the Chief Executive Officer of Malaysian Waqaf Foundation. He is one of the world's renowned scholars in Islamic banking & finance and business & management. He has published more than 10 books and 70 articles in international journals.

He was the founding CEO of Perbadanan Tabung Pendidikan Tinggi Nasional (PTPTN) and in 2006, was appointed as Deputy Chief Executive of INCEIF (International Centre for Education in Islamic Finance). He was previously attached to BNM as a Specialist in the Islamic Banking and Takaful Department from 2005 to 2006. Before joining BNM, he served in various capacities as an academician and administrator at the Northern University of Malaysia. Prior to that, he was a banker for more than 12 years and his last post was as branch manager. Professor Dato' Dr. Sudin was also a consultant with the Asian Institute of Finance, an organisation established by the BNM for the purpose of elevating human capital in the Malaysian financial industry.

He sits on the Shariah Advisory Committee for Bank Persatuan Malaysia Berhad and an Independent Director of Melati Ehsan Holdings Berhad, a public company listed on Bursa Malaysia. On the international level, Professor Dato' Dr. Sudin was previously the Chairman of the International Advisory Panel of the Russian International Centre for Islamic Economics and Finance, and in several occasions, was appointed by Islamic Development Bank, Jeddah as their resource person in training related to Islamic banking and finance. He has made an important contribution to the world by writing a landmark text book entitled "Islamic Banking and Finance System", and this book is also available in Russian, Mandarin and Uzbekistan versions.



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

He obtained his Bachelor in Economics – General degree and Bachelor of Economics (Accounting) (Hons.) from the National University of Malaysia (Universiti Kebangsaan Malaysia). He obtained his Master of Business Administration from Northrop University, Los Angeles, United State of America and Ph.D (Economic Studies-Finance and Banking) from University of New England, Australia.

## 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.
- The following sanction and/or penalty was imposed on the Manager or its Directors during the financial year:-
  - A penalty of RM50 was imposed by the Companies Commission of Malaysia ("CCM") for late submission of notification of change in directorship of public company by one of its directors.
- There was no material litigation involving the Fund since the last annual balance sheet date.
- The amount of non-audit fees incurred for the Financial Year 2016 for services rendered by PricewaterhouseCoopers Taxation Services Sdn. Bhd. a company affiliated to the Auditor of the Fund is RM9,380.
- There were seven (7) Board of Directors Meetings held in the Financial Year 2016.
- There were five (5) Investment Committee Meetings for the Fund held in the Financial Year 2016.



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