

Interim Report

For the Financial Period 1 July to 31 December 2018

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

1. Investment Objective

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

2. Benchmark Index

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

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

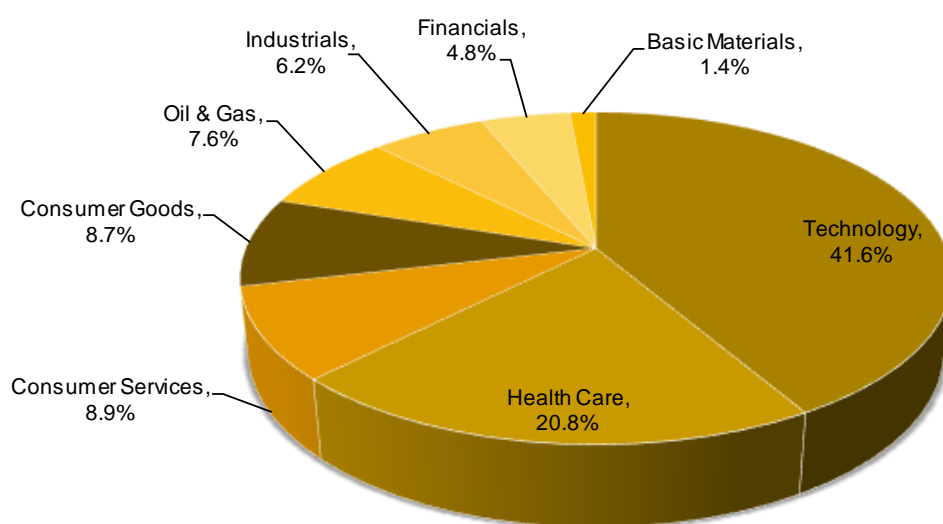
During the reporting period, the constituent securities of the Benchmark Index are listed on the New York Stock Exchange (“NYSE”) and National Association of Securities Dealers Automated Quotation System (“Nasdaq”).

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

The Benchmark Index employs a modified market capitalization weighting scheme¹. The weight of each individual constituent is capped at 10% of the Benchmark Index. The Parent Index and Benchmark Index consist only of companies that passed the Shariah Compliance Screens published under the Dow Jones Islamic Market Indices Methodology. The Shariah Compliance Screens has been approved by the Shariah Supervisory Board of S&P Dow Jones Indices which consists of experienced Shariah scholars from around the world. The Shariah Supervisory Board determines the Shariah compliance framework of the Benchmark Index and shall review, propose or advise S&P Dow Jones Indices on matters relating to the said Shariah compliance framework.

Based on the Fund's quoted Investments as at 31 December 2018, the sector allocation of DJUS50 Index based on S&P Dow Jones sector classifications are as follows:

Chart 1: Sector Classification – S&P Dow Jones



Source: S&P Dow Jones

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

3. Investment Strategy

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

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

4. Fund Performance

MyETF-US50 which had its prospectus launched on 15 January 2018, was initially created at USD1.00 per unit at the close of 20 February 2018. Subsequently, the Fund debut its listing on Bursa Securities on 28 February 2018 with total units in circulation of 11.8 million. Since inception, the Fund's NAV has tracked the performance of the underlying benchmark, i.e. DJUS50 Index, in line with Fund's objective to correspond closely to the performance of the Benchmark Index. As at end-December 2018 the tracking error of the Fund and the Benchmark Index on both Price Return and Total Return basis were 0.08%.

The on-going US-China trade spats continued to inject volatility in the market. On the back of geopolitical concerns, the broad US equity market trended lower towards the end of December 2018. Consequently, the Fund's NAV per unit closed 5.39% lower in the reporting period. The Fund's benchmark, the DJUS50 Index also posted a negative return of 5.60%, closing at 4,608.08 points. The difference between the performance of the Fund and its Benchmark Index can largely be attributed to the Fund's operational costs. Consistent with the performance of the Fund's underlying securities, the Fund's units which are traded on Bursa Securities closed 1.55% lower y-o-y at USD0.9550 at the end-December.

As at end of December, total NAV of the Fund increased to USD13.01 million from USD11.81 million at end-June, on the back of additional unit creations during the period. The key statistics and comparative performance of the Fund for the period between June and December 2018 are summarized as follows:

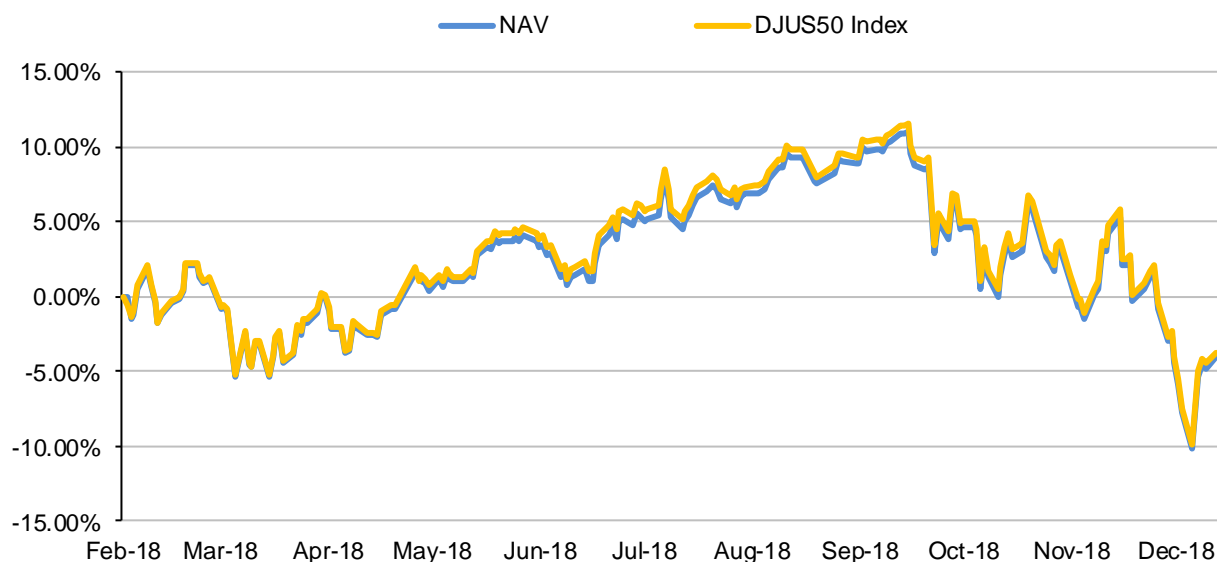
Table 1: Key Statistics

	As at 31-Dec-18	As at 30-Jun-18	As at 20-Feb-18 [^]
NAV per unit (USD)	0.9595	1.0142	1.0000
- Highest	1.1099 (3 Oct)	1.0407 (14 Jun)	
- Lowest	0.8980 (24 Dec)	0.9465 (2 Apr)	
<i>(During the period)</i>			
Price per unit (USD)	0.9550	0.9700	1.0000
- Highest	1.1000 (14 Sep)	1.0350 (7 Jun)	
- Lowest	0.9000 (26 Dec)	0.9550 (23 Mar)	
<i>(During the period)</i>			
Units in Circulation	13,012,300	12,112,300	11,812,300
Total NAV (USD)	12,485,682	12,284,162	11,812,300
Market Capitalisation (USD)	12,426,747	11,748,931	11,812,300
DJUS50 Index	4,608.08	4,881.57	4,785.16
DJUS50T Index	6,482.94	6,820.94	6,655.86
Tracking Error vs. Price Return DJUS50 Index (%) [*]	0.08	0.13	
Tracking Error vs. Total Return DJUS50 Index (%) [*]	0.08	0.13	
Management Expense Ratio (%)	0.33	0.65	

Sources: Bloomberg, i-VCAP

^{*} Based on 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 Fund was initially created at USD1.00 per unit based on the close of 20 February 2018. The Fund had its listing debut on 28 February 2018.

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

Sources: Bloomberg, i-VCAP

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

Table 2(a): Cumulative Returns

	Cumulative Returns ^(b) Since Inception [^] (%)
MyETF-US50 - NAV Price Return ^(a)	(4.05)
DJUS50 - Price Return Index	(3.70)
MyETF-US50 - NAV Total Return ^(a)	(4.05)
DJUS50 - Total Return Index	(2.60)

Sources: Bloomberg, i-VCAP

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

(b) Cumulative returns are up to 31 December 2018.

[^] Performance from inception date on 20 February 2018.**Table 2(b): Average Returns (Annualised)**

	Average Returns ^(b) Since Inception [^] (%)
MyETF-US50 - NAV Price Return ^(a)	(4.69)
DJUS50 - Price Return Index	(4.29)
MyETF-US50 - NAV Total Return ^(a)	(4.69)
DJUS50 - Total Return Index	(3.01)

Sources: Bloomberg, i-VCAP

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

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

[^] Performance from inception date on 20 February 2018.

S&P Dow Jones performed four quarterly reviews in a year (in March, June, September and December) and rebalanced the composition of the Benchmark Index in accordance with its index methodology. The quarterly review in September and December had resulted in changes to the weightings of the component stocks and stock constituents in the Benchmark Index, with five new stock inclusions and four stock removals. The summary of the changes that took place in the reporting period is as follows:

Table 3: List of Stock Inclusion and Exclusion

	Stock Inclusions	Stock Exclusions
3QFY18	Federal Express Corporation	Amgen Inc.
4QFY18	AbbVie Inc.	CVS Health Corporation
	-	Monsanto Co.
1QFY19	Cisco Systems Inc	Occidental Petroleum
	DowDuPont Inc.	Colgate-Palmolive Co
	Amgen Inc	Applied Materials Inc
	Abbott Laboratories	The Kraft Heinz Company
	Thermo Fisher Scientific	-
2QFY19	-	-

Sources: S&P Dow Jones, i-VCAP

Following the rebalances, Technology maintained the top sector exposure with 40.85% followed by Health Care sector of 21.26%. Details of the top 10 holdings as well as Fund's sector exposure as at end-December are as follows:

Table 4: Fund's Sector Allocation *

	As at 31-Dec-18	As at 30-Jun-18	Change (%)
Technology	40.85%	43.36%	-2.51%
Health Care	21.26%	16.07%	5.19%
Consumer Services	9.09%	9.14%	-0.05%
Consumer Goods	8.49%	9.17%	-0.68%
Oil & Gas	7.02%	10.05%	-3.03%
Industrials	6.01%	6.79%	-0.78%
Financials	4.81%	5.00%	-0.19%
Basic Materials	1.45%	-	1.45%
Cash & Others	1.02%	0.42%	0.60%

Sources: S&P Dow Jones, i-VCAP

* Based on S&P Dow Jones classification.

Details of the Fund's quoted Investments as at 31 December 2018 are as follows:

Table 5: MyETF-US50's Investment in Listed Equities

	Quantity (Units)	Market Value (RM)	Market Value as a percentage of Net Asset Value (%)
Technology			
1. Microsoft Corp	11,439	1,161,859	9.31
2. Apple Inc.	6,589	1,039,349	8.32
3. Facebook Inc A	3,614	473,759	3.79
4. Alphabet Inc C	455	471,203	3.77
5. Alphabet Inc A	442	461,872	3.70
6. Intel Corp	6,648	311,991	2.50
7. Cisco Systems Inc	6,500	281,645	2.26
8. Adobe Inc.	755	170,811	1.37
9. Broadcom Inc	623	158,416	1.27
10. Salesforce.com	1,146	156,968	1.26
11. Intl Business Machines	1,339	152,204	1.22
12. Texas Instruments Inc	1,411	133,340	1.07
13. Nvidia Corp	944	126,024	1.01
		5,099,441	40.85
Health Care			
14. Johnson & Johnson	3,939	508,328	4.07
15. Pfizer Inc	8,602	375,477	3.01
16. Merck & Co Inc	3,930	300,291	2.41
17. AbbVie Inc.	2,337	215,448	1.73
18. Abbott Laboratories	2,608	188,637	1.51
19. Amgen Inc	946	184,158	1.47
20. Medtronic plc	2,009	182,739	1.46
21. Lilly Eli & Co	1,425	164,901	1.32
22. Thermo Fisher Scientific	601	134,498	1.08
23. Bristol-Myers Squibb	2,397	124,596	1.00
24. Gilead Sciences Inc	1,900	118,845	0.95
25. Biogen Inc	299	89,975	0.72
26. Celgene Corp	1,038	66,525	0.53
		2,654,418	21.26
Consumer Services			
27. Home Depot Inc	1,694	291,063	2.33
28. McDonald's Corp	1,160	205,981	1.65
29. Walmart Inc.	2,119	197,385	1.58
30. Starbucks Corp	1,956	125,966	1.01
31. Booking Holdings Inc	70	120,569	0.97
32. Lowe's Cos Inc	1,183	109,262	0.88
33. Walgreens Boots Alliance	1,216	83,089	0.67
		1,133,316	9.09
Consumer Goods			
34. Procter & Gamble	3,644	334,956	2.68
35. Coca-Cola Co	5,640	267,054	2.14
36. PepsiCo Inc	2,102	232,229	1.86
37. NIKE Inc B	1,872	138,790	1.11
38. Mondelez International	2,188	87,586	0.70
		1,060,615	8.49
Oil & Gas			
39. Exxon Mobil Corp	6,185	421,755	3.38
40. Chevron Corp	2,815	306,244	2.45
41. EOG Resources	856	74,652	0.60
42. Schlumberger Ltd	2,057	74,217	0.59
		876,867	7.02
Industrials			
43. 3M Co	847	161,387	1.29
44. Honeywell Intl Inc	1,101	145,464	1.17
45. Union Pacific Corp	1,061	146,662	1.17
46. Accenture plc A	944	133,113	1.07
47. United Parcel Service Inc	1,048	102,211	0.82
48. FedEx Corp	377	60,821	0.49
		749,660	6.01
Financials			
49. Visa Inc A	2,630	347,002	2.78
50. Mastercard Inc A	1,343	253,357	2.03
		600,359	4.81
Basic Materials			
51. DowDuPont Inc.	3,377	180,602	1.45
		180,602	1.45
		12,355,278	98.98

Sources: S&P Dow Jones, i-VCAP

5. Distribution Policy

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

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

6. Other Information

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

7. Cross Trade

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

8. Soft Dollar Commissions

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

9. Market Review and Outlook

While only limited data is available due to the government shutdown, US economic growth continues to outgrow most of the other major developed economies. However, momentum has slowed, due to the impact of the government shut-down, the cold weather on the East Coast and a downward trend in consumer sentiment. The slow-down may be limited and temporary, but risks remain in the form of political issues, trade tensions and the waning effects of last year's implemented fiscal stimulus. The current growth momentum was supported by a strong labour market and the more gradual approach to monetary tightening by the Fed. The likelihood of an agreement between the US and China on trade-related issues remains uncertain, following the 90-day suspension of further tariffs which expires at the end of February. Moreover, budgetary issues, including the upcoming debt

ceiling discussion in Congress, will probably aggravate political tensions. The suspension of the debt limit expires at the beginning of March. Furthermore, despite the probability of more gradual monetary tightening, the two important sources of wealth for private households, the equity market and house prices, have both followed a weakening trend in the past months., while equities have in the meantime recovered.

While the unemployment rate rose, the general development in the labour market continued positively in January. The unemployment rate rose to 4.0%. This may be one tentative signal that the labour market is maturing and the upside will lessen from current levels. Average hourly earnings' growth for the private sector also remained above 3% for the fourth consecutive month at a considerable rate of 3.2% y-o-y. Long-term unemployment fell again to stand at 19.3%, the lowest level since 2008, down from 20.5% in December and 20.7% in November, while the participation rate rose to the highest level since 2013 to stand at 63.2%. Non-farm payrolls increased by a considerable 304,000 in January, compared to the downwardly revised 222,000 in December. While no updated data is available regarding inflation, indicators point at ongoing reasonable price level increases of around 2%. This is probably slightly below the level for total inflation and the Fed's favoured personal consumption expenditure price index (PCE index). Therefore, the Fed is obviously facing less pressure to normalize interest rates.

The general economy's slowdown is also reflected in consumer sentiment, according to the index published by the Conference Board. The index retracted to 120.2 in January, compared to 126.6 in December and 136.4 in November. This indicates that domestic consumption may also have decelerated recently, but no new data is available due to the government shutdown. Industrial production growth stood at 4.0% y-o-y in December, only slightly below the November level of 4.1%.

January's Purchasing Managers' Index (PMI), as provided by the Institute of Supply Management (ISM), indicated a continued strong trend in the manufacturing sector and a somewhat slowing trend in the services sector. The manufacturing PMI rose to 56.6, compared to 54.1 in December, albeit this is below the peak levels of 2018 which were at levels of more than 60 in some months. The important index for the services sector retracted slightly to 56.7 in January, compared to 58 in December. This is also below levels above 60 reached in several months in 2018.

Taking the slight moderating pace of the economy in 1Q19 into consideration, the 2019 GDP growth is forecast at 2.5%, compared to 2.9% estimated for 2018. Growth is expected to be still very much supported by the fiscal stimulus, however, this is forecast to taper off in 2019, particularly in the second half of the year. While the domestic political frictions have added to the downside risks, trade-related issues remain important, particularly relations between the US and China. Moreover, uncertainties remain about the way forward in monetary policies, although the Fed's policy is currently relatively accommodative.

Equity valuation, which were stretched, have been pared back significantly in 2018 with diminished optimism about earnings prospects amid escalating trade tensions and expectations of slower global growth. Concerns over a US government shutdown further weighed on market sentiment toward year-end. Although equity prices have recovered strongly in the first two months of this year, volatility is expected to be in the limelight again as concerns over the economy and equity markets are still prevailing.