

MYETF MSCI SEA ISLAMIC DIVIDEND

ANNUAL REPORT

For the Financial Year Ended 31 December 2021



i-VCAP Management Sdn Bhd

Company No.: 200701034939

(a wholly owned subsidiary of Kenanga Investors Berhad)

MYETF MSCI SEA ISLAMIC DIVIDEND

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INTRODUCTION

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

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

The Benchmark Index, MIISOD4P Index, is a free-float adjusted, market capitalisation weighted index, maintained and published by MSCI Inc. It may comprise of 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.

CORPORATE DIRECTORY

Manager: i-VCAP Management Sdn Bhd Company No. 200701034939 (792968-D)

Registered Office

Level 17, Kenanga Tower,
237, Jalan Tun Razak,
50400 Kuala Lumpur, Malaysia.
Tel: 03-2172 2888
Fax: 03-2172 2999

Business Office

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Tel: 03-2172 3000
Fax: 03-2172 3080
E-mail: ivcap@kenanga.com.my
Website: www.ivcap.com.my

Luk Wai Hong, William (**Chairman**)
Syed Zafilen Syed Alwee (**Independent Director**)
Imran Devindran Abdullah (**Independent Director**)
Ismitz Matthew De Alwis (**Non-Independent Director**)
Syed Umar Bin Abdul Rahman Alhadad (**Executive Director**)

Company Secretary: Norliza Abd Samad (MAICSA 7011089)

Level 17, Kenanga Tower, 237, Jalan Tun Razak, 50400 Kuala Lumpur, Malaysia

Trustee: Deutsche Trustees Malaysia Berhad Company No. 200701005591 (763590-H)

Level 20, Menara IMC, 8, Jalan Sultan Ismail, 50250 Kuala Lumpur.
Tel: 03-2053 7522 Fax: 03-2053 7526

Auditor: Ernst & Young PLT Company No. 202006000003 (LLP0022760-LCA) & AF 0039

Level 23A, Menara Milenium, Jalan Damanlela, Pusat Bandar Damansara, 50490 Kuala Lumpur.
Tel: 03-7495 8000 Fax: 03-2095 5332

Tax Adviser: PricewaterhouseCoopers Taxation Services Sdn Bhd

Company No. 199801008604 (464731-M)

Level 15, 1 Sentral, Jalan Rakyat, Kuala Lumpur Sentral, 50470 Kuala Lumpur.
Tel: 03-2173 1188 Fax: 03-2173 1288

Participating Dealer: CGS-CIMB Securities Sdn Bhd Company No. 197901004504 (48703-W)

Level 13, Menara CIMB, Jalan Stesen Sentral 2, Kuala Lumpur Sentral, 50470 Kuala Lumpur.
Tel: 03-2261 8888 Fax: 03-2261 8889

Shariah Adviser: Amanie Advisors Sdn Bhd Company No. 200501007003 (684050-H)

Level 13A-2, Menara Tokio Marine Life, 189, Jalan Tun Razak, 50400 Kuala Lumpur.
Tel: 03-2161 0260 Fax: 03-2161 0262

Custodian: Deutsche Bank (Malaysia) Berhad Company No. 199401026871 (312552-W)
(Trustee's Delegate) (Please refer to page 68 for Trustee's Delegate information)

Level 18, Menara IMC 8, Jalan Sultan Ismail, 50250 Kuala Lumpur.
Tel: 03-2053 6788 Website: www.db.com
Email: dbmb-dcs.cs@db.com

Fund Accountant: Deutsche Trustees Malaysia Berhad

Company No. 200701005591 (763590-H)

Level 20, Menara IMC, 8, Jalan Sultan Ismail, 50250 Kuala Lumpur.
Tel: 03-2053 6788 Fax: 03-2031 8710
Email: Malaysia.team@list.db.com Website: www.db.com

Index Licensor: MSCI Inc.

One Chase Manhattan Plaza, 44th Floor New York, NY 10005 United States of America.
Tel: (+1) 212 804 3901 Fax: (+1) 212 809 1213

Share Registrar: Boardroom Share Registrars Sdn. Bhd.

Company No. 199601006647 (378993-D)

(formerly known as Symphony Share Registrars Sdn. Bhd.)

11th Floor, Menara Symphony, No. 5, Jalan Semangat (Jalan Professor Khoo Kay Kim)
Seksyen 13, 46200 Petaling Jaya, Selangor Darul Ehsan.
Helpdesk: 03-7849 0777 Fax: 03-7841 8151 / 8152
Email: bsr.helpdesk@boardroomlimited.com Website: www.boardroomlimited.com

1. FUND INFORMATION

1.1 Fund Name

MyETF MSCI SEA Islamic Dividend (“**MyETF-MSEAD**” or “**the Fund**”)

1.2 Fund Category / Type

Shariah-Compliant Equity / Exchange-traded fund

1.3 Investment Objective

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

1.4 Investment Strategy

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

1.5 Benchmark Benchmark

MSCI AC ASEAN IMI Islamic High Dividend Yield 10/40 Index (“**MIISOD40 Index**”)

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

The Benchmark Index shall comprise up of 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.

1.6 Distribution Policy

Annual, subject to the discretion of the Manager.

1.7 Commencement Date & Listing Date

2 April 2015 and 7 May 2015

1.8 Breakdown of unit holdings of the Fund as at 31 December 2021

Size of holdings	No. of unit holders	No. of units held
Less than 100	6	130
100 - 1,000	245	132,970
1,001 - 10,000	213	1,022,900
10,001 - 100,000	48	1,414,100
100,001 - < 5%*	5	898,700
> = 5%*	2	55,531,200
Total	519	59,000,000

5%* - 5% of the units in circulation

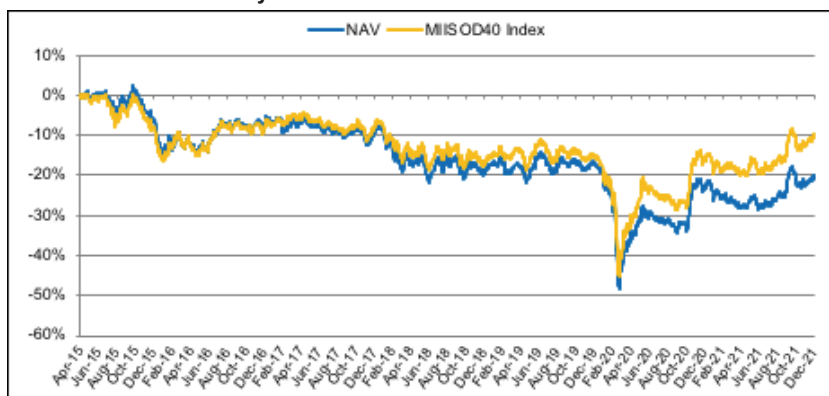
2. MANAGER'S REPORT

2.1 Explanation on whether the Fund has achieved its investment objective

For the Financial Year 2021, the Fund achieved its investment objective to track closely the underlying benchmark index, i.e. MIISOD4P Index. As at 31 December 2021, the 3-year rolling tracking errors between the NAV per unit of the Fund and the Benchmark Index on Price Return and Total Return basis were at 0.25% and 0.26% respectively.

2.2 Comparison between the Fund's performance and performance of the benchmark

**Performance Chart Since Launch
MyETF-MSEAD vs Benchmark**



Source: Bloomberg, i-VCAP

2.3 Investment strategies and policies employed during the financial year under review

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

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

2.4 Fund performance analysis based on NAV per unit (adjusted for income distribution; if any) since last review period

	Cumulative Returns (b)			
	1-Year (%)	3-Year (%)	5-Year (%)	Since Inception^ (%)
MyETF- MSEAD - NAV Price Return ^(a)	4.51	-0.63	-13.78	-19.87
MIISOD40 - Price Return Index	8.15	9.29	-2.03	-9.53
MyETF- MSEAD - NAV Total Return ^(a)	7.15	7.66	-2.55	-7.21
MIISOD40 - Total Return Index	11.91	23.37	19.08	18.45

Source: Bloomberg, i-VCAP

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

(b) Cumulative returns are up to 31 December 2021.

The Fund's NAV per unit has increased by 4.51% to RM0.7999 from RM0.7654 in FY2021. The Fund was slightly on the down trend and reached its low of RM0.7149 on 28 June 2021 before it started its uptrend and closed at RM0.7999 on 31 December 2021. Similarly, the Benchmark Index (MIIMYD4P Index) and Benchmark's Total Return Index (MIISOD4P Total Return Index) has also increased by 8.15% and 11.91% respectively, tracking the performance of the ASEAN equity market. The difference between the performance of the Fund and its Benchmark Index can largely be attributed to the Fund's operational costs.

2.5 Review of the market

Market review

Global equities started the year with a positive note as the risk on rally from December 2020 continued into January, bolstered by vaccination rollouts, optimism on the new Biden administration's proposed stimulus plans as well as China's stronger than expected recovery. However, sentiment turned towards the end of the month on vaccine delays, new virus mutations and the economic impact from extended lockdowns. The improved global demand outlook fueled further rallies in oil, which also benefitted from Saudi Arabia's surprised production cut for February and March. ASEAN markets underperformed the broader market in January; Philippines (-8.1%), Indonesia (-4.0%), Malaysia (-2.3%), and Thailand (-0.1%) were down, whilst Singapore (+1.5%) was slight positive.

In February, regional markets were spurred by pick-up of demand recovery and expectations of reopening as vaccinations were rolled out globally. Global markets however sold off towards end February as US 10-year treasury yield surged to 1.41% from 1.07% in January (December 2020: 0.92%), stoked by higher inflation expectations from Biden's USD1.9 trillion stimulus bill. Commodities had a good run for the month with both CPO and oil price rising, while Brent oil price surged to USD66.1 per barrel, the highest level since January 2020. Singapore government released the budget details for 2021 in February with a shift to "restructuring the economy" during post pandemic normalization. The S\$11 billion Covid-19 Resilience Package is announced (2.2% GDP), consisting of S\$4.8 billion for public health spending, S\$5 billion for supporting workers & business, and S\$1.2 billion for supporting hard-hit sector. According to the government, the GST hike from 7% to 9% would likely occur "sooner rather than later" within 2022-25 in order to meet recurring expenses.

2.5 Review of the market (contd.)

Market review (contd.)

March saw continual risk-off sentiment locally as US treasury yields continued to rise. Markets remained jittery despite Fed's reassurance that it will hold rate near zero through 2023. Overall for 1Q21, the MSCI Asia ex-Japan (USD) rose 2.5% outperforming the MSCI ASEAN (USD) which fell by 0.6%. Outperformers were, Singapore (+10.7%) and Thailand (+8.1%). Underperformers were Philippines (-10.5%), Indonesia (-1.9%) and Malaysia (-1.8%). In Malaysia, BNM kept interest rate unchanged and expects growth to improve from 2Q2021, led by rebound in global demand, higher public and private sector spending.

The US markets continued to scale higher in April on the back of stronger economy outlook for 2021 and Biden's proposed USD2 trillion infrastructure bill. A retreat of 10 years treasury yield to 1.63% by end April compared to 1.74% in March helped on sentiment as well. The US markets marked their fourth straight monthly advance in May as economic data such as lower unemployment claims signaled a sustained rebound, outweighing inflation worries. In Malaysia, new daily Covid-19 cases hit the record high of 9,020 on 29 May. With the stretched medical resources, these led to the government's decision on 28 May 2021 that the country will be placed under a two-week nationwide lockdown similar to MCO 1.0.

Moving into June, US markets took a dip mid-month from initial inflation fears and the Federal Reserve's hawkish announcement during the US FOMC meeting, before recouping its losses at the end of the month. In Thailand, the cabinet approved a plan to allow quarantine-free travel to the country's tourism destination Phuket. The plan will allow international visitors to enter and travel freely on the island without quarantine, provided they are fully vaccinated against Covid-19 and are from low- or medium-risk places. Locally, the Malaysia government also unveiled its National Recovery Plan comprised of a four-phase exit strategy from the current Phase 1 lockdown.

ASEAN markets generally performed poorly in the month of July. MSCI ASEAN declined -6.69% as several countries continue to battle new highs in COVID-19 cases amidst lower vaccination rates versus developed markets bringing with it the onset of tighter restrictions and lockdowns in several countries. Losers included Malaysia (-2.48%) and Thailand (-4.15%) while Philippines (-9.15%) stuck out, recording its biggest decline since the 21.7% decline in March 2020 while gainers for the month were Indonesia (+1.41%) and Singapore (+1.17%).

ASEAN equity markets recorded positive performances in August and September as economic activities were improving which are supported by easing monetary policy and fiscal assistance from the respective governments. The rally in August were led by Philippines, Thailand and Malaysia posting gains of 9.3%, 7.7% and 7.1% respectively in local currency thanks to technology and economy stocks.

Moving into October, equity markets across ASEAN were stronger, supported by continuous foreign inflows. Covid-19 cases across the region continue to decline and mobility restrictions continue to be eased with Singapore announcing new travel easing and Thailand allowing international travel. Malaysia had also lifted its interstate and overseas travel ban. In the month of October, MSCI ASEAN rose 4.3% in USD terms, led by Indonesia (JCI +4.8%%) and Singapore (STI +3.6%), followed by Malaysia (FBMKLCI +1.6%) and Philippines (PCOMP +1.5%).

2.5 Review of the market (contd.)

Market review (contd.)

ASEAN equities declined in tandem with global peers on Omicron fears, with the MSCI ASEAN falling 5.1% in November. While the region has benefited from a few months of foreign inflows on improving mobility and re-opening measures, there was still a pullback on risks of slowdown of global trade activity if the Omicron strain proves severe. The key outperformer was Philippines (PCOMP +2.1%) which had just come out of a steep decline from peak Covid infections, while other markets posted declines: Singapore (STI -4.9%), Thailand (SET -3.4%), Indonesia (JCI -0.9%), Malaysia (KLCI -3.1%).

Overall, the performance of ASEAN equity markets were positive except for Malaysia. ASEAN countries continue to see rising Covid-19 cases due to the highly infectious Omicron variant. However, strong progress on vaccination should limit the risks and point to a positive outlook in for ASEAN reopening plays. Outperformers were Thailand (+14.4%), Indonesia (+10.1%) and Singapore (+9.8%). Underperformers were Malaysia (-3.7%) and Philippines (-0.2%).

The MIIISOD4P Index was slightly on the down trend and reached its low of 1,929 point on 7 April 2021 before started its uptrend and closed at 2,176.70 point on 31 December 2021, translating to an increase of 8.15%.

Market outlook

ASEAN equities are expected to be supported by a positive macro backdrop as growth transitions back to trend. However, tightening monetary policy could cause some market volatility. Corporate earnings will continue to be supported by reopening as COVID-19 progresses to becoming more endemic while production increases as labour supply recovers. Given the mixed outlook as well as the prevailing external uncertainties, investors' focus are expected to position defensively with focus on companies that are resilient in earnings. Hence, for investors who may prefer a mixed bag of ASEAN big and mid-cap stocks with competitive dividend payout, MyETF-MSEAD will provide such exposure.

2.6 Distributions

For the financial year under review, the Fund paid an income distribution of 1.86 sen per unit for the Financial Year 2020 (declared in February 2021).

Distribution date	Gross/Net distribution per unit (sen)	Ex-NAV per unit (RM)
12 March 2021	1.86	0.7357

2.7 Details of any unit split exercise

The Fund did not carry out any unit split exercise during the financial year under review.

2.8 Significant changes in the state of affairs of the Fund during the financial year

The Securities Commission Malaysia had on 29 January 2021 approved the acquisition of i-VCAP Management Sdn Bhd ("i-VCAP") by Kenanga Investors Berhad ("KIB"). Following this, the completion of the acquisition of i-VCAP became effective on 19 February 2021.

Further to this, a First Supplementary Prospectus was issued on 13 April 2021. Please refer to the First Supplementary Prospectus for further details.

2.9 Circumstances that materially affect any interests of the unit holders

There were no circumstances that materially affected any interests of the unit holders during the financial year under review.

2.10 Rebates and soft commissions

It is the policy of the Manager to credit any rebates received into the account of the Fund. Any soft commissions received by investment manager on behalf of the Fund are in the form of research and advisory services that assist in the decision making process relating to the investment of the Fund which are of demonstrable benefit to unit holders of the Fund. Any dealing with the broker or dealer is executed on terms which are the most favourable for the Fund. Nevertheless, the Manager did not received soft commissions from its stockbrokers during the financial year under review.

2.11 Cross-trade

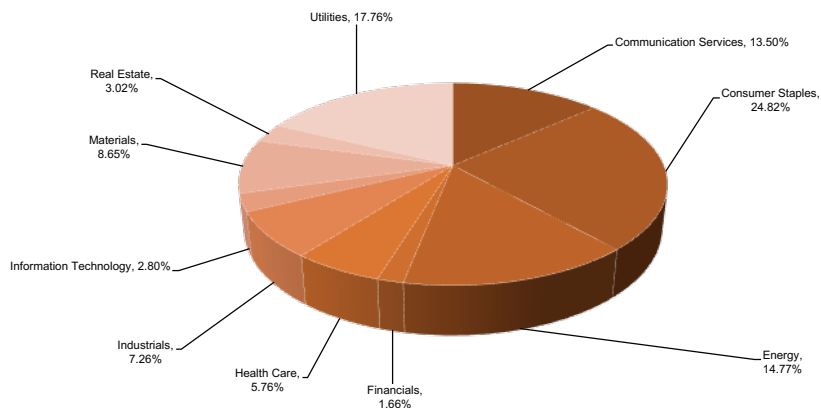
During the financial year under review, no cross-trade transactions were undertaken by the Manager for the Fund.

3. FUND PERFORMANCE

3.1 Details of portfolio composition of the Fund for the financial year as at 31 December 2021 is as follows:

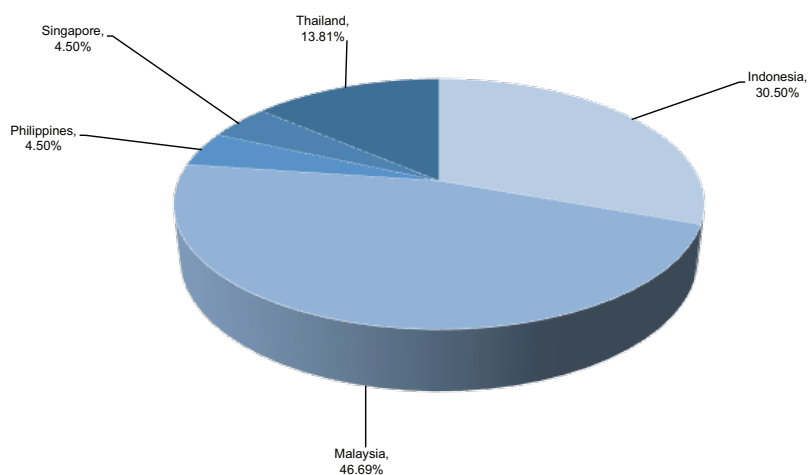
Based on Fund's quoted investments as at 31 December 2021, the sector and country allocation of MIISOD40 Index based on MSCI sector classifications are as follows:

Chart 1(a): Sector Classification - MSCI



Source: MSCI

Chart 1(b): Country Exposure - MSCI



Source: MSCI

3.1 Details of portfolio composition of the Fund for the financial year as at 31 December 2021 is as follows: (contd.)

During the Period under review, MSCI performed quarterly review and rebalanced the composition of the Benchmark Index in accordance with its index methodology. The quarterly review had resulted in changes to the component stocks as well as the weightings of the stocks in the Benchmark Index. The Manager had undertaken rebalancing exercise in accordance to the changes by MSCI to ensure that the Fund's investment would be reflective of the changes in the Benchmark Index. The stock inclusions and exclusions during the respective quarterly review are summarised in Table 1.

In terms of sectoral weightings, notable changes to the Fund's sector composition as compared to end-December 2020 were the increase in Utilities from 6.75% to 18.07%. Meanwhile, the weighting of other sectors have changed during the period.

Table 1: List of Inclusions and Exclusions

	Stock Inclusions	Country	Stock Exclusions	Country
1Q21	Siam Future Development PCL - NVDR	Thailand	Indofood Sukses Makmur	Indonesia
	Taokaenoi Food & Marketing PCL - NVDR	Thailand	Com7 PCL - NVDR	Thailand
	-		Plan B Media PCL - NVDR	Thailand
2Q21	Kuala Lumpur Kepong Bhd	Malaysia	Nestle (Malaysia) Bhd	Malaysia
	Bukit Asam Tbk Pt	Indonesia	Megaworld Corp	Philippines
	Mega First Corp Bhd	Malaysia	PTT PCL - NVDR	Thailand
	Tipco Asphalt Pub Co PCL - NVDR	Thailand	Unilever Indonesia	Indonesia
	Banpu Power PCL - NVDR	Thailand	Bangkok Dusit Med Servi - NVDR	Thailand
	Semirara Mining And Power Co	Philippines	Indo Tambangraya Megah	Indonesia
	Duopharma Biotech Bhd	Malaysia	Maxis Bhd	Malaysia
	-		Westports Holdings Bhd	Malaysia
	-		TPI Polene Power PCL - NVDR	Thailand
	-		Lotte Chemical Titan Holdings	Malaysia
3Q21	-		KCE Electronics PCL - NVDR	Thailand
	-		Tipco Asphalt Pub Co L - NVDR	Thailand

3.1 Details of portfolio composition of the Fund for the financial year as at 31 December 2021 is as follows: (contd.)

Table 1: List of Inclusions and Exclusions (contd.)

	Stock Inclusions	Country	Stock Exclusions	Country
4Q21	IOI Corp Bhd	Malaysia	United Tractors Tbk Pt	Indonesia
	Haw Par Corp Ltd	Singapore	D&L Industries Inc	Philippines
	Erajaya Swasembada Tbk Pt	Indonesia	Chularat Hospital PCL - NVDR	Thailand
	United Plantations Bhd	Malaysia	Siam Future Development PCL - NVDR	Thailand
	Matrix Concepts Holdings Bhd	Malaysia	Taokaenoi Food & Marketing PCL - NVDR	Thailand
	Polyplex PCL - NVDR	Thailand	-	
	Puradelta Lestari Tbk Pt	Indonesia	-	

Table 2: Fund's Sector Allocation

	As at 31-Dec-21	As at 31-Dec-20	Change (%)
Consumer	23.89%	22.58%	1.31%
Energy	15.97%	21.33%	-5.36%
Telecommunication Services	13.46%	18.15%	-4.69%
Health Care	5.32%	9.70%	-4.38%
Industrials	7.22%	8.69%	-1.47%
Utilities	18.07%	6.75%	11.32%
Materials	8.53%	5.17%	3.36%
Information Technology	2.53%	3.58%	-1.05%
Real Estate	2.81%	3.07%	-0.26%
Financials	1.61%	0.96%	0.65%
Cash & Others	0.59%	0.02%	0.57%

Source: MSCI, i-VCAP

* Based on MSCI classification.

Table 3: Fund's Country Exposure

Country	As at 31-Dec-21	As at 31-Dec-20	Change (%)
Indonesia	31.02%	33.89%	-2.87%
Thailand	13.33%	31.85%	-18.52%
Malaysia	46.80%	28.72%	18.08%
Philippines	4.16%	5.52%	-1.36%
Singapore	4.10%	0.00%	4.10%

3.1 Details of portfolio composition of the Fund for the financial year as at 31 December 2021 is as follows: (contd.)

Details of the Fund's quoted Investments as at 31 December 2021 are as follows:

Table 4: MyETF-MSEAD's Investment in Listed Equities

	Country	Quantity (Units)	Market Value (RM)	Market Value as a percentage of Net Asset Value (%)
Consumer				
Indofood Cbp Sukses Makmur Tbk	Indonesia	790,000	2,007,603	4.25
IOI Corp Bhd	Malaysia	801,000	2,987,730	6.33
Kuala Lumpur Kepong Bhd	Malaysia	137,900	3,003,462	6.36
Osotspa Public Company Limited - NVDR	Thailand	483,200	2,078,183	4.40
United Plantations Bhd	Malaysia	86,300	1,197,844	2.54
			11,274,822	23.89
Energy				
Adaro Energy Tbk	Indonesia	4,649,000	3,055,439	6.47
PT AKR Corporindo TBK	Indonesia	1,370,700	1,645,568	3.49
Bukit Asam Tbk	Indonesia	2,665,500	2,109,986	4.47
Semirara Mining and Power Corporation	Philippines	417,200	727,764	1.54
			7,538,757	15.97
Financials				
Syarikat Takaful Malaysia Keluarga Bhd	Malaysia	205,900	761,830	1.61
			761,830	1.61
Health Care				
Duopharma Biotech Bhd	Malaysia	344,666	579,039	1.23
Haw Par Corp Ltd	Singapore	55,200	1,933,441	4.10
			2,512,480	5.32
Industrials				
DMCI Holdings Inc.	Philippines	1,960,300	1,234,882	2.62
Sime Darby Berhad	Malaysia	936,500	2,172,680	4.60
			3,407,562	7.22
Information Technology				
Erajaya Swasembada Tbk	Indonesia	6,807,000	1,192,995	2.53
			1,192,995	2.53

3.1 Details of portfolio composition of the Fund for the financial year as at 31 December 2021 is as follows: (contd.)

Details of the Fund's quoted Investments as at 31 December 2021 are as follows: (contd.)

Table 4: MyETF-MSEAD's Investment in Listed Equities (contd.)

	Country	Quantity (Units)	Market Value (RM)	Market Value as a percentage of Net Asset Value (%)
Materials				
Eastern Polymer Group Public Company Limited-NVDR	Thailand	837,500	1,177,875	2.50
Polyplex (Thailand) Public Company Limited - NVDR	Thailand	231,700	692,467	1.47
Scientex Bhd	Malaysia	450,400	2,157,416	4.57
			4,027,758	8.53
Real Estate				
Matrix Concepts Holdings Bhd	Malaysia	391,600	861,520	1.83
PT Puradelta Lestrai Tbk	Indonesia	8,301,900	463,172	0.98
			1,324,692	2.81
Telecommunication Services				
PT Telkom Indonesia (Persero) Tbk	Indonesia	3,530,800	4,166,641	8.83
Time Dotcom Bhd	Malaysia	474,800	2,184,080	4.63
			6,350,721	13.46
Utilities				
Banpu Power Public Company Limited- NVDR	Thailand	651,100	1,406,282	2.98
Mega First Corp Bhd	Malaysia	463,900	1,623,650	3.44
Petronas Gas Bhd	Malaysia	253,300	4,559,400	9.66
SPCG Public Company Limited - NVDR	Thailand	406,000	938,081	1.99
			8,527,413	18.07
			46,919,029	99.41

Source: MSCI, i-VCAP

3.2 Performance details of the Fund for the financial year ended 31 December 2021 are as follows:

The key statistics and comparative performance of the Fund for the financial year ended 31 December 2021 are summarised as follows:

	As at 31-Dec-21	As at 31-Dec-20	As at 31-Dec-19	As at 31-Dec-18	As at 31-Dec-17	As at 31-Dec-16
NAV per unit (RM)	0.7999	0.7654	0.8264	0.8050	0.9090	0.9277
NAV per unit (RM) (before distribution)	0.7543	0.6830	0.8229	0.8761	0.9349	0.8888
NAV per unit (RM) (after distribution)	0.7357	0.6613	0.8030	0.8593	0.9076	0.8757
- Highest	0.8233 (18 Oct)	0.8313 (3 Jan)	0.8568 (5 Jul)	0.9269 (8 Jan)	0.9472 (6 Jan)	0.9383 (8 Dec)
- Lowest	0.7149 (28 Jun)	0.5181 (23 Mar)	0.7837 (17 May)	0.7839 (28 Jun)	0.8741 (6 Dec)	0.8539 (28 Jan)
Price per unit (RM)	0.8200	0.7800	0.8350	0.8090	0.9000	0.9320
- Highest	0.830 (25 Mar)	0.8350 (2 Jan)	1.0000 (5 Jul)	0.9220 (10 Jan)	0.9450 (20 Feb)	0.9380 (11 Aug)
- Lowest	0.7250 (2 Jun)	0.3750 (21 Apr)	0.7950 (3 Jun)	0.7950 (22 Jun)	0.8860 (18 Dec)	0.8500 (28 Jan)
Units in Circulation	59,000,000	60,000,000	88,000,000	88,000,000	53,000,000	53,000,000
Total NAV (RM)	47,196,876	45,925,851	72,725,799	88,000,000	48,177,498	49,168,342
Total NAV (RM) (before distribution)	45,256,845	42,345,347	72,413,367	46,343,572	49,344,240	17,943,886
Total NAV (RM) (after distribution)	44,140,845	40,999,947	70,662,167	45,543,272	48,104,040	17,513,886
Market Capitalisation (RM)	48,380,000	46,800,000	73,480,000	71,192,000	47,700,000	49,396,000
MIISOD40 Index	2,176.70	2,012.66	2,040.17	1,993.13	2,227.35	2,222.04
MIISOD40 Total Return	4,359.83	3,895.79	3,772.96	3,536.45	3,788.95	3,661.88
Tracking Error vs. Price Return MIISOD40 Index (%)*	0.24	0.19	0.14	0.12	1.53	1.38

3.2 Performance details of the Fund for the last three financial years ended 31 December are as follows: (contd.)

	As at 31-Dec-21	As at 31-Dec-20	As at 31-Dec-19	As at 31-Dec-18	As at 31-Dec-17	As at 31-Dec-16
Tracking Error vs. Total Return MIISOD40 Index (%)*	0.25	0.20	0.14	0.12	1.37	1.11
Management Expense Ratio (%)	1.12	0.93	0.63	0.89	1.01	1.04

Source: Bloomberg, i-VCAP

* The 3-year rolling tracking error 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.

3.3 Average total return for the Fund

	Average Returns ^(b)			
	1-Year (%)	3-Year (%)	5-Year (%)	Since Inception (%)
MyETF- MSEAD - NAV Price Return ^(a)	4.51	-0.21	-2.92	-3.27
MIISOD40 - Price Return Index	8.15	3.09	-0.40	-1.43
MyETF- MSEAD - NAV Total Return ^(a)	7.15	2.49	-0.52	-1.12
MIISOD40 - Total Return Index	11.91	7.78	3.81	2.77

Source: 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.

3.4 Annual total return of the Fund

	2021 (%)	2020 (%)	2019 (%)	2018 (%)	2017 (%)	2016 (%)
MyETF- MSEAD - NAV Price Return ^(a)	4.51	-7.38	2.66	-11.44	-2.02)	-1.11
MIISOD40 - Price Return Index	8.15	-1.35	2.36	-10.52	0.24	0.38
MyETF- MSEAD - NAV Total Return ^(a)	7.15	-4.16	5.20	-9.88	0.51	1.32
MIISOD40 - Total Return Index	11.91	3.26	6.69	-6.66	3.47	4.44

Source: Bloomberg, i-VCAP

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

Investors are reminded that past performance is not necessarily indicative of future performance. Unit prices and investment returns may fluctuate.

4. TRUSTEE'S REPORT TO THE UNIT HOLDERS OF MYETF MSCI SEA ISLAMIC DIVIDEND

We have acted as Trustee for MyETF MSCI SEA Islamic Dividend ("the Fund") for the financial year ended 31 December 2021. 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 under the Deed(s), the Securities Commission's Guidelines on Exchange-Traded Funds, the Capital Markets and Services Act 2007 and other applicable laws;
- (b) valuation and pricing of the Fund is carried out in accordance with the Deed(s) of the Fund and any regulatory requirements; and
- (c) creation and cancellation of units for the Fund are carried out in accordance with the Deed(s) of the Fund and applicable regulatory requirements.

We are of the view that the distribution made during the financial year ended 31 December 2021 by the Manager is not inconsistent with the objectives of the Fund.

For Deutsche Trustees Malaysia Berhad

Soon Lai Ching
Senior Manager, Trustee Operations

Gerard Ang
Chief Executive Officer

Kuala Lumpur, Malaysia

28 February 2022

5. SHARIAH ADVISER'S REPORT TO THE UNIT HOLDERS OF MYETF MSCI SEA ISLAMIC DIVIDEND ("FUND")

We hereby confirm the following:

1. To the best of our knowledge, after having made all reasonable enquiries, i-VCAP Management Sdn. Bhd. has operated and managed the Fund during the period covered by these financial statements in accordance with the Shariah principles and complied with the applicable guidelines, rulings or decisions issued by the Securities Commission Malaysia ("SC") pertaining to Shariah matters; and
2. The asset of the Fund comprises of instruments that have been classified as Shariah compliant.

For Amanie Advisors Sdn Bhd

Tan Sri Dr. Mohd Daud Bakar
Executive Chairman

Date: 28 February 2022

6. INDEPENDENT AUDITORS' REPORT TO THE UNIT HOLDERS OF MYETF MSCI SEA ISLAMIC DIVIDEND

Report on the audit of the financial statements

Opinion

We have audited the financial statements of MyETF MSCI SEA Islamic Dividend ("the Fund"), which comprise the statement of financial position as at 31 December 2021, and the statement of comprehensive income, statement of changes in net asset value and statement of cash flows of the Fund for the financial year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information, as set out on pages 22 to 54.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Fund as at 31 December 2021 and of its financial performance and cash flows for the financial year then ended in accordance with Malaysian Financial Reporting Standards and International Financial Reporting Standards.

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 audit 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 Code of Ethics for Professional Accountants (including International Independence Standards) ("IESBA Code"), and we have fulfilled our other ethical responsibilities in accordance with the By-Laws and the IESBA Code.

Kay 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 financial 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. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the *Auditors' responsibilities for the audit of the financial statements* section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis of our audit opinion on the accompanying financial statements.

6. INDEPENDENT AUDITORS' REPORT TO THE UNIT HOLDERS OF MYETF MSCI SEA ISLAMIC DIVIDEND(CONTD.)

Kay audit matters (contd.)

Financial assets at fair value through profit or loss

Description

The financial assets at fair value through profit or loss ("FVTPL") of the Fund comprise only of listed Shariah-compliant equity securities and are valued at RM46,919,029 as at 31 December 2021.

The valuation and existence of the financial assets at FVTPL is the key driver of the Fund's net asset value. Incorrect pricing of financial assets at FVTPL could have a significant impact on its net asset value and, therefore, the return generated for unit holders.

The Fund's accounting policy on the financial assets at FVTPL is included in Note 3(c), and its disclosures about the fair values of the investments held at the reporting date are included in Notes 4 and 20 to the financial statements

Our responses

Our audit work to address valuation and existence of the financial assets at FVTPL includes the following:

- Understanding processes and controls put in place by the Manager of the Fund ("the Manager") and the third party service provider to assess compliance with relevant accounting standards and performing walkthrough procedures to understand the operating effectiveness of relevant controls over the financial assets at FVTPL;
- Testing the valuation of the financial assets at FVTPL as at reporting date by independently agreeing the price used in the valuation to the published prices by the relevant stock exchange;
- Obtaining confirmation of the existence of the financial assets at FVTPL as at the reporting date directly from the Fund's trustee; and
- Reviewing the adequacy of the disclosures on the financial assets at FVTPL in the Fund's financial statements.

Information other than the financial statements and auditors' report thereon

The Manager of the Fund ("the Manager") is responsible for the other information. The other information comprises the information included in the annual report of the Fund, 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.

6. INDEPENDENT AUDITORS' REPORT TO THE UNIT HOLDERS OF MYETF MSCI SEA ISLAMIC DIVIDEND (CONTD.)

Information other than the financial statements and auditors' report thereon (contd.)

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 and the Trustee for the financial statements

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

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

The Trustee is responsible for overseeing the Fund's financial reporting process. The Trustee is also responsible for ensuring that the Manager maintains proper accounting and other records as are necessary to enable true and fair presentation of these financial statements.

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 judgment and maintain professional skepticism throughout the audit. We also:

- 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.

6. INDEPENDENT AUDITORS' REPORT TO THE UNIT HOLDERS OF MYETF MSCI SEA ISLAMIC DIVIDEND (CONTD.)

Auditors' responsibilities for the audit of the financial statements (contd.)

- 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.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Manager.
- 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.
- Evaluate the overall presentation, structure and content of the financial statements of the Fund, including the disclosures, and whether the financial statements of the Fund represent the underlying transactions and events in a manner that achieves fair presentation.

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

Other matters

This report is made solely to the unit holders of the Fund, as a body, in accordance with the Guidelines on Exchange-Traded Funds issued by the Securities Commission Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

The financial statements of the Fund for the financial year ended 31 December 2020 were audited by another auditor who expressed an unmodified opinion on those statements on 16 February 2021.

Ernst & Young PLT
202006000003 (LLP0022760-LCA) & AF 0039
Chartered Accountants

Ng Sue Ean
No. 03276/07/2022 J
Chartered Accountant

Kuala Lumpur, Malaysia

28 February 2022

7. STATEMENT BY MANAGER

I, Syed Umar Bin Abdul Rahman Alhadad, being a director of *i*-VCAP Management Sdn. Bhd., do hereby state that, in the opinion of the Manager, the accompanying statement of financial position as at 31 December 2021 and the related statement of comprehensive income, statement of changes in net asset value and statement of cash flows for the financial year ended 31 December 2021 together with notes thereto, are drawn up in accordance with Malaysian Financial Reporting Standards and International Financial Reporting Standards so as to give a true and fair view of the financial position of MyETF MSCI SEA Islamic Dividend as at 31 December 2021 and of its financial performance and cash flows for the financial year then ended and comply with the requirements of the Deed.

For and on behalf of the Manager
i-VCAP MANAGEMENT SDN. BHD.

SYED UMAR BIN ABDUL RAHMAN ALHADAD
Executive Director/Acting Chief Executive Officer

Kuala Lumpur, Malaysia

28 February 2022

8. FINANCIAL STATEMENTS

8.1 STATEMENT OF COMPREHENSIVE INCOME FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

	Note	2021 RM	2020 RM
INVESTMENT INCOME			
Dividend income		1,726,535	1,890,834
Profit income		2,802	10,420
Net gain/(loss) from Shariah-compliant investments:			
- Financial assets at fair value through profit or loss ("FVTPL")	4	2,822,052	(4,910,058)
Net loss on foreign currency exchange		(605,756)	(484,184)
		<u>3,945,633</u>	<u>(3,492,988)</u>
EXPENSES			
Manager's fee	5	290,647	297,527
Trustee's fee	6	20,122	20,598
Index license fee	7	87,314	12,636
Auditors' remuneration		16,350	16,350
Tax agent's fee		9,750	19,850
Other expenses	8	297,227	295,702
Brokerage and other transaction costs		113,398	119,197
		<u>834,808</u>	<u>781,860</u>
NET INCOME/(LOSS) BEFORE TAX		3,110,825	(4,274,848)
Income tax	9	-	-
NET INCOME/(LOSS) AFTER TAX, REPRESENTING TOTAL COMPREHENSIVE INCOME/(LOSS) FOR THE FINANCIAL YEAR		<u>3,110,825</u>	<u>(4,274,848)</u>
Net income/(loss) after tax is made up as follows:			
Realised gain/(loss)		987,136	(5,420,587)
Unrealised gain		2,123,689	1,145,739
		<u>3,110,825</u>	<u>(4,274,848)</u>
Distribution for the year:			
Net distribution (RM)	10	<u>(1,116,000)</u>	<u>(1,345,400)</u>
Gross/Net distribution per unit (sen)	10	<u>1.86</u>	<u>2.17</u>

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

8.2 STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2021

	Note	2021 RM	2020 RM
ASSETS			
INVESTMENTS			
Financial assets at FVTPL	4	46,919,029	45,903,571
Short term Islamic deposits	11	240,000	-
		<u>47,159,029</u>	<u>45,903,571</u>
OTHER ASSETS			
Other receivables	12	36,477	88,406
Cash at bank		90,968	39,841
		<u>127,445</u>	<u>128,247</u>
TOTAL ASSETS		<u>47,286,474</u>	<u>46,031,818</u>
LIABILITIES			
Amount due to Manager		25,654	25,636
Amount due to Trustee		1,776	1,775
Amount due to Index Provider		4,396	6,596
Other payables	13	57,772	71,960
TOTAL LIABILITIES		<u>89,598</u>	<u>105,967</u>
EQUITY			
Unit holders' contribution		57,557,300	58,281,100
Accumulated losses		(10,360,424)	(12,355,249)
NET ASSET VALUE ("NAV") ATTRIBUTABLE TO UNIT HOLDERS	15	<u>47,196,876</u>	<u>45,925,851</u>
TOTAL LIABILITIES AND EQUITY		<u>47,286,474</u>	<u>46,031,818</u>
NUMBER OF UNITS IN CIRCULATION	14(a)	<u>59,000,000</u>	<u>60,000,000</u>
NAV PER UNIT (RM)		<u>0.7999</u>	<u>0.7654</u>

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

8.3 STATEMENT OF CHANGES IN NET ASSET VALUE FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

	Note	Unit holders' contribution RM	Accumulated losses RM	Total NAV RM
2021				
At beginning of the financial year		58,281,100	(12,355,249)	45,925,851
Total comprehensive income		-	3,110,825	3,110,825
Cancellation of units	14(a)	(723,800)	-	(723,800)
Distribution	10	-	(1,116,000)	(1,116,000)
At end of the financial year		<u>57,557,300</u>	<u>(10,360,424)</u>	<u>47,196,876</u>
2020				
At beginning of the financial year		79,460,800	(6,735,001)	72,725,799
Total comprehensive loss		-	(4,274,848)	(4,274,848)
Cancellation of units	14(a)	(21,179,700)	-	(21,179,700)
Distribution	10	-	(1,345,400)	(1,345,400)
At end of the financial year		<u>58,281,100</u>	<u>(12,355,249)</u>	<u>45,925,851</u>

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

**8.4 STATEMENT OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021**

	2021 RM	2020 RM
CASH FLOWS FROM OPERATING AND INVESTING ACTIVITIES		
Proceeds from sales of investments	39,408,989	56,079,379
Dividends received	1,778,485	1,930,774
Profit from short term Shariah-compliant deposits	2,781	10,461
Tax agent's fee paid	(4,800)	(18,175)
Auditors' remuneration paid	(16,365)	(16,350)
Trustee fee paid	(20,121)	(21,687)
Index license fee paid	(89,514)	(31,597)
Management fee paid	(290,629)	(313,254)
Payment for other fees and expenses	(316,350)	(244,367)
Purchase of investments	(37,715,793)	(34,863,769)
Net cash generated from operating and investing activities	<u>2,736,683</u>	<u>22,511,415</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Cash paid on units cancelled	(723,800)	(21,179,700)
Income distribution paid	(1,116,000)	(1,345,400)
Net cash used in financing activities	<u>(1,839,800)</u>	<u>(22,525,100)</u>
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	896,883	(13,685)
EFFECT OF FOREIGN EXCHANGE RATE CHANGES	(605,756)	(484,184)
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL YEAR	<u>39,841</u>	<u>537,710</u>
CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL YEAR	<u>330,968</u>	<u>39,841</u>
Cash and cash equivalents comprise:		
Cash at banks	90,968	39,841
Short term Islamic deposits	240,000	-
	<u>330,968</u>	<u>39,841</u>

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

7.5 NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

1. THE FUND, THE MANAGER AND THEIR PRINCIPAL ACTIVITIES

MyETF MSCI SEA Islamic Dividend ("the Fund") was constituted pursuant to the executed Deed dated 6 February 2015 (collectively, together with deeds supplemental thereto, referred to as "the Deed") between the Manager, i-VCAP Management Sdn. Bhd. and Deutsche Trustees Malaysia Berhad ("the Trustee"). The Fund commenced operations on 8 April 2015 and will continue to be in operation until terminated by the Trustee as provided under 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 Guidelines on Exchange-Trade Funds as issued by Securities Commission Malaysia ("SC Guidelines"), the Deed and the objective of the Fund.

The immediate and ultimate holding companies of the Manager, i-VCAP Management Sdn. Bhd. are Kenanga Investors Berhad and Kenanga Investment Bank Berhad respectively, both of which are incorporated in Malaysia. The ultimate holding company is listed on the Main Market of Bursa Malaysia Securities Berhad.

The principal place of business of the Manager is Level 14, Kenanga Tower, 237, Jalan Tun Razak, 50400 Kuala Lumpur.

The financial statements were authorised for issue by the Executive Director of the Manager on 28 February 2022.

2. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Fund is exposed to a variety of risks including market risk (which includes interest rate risk, price risk and currency risk), credit risk, liquidity risk and reclassification of Shariah status risk. Whilst these are the most important types of financial risks inherent in each type of financial instruments, the Manager and the Trustee would like to highlight that this list does not purport to constitute an exhaustive list of all the risks inherent in a Shariah-compliant investment in the Fund.

The Fund has an approved set of investment guidelines and policies as well as internal controls which sets out its overall business strategies to manage these risks to optimise returns and preserve capital for the unit holders, consistent with the long-term objectives of the Fund.

a. Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk includes interest rate risk, price risk and currency risk.

2. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTD.)

a. Market risk (contd.)

Market risk arises when the value of the Shariah-compliant investments fluctuates in response to the activities of individual companies, general market or economic conditions. It stems from the fact that there are economy-wide perils, which threaten all businesses. Hence, investors are exposed to market uncertainties. Fluctuation in the Shariah-compliant investments' prices caused by uncertainties in the economic, political and social environment will affect the NAV of the Fund.

The Manager manages the risk of unfavourable changes in prices by cautious review of the Shariah-compliant investments and continuous monitoring of their performance and risk profiles.

i. Interest rate risk

Interest rate risk refers to how the changes in the interest rate environment would affect the valuation of Shariah-compliant instruments. In the event of a rising interest rate environment, the valuation of Shariah-compliant instruments may decrease, and vice versa. Interest rate, such as the Overnight Policy Rate set by Bank Negara Malaysia, will have an impact on the investment decisions of the Fund regardless of whether it is an Islamic fund or otherwise. It does not in any way suggest that the Fund will invest in conventional financial instruments.

The Fund is not exposed to significant interest rate risk as its Islamic deposits are short term in nature and have fixed profit rates.

Interest rate risk exposure

The following table analyses the Fund's interest rate risk exposure. The Fund's financial assets and financial liabilities are disclosed at fair value and categorised by the earlier of contractual re-pricing or maturity dates.

	Up to 1 year RM	Non- exposure to interest rate movement RM	Total RM	Weighted average effective rate of return* %
2021				
Assets				
Financial assets at				
FVTPL	-	46,919,029	46,919,029	
Short term Islamic				
deposits	240,000	-	240,000	1.6
Other assets	-	127,445	127,445	
	<u>240,000</u>	<u>47,046,474</u>	<u>47,286,474</u>	
Liabilities				
Other liabilities	-	31,826	31,826	
Total interest rate sensitivity gap	<u>240,000</u>	<u>47,014,648</u>	<u>47,254,648</u>	

* Calculated based on Shariah-compliant assets with exposure to interest rate movement only.

2. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTD.)

a. Market risk (contd.)

i. Interest rate risk (contd.)

Interest rate risk exposure (contd.)

	Up to 1 year RM	Non- exposure to interest rate movement RM	Total RM	Weighted average effective rate of return* %
2020				
Assets				
Financial assets at				
FVTPL	-	45,903,571	45,903,571	
Other assets	-	128,247	128,247	
	-	46,031,818	46,031,818	
Liabilities				
Other liabilities	-	35,632	35,632	
Total interest rate sensitivity gap	-	45,996,186	45,996,186	

* Calculated based on Shariah-compliant assets with exposure to interest rate movement only.

ii. Price risk

Price risk is the risk of unfavorable changes in the fair values of listed Shariah-compliant equity securities. The Fund invests in listed Shariah-compliant equity securities which are exposed to price fluctuations. This may then affect the NAV of the Fund.

Price risk sensitivity

The Manager's best estimate of the effect on the income/(loss) for the financial year due to a reasonably possible change in investments in listed Shariah-compliant equity securities with all other variables held constant is indicated in the table below:

	Changes in price Increase/(Decrease) Basis points	Effects on income/(loss) for the financial year Gain/(Loss) RM
2021		
Financial assets at FVTPL	5/(5)	23,460/(23,460)
2020		
Financial assets at FVTPL	5/(5)	22,952/(22,952)

In practice, the actual trading results may differ from the sensitivity analysis above and the difference could be material.

2. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTD.)

a. Market risk (contd.)

ii. Price risk (contd.)

Price risk concentration

The following table sets out the Fund's exposure and concentration to price risk based on its portfolio of Shariah-compliant financial instruments as at the reporting date.

	Fair value		Percentage of NAV	
	2021 RM	2020 RM	2021 %	2020 %
Financial assets at FVTPL	46,919,029	45,903,571	99.4	100.0

The Fund's concentration of Shariah-compliant investment security price risk from the Fund's listed Shariah-compliant equity securities analysed by sector is as follows:

	Fair value		Percentage of NAV	
	2021 RM	2020 RM	2021 %	2020 %
Utilities	8,527,412	3,098,400	18.1	6.8
Telecommunications and Media	7,543,716	9,976,715	15.9	21.7
Energy	7,538,757	9,794,533	16.0	21.3
Plantation	7,189,036	-	15.3	-
Consumer Product and Services	6,258,466	12,390,827	13.3	27.0
Industrial Products and Services	3,392,298	2,140,029	7.2	4.7
Health Care	2,512,480	4,453,292	5.3	9.7
Materials	1,870,342	847,693	3.9	1.8
Property	1,324,692	1,409,506	2.8	3.1
Financial Services	761,830	442,376	1.6	1.0
Transportation and Logistics	-	1,350,200	-	2.9
	46,919,029	45,903,571	99.4	100.0

iii. Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

When the foreign currencies fluctuate in an unfavourable movement against Ringgit Malaysia, the investment face currency loss in addition to capital gain/(loss). This will lead to lower NAV of the Fund.

2. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTD.)

a. Market risk (contd.)

iii. Currency risk (contd.)

The Manager may consider managing the currency risk using currency hedging. However, this would be subject to the current market outlook on the currency exposure risk as well.

The following table indicates the currencies to which the Fund had significant exposure at the reporting date on its financial assets. The analysis calculates the effect of a reasonably possible movement of the currency rate against Ringgit Malaysia on income with all other variables held constant.

	Changes in currency rate Increase/(Decrease) Basis points	Effects on income/(loss) for the financial year Gain/(Loss) RM
2021		
IDR	5/(5)	7,321/(7,321)
PHP	5/(5)	981/(981)
SGD	5/(5)	967/(967)
THB	5/(5)	3,146/(3,146)
2020		
IDR	5/(5)	7,782/(7,782)
PHP	5/(5)	1,266/(1,266)
SGD	5/(5)	40/(40)
THB	5/(5)	7,309/(7,309)

In practice, the actual trading results may differ from the sensitivity analysis above and the difference could be material

Currency risk concentration

The following table sets out the Fund's exposure to foreign currency exchange rates on its financial assets as at reporting date.

	Fair value		Percentage of NAV	
	2021 RM	2020 RM	2021 %	2020 %
IDR	14,641,404	15,563,286	31.0	33.9
PHP	1,962,647	2,541,752	4.2	5.5
SGD	1,933,441	79,367	4.1	0.2
THB	6,292,887	14,618,690	13.3	31.8
	<u>24,830,378</u>	<u>32,803,095</u>	<u>52.6</u>	<u>71.4</u>

2. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTD.)

b. Credit risk

Credit risk is the risk that the counterparty to a financial instrument will cause a financial loss to the Fund by failing to discharge an obligation. The Manager manages the credit risk by undertaking credit evaluation to minimise such risk.

i. Credit risk exposure

As at the reporting date, the Fund's maximum exposure to credit risk is represented by the carrying amount of each class of financial asset recognised in the statement of financial position.

ii. Financial assets that are either past due or impaired

As at the reporting date, there are no financial assets that are either past due or impaired.

iii. Credit quality of financial assets

The Fund invests in Islamic deposits with financial institutions licensed under the Islamic Financial Services Act 2013. The following table analyses the licensed financial institutions by rating category:

Short term Islamic deposits

Rating	Percentage of total short term Islamic deposits		Percentage of NAV	
	2021 %	2020 %	2021 %	2020 %
P1/MARC-1	100.0	-	0.6	-

c. Liquidity risk

Liquidity risk is defined as the risk that the Fund will encounter difficulty in meeting obligations associated with financial liabilities that are to be settled by delivering cash or another financial asset. Exposure to liquidity risk arises because of the possibility that the Fund could be required to pay its liabilities or cancel its units earlier than expected. The Fund is exposed to cancellation of its units on a regular basis. Units sold to unit holders by the Manager are cancellable at the unit holders' option based on the Fund's NAV per unit at the time of cancellation calculated in accordance with the Deed.

The Islamic liquid assets comprise cash, short term Islamic deposits with licensed financial institutions and other Shariah-compliant instruments, which are capable of being converted into cash within 7 days.

2. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTD.)

c. Liquidity risk (contd.)

The following table analyses the maturity profile of the Fund's financial assets and financial liabilities in order to provide a complete view of the Fund's contractual commitments and liquidity.

	Note	Up to 1 year 2021 RM	2020 RM
Assets			
Financial assets at FVTPL		46,919,029	45,903,571
Short term Islamic deposits		240,000	-
Other assets		127,445	128,247
	i.	<u>47,286,474</u>	<u>46,031,818</u>
Liabilities			
Other liabilities	ii.	<u>31,826</u>	<u>35,632</u>
Equity	iii.	<u>47,196,876</u>	<u>45,925,851</u>
Liquidity gap		<u>89,598</u>	<u>104,342</u>

i. Financial assets

Analysis of financial assets at FVTPL into maturity groupings is based on the expected date on which these assets will be realised. The Fund's investments in listed Shariah-compliant equity securities have been included in the "up to 1 year" category on the assumption that these are highly liquid Shariah-compliant investments which can be realised should all of the Fund's unit holders' equity be required to be redeemed. For other assets, the analysis into maturity groupings is based on the remaining period from the end of the reporting period to the contractual maturity date or if earlier, the expected date on which the assets will be realised.

ii. Financial liabilities

The maturity grouping is based on the remaining period from the end of the reporting period to the contractual maturity date or if earlier, the date on which liabilities will be settled. When the counterparty has a choice of when the amount is paid, the liability is allocated to the earliest period in which the Fund can be required to pay.

iii. Equity

As the unit holders can request for redemption of their units, they have been categorised as having a maturity of "up to 1 year".

d. Reclassification of Shariah status risk

Shariah status reclassification risk is the risk that the currently held Shariah-compliant equity securities in the portfolio of Islamic funds may be reclassified as Shariah non-compliant in the periodic review of the securities by the Shariah Advisory Council of the Securities Commission Malaysia ("SACSC") or the Shariah Adviser. If this occurs, the Manager will take the necessary steps to dispose of such securities.

2. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTD.)

d. Reclassification of Shariah status risk (contd.)

Opportunity loss could occur due to the restriction on the Fund to retain the excess capital gains derived from the disposal of the reclassified Shariah non-compliant securities. In such an event, the Fund is required:

- i. to dispose of such securities with immediate effect or within one calendar month if the value of the securities exceeds or is equal to the investment cost on the last trading day before the effective date of reclassification of the list of Shariah-compliant securities ("Reclassification") by the SACSC or date of review ("Review") by the Shariah Adviser. The Fund is allowed to keep dividends received and capital gains from the disposal of the securities up to the last trading day before the effective date of Reclassification or Review. However, any dividends received and excess capital gains from the disposal of the Shariah non-compliant securities on and after the effective date of Reclassification or Review should be channelled to *baitulmal* and/or charitable bodies approved by the Shariah Adviser;
- ii. to hold such securities if the value of the said securities is below the investment cost on the last trading day before the effective date of Reclassification or Review until the total subsequent dividends received (if any) and the market price of the securities is equal to the cost of investment at which time disposal has to take place within one calendar month, excess capital gains (if any) from the disposal of the securities should be channelled to *baitulmal* and/or charitable bodies approved by the Shariah Adviser; or
- iii. to dispose of such securities at a price lower than the investment cost which will result in a decrease in the Fund's value.

e. Regulatory reportings

It is the Manager's responsibility to ensure full compliance of all requirements under the SC Guidelines. Any breach of any such requirement has been reported in the mandatory reporting to Securities Commission Malaysia on a quarterly basis.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a. Basis of accounting

The financial statements of the Fund have been prepared in accordance with Malaysian Financial Reporting Standards ("MFRS") as issued by the Malaysian Accounting Standards Board ("MASB") and International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB").

The financial statements have been prepared on the historical cost basis except as disclosed in the accounting policies below.

The accounting policies adopted are consistent with those of the previous financial year except for the adoption of the amended MFRS, which became effective for the Fund on 1 January 2021.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTD.)

a. Basis of accounting (contd.)

Description	Effective for financial periods beginning on or after
Amendments to MFRS 16: <i>Covid-19-Related Rent Concessions</i>	1 June 2020
Amendments to MFRS 4: <i>Extension of the Temporary Exemption from Applying MFRS 9</i>	17 August 2020
Amendments to MFRS 9, MFRS 139, MFRS 7, MFRS 4 and MFRS 16: <i>Interest Rate Benchmark Reform - Phase 2</i>	1 January 2021

The adoption of the amended MFRS did not have any significant impact on the financial position or performance of the Fund.

b. Standards and amendments issued but not yet effective

As at the reporting date, the following new standard and amendments to standards that have been issued by MASB will be effective for the Fund in future financial periods. The Fund intends to adopt the relevant standard and amendments to standards when they become effective.

Description	Effective for financial periods beginning on or after
Amendments to MFRS 16: <i>Covid-19 - Related Rent Concessions beyond 30 June 2021</i>	1 April 2021
Amendments to MFRS contained in the document entitled " <i>Annual Improvements to MFRS Standards 2018 - 2020</i> "	1 January 2022
Amendments to MFRS 1: <i>Subsidiary as a First-time Adopter</i> contained in the document entitled " <i>Annual Improvements to MFRS Standards 2018 - 2020</i> "	1 January 2022
Amendments to MFRS 9: <i>Fees in the '10 per cent' Test for Derecognition of Financial Liabilities</i> contained in the document entitled " <i>Annual Improvements to MFRS Standards 2018 - 2020</i> "	1 January 2022
Amendments to Illustrative Examples accompanying MFRS 16: <i>Lease Incentives</i> contained in the document entitled " <i>Annual Improvements to MFRS Standards 2018 - 2020</i> "	1 January 2022
Amendments to MFRS 141: <i>Taxation in Fair Value Measurements</i> contained in the document entitled " <i>Annual Improvements to MFRS Standards 2018 - 2020</i> "	1 January 2022
Amendments to MFRS 3: <i>Reference to the Conceptual Framework</i>	1 January 2022
Amendments to MFRS 116: <i>Property, Plant and Equipment - Proceeds before Intended Use</i>	1 January 2022
Amendments to MFRS 137: <i>Onerous Contracts - Cost of Fulfilling a Contract</i>	1 January 2022
MFRS 17: <i>Insurance Contracts</i>	1 January 2023
Amendments to MFRS 17: <i>Insurance Contracts</i>	1 January 2023

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTD.)

b. Standards and amendments issued but not yet effective (contd.)

Description	Effective for financial periods beginning on or after
Amendment to MFRS 17: <i>Initial Application of MFRS 17 and MFRS 9 - Comparative Information</i>	1 January 2023
Amendments to MFRS 101: <i>Classification of Liabilities as Current or Non-current</i>	1 January 2023
Amendments to MFRS 101: <i>Disclosure of Accounting Policies</i>	1 January 2023
Amendments to MFRS 108: <i>Definition of Accounting Estimates</i>	1 January 2023
Amendments to MFRS 112: <i>Deferred Tax related to Assets and Liabilities arising from a Single Transaction</i>	1 January 2023
Amendments to MFRS 10 and MFRS 128: <i>Sale or Contribution of Assets between an Investor and its Associate or Joint Venture</i>	To be announced by MASB

These pronouncements are not expected to have any significant impact to the financial statements of the Fund upon their initial application.

c. Financial instruments

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

i. Initial recognition

The classification of financial instruments at initial recognition depends on their contractual terms and the business model for managing the instruments, as described in Notes 3(c)(ii) and (iii).

ii. Measurement categories of financial assets and liabilities

The Fund classifies all of its financial assets based on the business model for managing the assets and the asset's contractual terms, measured at either:

- Amortised cost;
- Fair value through other comprehensive income; and
- Fair value through profit or loss.

The Fund may designate financial instruments at FVTPL, if so doing eliminates or significantly reduces measurement or recognition inconsistencies.

Financial assets are initially measured at their fair values plus, except in the case of financial assets recorded at FVTPL, transaction costs.

The Fund's other financial assets include cash at banks, short term Islamic deposits, trade receivables and other receivables.

Financial liabilities are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability. Financial liabilities are classified as either financial liabilities at FVTPL or other financial liabilities.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTD.)

c. Financial instruments (contd.)

ii. Measurement categories of financial assets and liabilities (contd.)

The Fund's other financial liabilities include trade payables and other payables.

Other financial liabilities are recognised and initially measured at fair values, net of directly attributable transaction costs and subsequently measured at amortised cost using the effective yield rate ("EYR"). Gains or losses are recognised in profit or loss when the liabilities are derecognised, and through the amortisation process.

iii. Due from banks, short term Islamic deposits, trade receivables and other receivables at amortised cost

The Fund only measures the cash at banks, short term Islamic deposits, trade receivables and other receivables at amortised cost if both of the following conditions are met:

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and profit ("SPPP") on the principal amount outstanding.

The details of these conditions are outlined below.

Business model assessment

The Fund determines its business model at the level that best reflects how it manages groups of financial assets to achieve its business objective.

The Fund's business model is not assessed on an instrument-by-instrument basis, but at a higher level of aggregated portfolios and is based on observable factors such as:

- How the performance of the business model and the financial assets held within that business model are evaluated and reported to the entity's key management personnel;
- The risks that affect the performance of the business model (and the financial assets held within that business model) and, in particular, the way those risks are managed;
- How managers of the business are compensated (for example, whether the compensation is based on the fair value of the assets managed or on the contractual cash flows collected); and
- The expected frequency, value and timing of sales are also important aspects of the Fund's assessment.

The business model assessment is based on reasonably expected scenarios without taking 'worst case' or 'stress case' scenarios into account. If cash flows after initial recognition are realised in a way that is different from the Fund's original expectations, the Fund does not change the classification of the remaining financial assets held in that business model but incorporates such information when assessing newly originated or newly purchased financial assets going forward, unless it has been determined that there has been a change in the original business model.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTD.)

c. Financial instruments (contd.)

iii. Due from banks, short term Islamic deposits, trade receivables and other receivables at amortised cost (contd.)

The SPPP test

As a second step of its classification process, the Fund assesses the contractual terms of financial assets to identify whether they meet the SPPP test.

'Principal' for the purpose of this test is defined as the fair value of the financial asset at initial recognition and may change over the life of the financial asset (for example, if there are repayments of principal or amortisation/accretion of the premium/discount).

The most significant elements of profit within a financing arrangement are typically the consideration for the time value of money and credit risk. To make the SPPP assessment, the Fund applies judgment and considers relevant factors such as the currency in which the financial asset is denominated, and the period for which the profit rate is set.

In contrast, contractual terms that introduce a more than de minimis exposure to risks or volatility in the contractual cash flows that are unrelated to a basic financing arrangement do not give rise to contractual cash flows that are solely payments of principal and profit on the amount outstanding. In such cases, the financial asset is required to be measured at FVTPL.

iv. Financial investments

Financial assets in this category are those that are managed in a fair value business model, or that have been designated by management upon initial recognition, or are mandatorily required to be measured at fair value under MFRS 9. This category includes debt instruments whose cash flow characteristics fail the SPPP criterion or are not held within a business model whose objective is either to collect contractual cash flows, or to both collect contractual cash flows and sell.

d. Derecognition of financial assets

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is derecognised when the rights to receive cash flows from the financial asset have expired. The Fund also derecognises the financial asset if it has both transferred the financial asset and the transfer qualifies for derecognition.

The Fund has transferred the financial asset if, and only if, either:

- The Fund has transferred its contractual rights to receive cash flows from the financial asset; or
- It retains the rights to the cash flows but has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTD.)

d. Derecognition of financial assets (contd.)

Pass-through arrangements are transactions whereby the Fund retains the contractual rights to receive the cash flows of a financial asset (the 'original asset'), but assumes a contractual obligation to pay those cash flows to one or more entities (the 'eventual recipients'), when all of the following three conditions are met:

- The Fund has no obligation to pay amounts to the eventual recipients unless it has collected equivalent amounts from the original asset, excluding short-term advances with the right to full recovery of the amount financed plus accrued profit at market rates;
- The Fund cannot sell or pledge the original asset other than as security to the eventual recipients; and
- The Fund has to remit any cash flows it collects on behalf of the eventual recipients without material delay. In addition, the Fund is not entitled to reinvest such cash flows, except for investments in cash or cash equivalents including profit earned, during the period between the collection date and the date of required remittance to the eventual recipients.

A transfer only qualifies for derecognition if either:

- The Fund has transferred substantially all the risks and rewards of the asset; or
- The Fund has neither transferred nor retained substantially all the risks and rewards of the asset but has transferred control of the asset.

The Fund considers control to be transferred if, and only if, the transferee has the practical ability to sell the asset in its entirety to an unrelated third party and is able to exercise that ability unilaterally and without imposing additional restrictions on the transfer.

When the Fund has neither transferred nor retained substantially all the risks and rewards and has retained control of the asset, the asset continues to be recognised only to the extent of the Fund's continuing involvement, in which case, the Fund also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Fund has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration the Fund could be required to pay.

If continuing involvement takes the form of a written or purchased option (or both) on the transferred asset, the continuing involvement is measured at the value the Fund would be required to pay upon repurchase. In the case of a written put option on an asset that is measured at fair value, the extent of the entity's continuing involvement is limited to the lower of the fair value of the transferred asset and the option exercise price.

e. Offsetting of financial assets and liabilities

Financial assets and financial liabilities are offset and the net amount is reported in the statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis and to realise the assets and settle the liabilities simultaneously.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTD.)

f. Impairment of financial assets

i. Overview of the expected credit loss (“ECL”) principles

The Fund measures its receivables impairment using the forward-looking ECL approach in accordance with the requirements of MFRS 9.

ii. Write-offs

Financial assets are written off either partially or in their entirety only when the Fund has stopped pursuing the recovery. If the amount to be written off is greater than the accumulated loss allowance, the difference is first treated as an addition to the allowance that is then applied against the gross carrying amount. Any subsequent recoveries are credited to credit loss expense.

g. Income

Income is recognised to the extent that it is probable that the economic benefits will flow to the Fund and the income can be reliably measured. Income is measured at the fair value of consideration received or receivable.

Profit income is recognised using effective yield method.

Dividend income is recognised on declared basis, when the right to receive the dividend is established.

The realised gain or loss on sale of Shariah-compliant investments is measured as the difference between the net disposal proceeds and the carrying amount of the Shariah-compliant investment.

h. Cash and cash equivalents

For the purpose of the statement of cash flows, cash and cash equivalents include cash at banks and short term deposits with licensed financial institutions with maturities of three months or less, which have an insignificant risk of changes in value.

i. Income tax

Income tax on the profit or loss for the financial year comprises current tax. Current tax is the expected amount of income taxes payable in respect of the taxable profit for the financial year.

As no temporary differences have been identified, no deferred tax has been recognised.

j. Unrealised reserves

Unrealised reserves represent the net gain or loss arising from carrying Shariah-compliant investments at their fair values at reporting date. This reserve is not distributable.

k. Unit holders’ contribution – NAV attributable to unit holders

The unit holders’ contribution to the Fund is classified as equity instruments.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTD.)

I. Functional and presentation currency

i. Functional and presentation currency

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 also the Fund's functional currency.

ii. Foreign currency transaction

In preparing the financial statements of the Fund, transactions in currencies other than the Fund's functional currency (foreign currencies) are recorded in the functional currency using exchange rates prevailing at the dates of the transactions. At each reporting date, monetary items denominated in foreign currencies are translated at the rates prevailing on the reporting date. All exchange gain or loss is recognised in profit or loss.

Exchange differences arising on the settlement of monetary items, and on the translation of monetary items, are included in profit or loss for the financial year.

The principal exchange rate for each respective units of foreign currency ruling at reporting date is as follows:

	2021 RM	2020 RM
1,000 IDR	0.2921	0.2859
1 PHP	0.0817	0.0836
1 SGD	3.0860	-
100 THB	12.5573	13.3955

m. Distributions

Distributions are at the discretion of the Manager. A distribution to the Fund's unit holders is accounted for as a deduction from retained earnings.

n. Significant accounting judgments and estimates

The preparation of financial statements requires the use of certain accounting estimates and exercise of judgment. Estimates and judgments are continually evaluated and are based on past experience, reasonable expectations of future events and other factors.

i. Critical judgments made in applying accounting policies

There are no major judgments made by the Manager in applying the Fund's accounting policies.

ii. Key sources of estimation uncertainty

There are no key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

4. FINANCIAL ASSETS AT FVTPL

	2021 RM	2020 RM
Financial assets held for trading, at FVTPL:		
Listed Shariah-compliant equity securities in Malaysia	22,088,651	13,188,882
Listed Shariah-compliant equity security in Indonesia	14,641,404	15,563,286
Listed Shariah-compliant equity security in Philippines	1,962,646	2,532,713
Listed Shariah-compliant equity security in Singapore	1,933,441	-
Listed Shariah-compliant equity securities in Thailand	6,292,887	14,618,690
Listed Shariah-compliant equity securities	<u>46,919,029</u>	<u>45,903,571</u>
Net gain/(loss) on financial assets at FVTPL comprised:		
Realised gain/(loss) on disposals	698,241	(6,054,564)
Unrealised changes in fair values	2,123,811	1,144,506
	<u>2,822,052</u>	<u>(4,910,058)</u>

Details of financial assets at FVTPL as at 31 December 2021:

	Quantity	Aggregate cost RM	Fair value RM	Percentage of NAV %
Listed Shariah-compliant equity securities in Malaysia				
Plantation				
IOI Corporation Berhad	801,000	2,956,720	2,987,730	6.3
Kuala Lumpur Kepong Berhad	137,900	3,093,507	3,003,462	6.4
United Plantations Berhad	86,300	1,197,802	1,197,844	2.6
		<u>7,248,029</u>	<u>7,189,036</u>	<u>15.3</u>
Utilities				
Mega First Corporation Berhad	463,900	1,691,041	1,623,650	3.4
PETRONAS Gas Berhad	253,300	4,383,882	4,559,400	9.7
		<u>6,074,923</u>	<u>6,183,050</u>	<u>13.1</u>
Telecommunications and Media				
TIME dotCom Berhad	474,800	<u>1,647,282</u>	<u>2,184,080</u>	<u>4.6</u>
Consumer Product and Services				
Sime Darby Berhad	936,500	<u>2,129,517</u>	<u>2,172,680</u>	<u>4.6</u>
Industrial Products & Services				
Scientex Berhad	450,400	<u>1,567,992</u>	<u>2,157,416</u>	<u>4.6</u>
Financial Service				
Syarikat Takaful Malaysia				
Keluarga Berhad	205,900	<u>920,513</u>	<u>761,830</u>	<u>1.6</u>

4. FINANCIAL ASSETS AT FVTPL (CONTD.)

Details of financial assets at FVTPL as at 31 December 2021: (contd.)

	Quantity	Aggregate cost RM	Fair value RM	Percentage of NAV %
Listed Shariah-compliant equity securities in Malaysia (contd.)				
Property				
Matrix Concepts Holdings Berhad	391,600	853,688	861,520	1.8
Health Care				
Duopharma Biotech Berhad	344,666	775,124	579,039	1.2
Total listed Shariah-compliant equity securities in Malaysia		21,217,068	22,088,651	46.8
Listed Shariah-compliant equity securities in Indonesia				
Energy				
PT Adaro Energy Tbk	4,649,000	2,096,496	3,055,439	6.5
PT AKR Corporindo Tbk	1,370,700	1,370,753	1,645,568	3.5
PT Bukit Asam Tbk	2,665,500	1,696,491	2,109,986	4.4
		5,163,740	6,810,993	14.4
Telecommunications and Media				
PT Erajaya Swasembada Tbk	6,807,000	1,237,840	1,192,995	2.5
PT Telekomunikasi Indonesia Persero Tbk	3,530,800	3,810,982	4,166,641	8.9
		5,048,822	5,359,636	11.4
Consumer Product and Services				
PT Indofood CBP Sukses Makmur Tbk	790,000	2,060,789	2,007,603	4.2
Property				
PT Puradelta Lestari Tbk	8,301,900	545,495	463,172	1.0
Total listed Shariah-compliant equity securities in Indonesia		12,818,846	14,641,404	31.0

4. FINANCIAL ASSETS AT FVTPL (CONTD.)

Details of financial assets at FVTPL as at 31 December 2021: (contd.)

	Quantity	Aggregate cost RM	Fair value RM	Percentage of NAV %
Listed Shariah-compliant equity securities in Philippines				
Industrial Products & Services				
DMCI Holdings, Inc.	1,960,300	948,693	1,234,882	2.6
Energy				
Semirara Mining and Power Corporation	417,200	482,680	727,764	1.5
Total listed Shariah-compliant equity securities in Philippines		1,431,373	1,962,646	4.1
Listed Shariah-compliant equity securities in Singapore				
Health Care				
Haw Par Corporation Limited	55,200	1,954,840	1,933,441	4.1
Total listed Shariah-compliant equity securities in Singapore		1,954,840	1,933,441	4.1
Listed Shariah-compliant equity securities in Thailand				
Utilities				
Banpu Power Public Company Ltd	651,100	1,612,809	1,406,282	3.0
SPCG Public Company Limited	406,000	982,853	938,080	2.0
		2,595,662	2,344,362	5.0
Consumer Product and Services				
Osotspa Public Company Limited	483,200	2,311,863	2,078,183	4.4

4. FINANCIAL ASSETS AT FVTPL (CONTD.)

Details of financial assets at FVTPL as at 31 December 2021: (contd.)

	Quantity	Aggregate cost RM	Fair value RM	Percentage of NAV %
Listed Shariah-compliant equity securities in Thailand (contd.)				
Materials				
Eastern Polymer Group Public Company Limited	837,500	1,037,076	1,177,875	2.5
Polyplex (Thailand) Public Company Limited	231,700	675,811	692,467	1.4
		<u>1,712,887</u>	<u>1,870,342</u>	<u>3.9</u>
Total listed Shariah-compliant equity securities in Thailand	6,620,412	<u>6,292,887</u>	<u>13.3</u>	<u>6,620,412</u>
Total financial assets at FVTPL		<u>44,042,539</u>	<u>46,919,029</u>	<u>99.3</u>
Unrealised gain on financial assets at FVTPL			<u>2,876,490</u>	

5. MANAGER'S FEE

The Manager's fee is calculated on a daily basis at a rate not exceeding 3.00% per annum on the NAV of the Fund as provided under Clause 15.1(b) of the Deed.

The Manager is currently charging Manager's fee of 0.65% per annum of the NAV of the Fund (2020: 0.65% per annum).

6. TRUSTEE'S FEE

The Trustee's fee is calculated on a daily basis at a rate not exceeding 0.20% per annum on the NAV of the Fund and subject to a minimum fee of RM12,000 per annum as provided under Clause 15.2(b) of the Deed.

The Trustee's fee is currently calculated at 0.045% per annum of the NAV of the Fund (2020: 0.045% per annum).

7. INDEX LICENCE FEE

Index license fee is payable to MSCI Inc., the benchmark Index Provider.

The index license fee is currently calculated at 0.06% per annum of the NAV of the Fund (2020: 0.06% per annum).

8. OTHER EXPENSES

	2021 RM	2020 RM
Withholding tax on foreign investments	219,781	224,040
Charitable donations	11,573	11,735
Shariah adviser's fee	6,500	6,087
Miscellaneous expenses	59,373	53,840
	<u>297,227</u>	<u>295,702</u>

9. INCOME TAX

Income tax is calculated at the Malaysian statutory tax rate of 24% of the estimated assessable income for the current and previous financial years.

Income tax is calculated on investment income less partial deduction for permitted expenses as provided for under Section 63B of the Income Tax Act, 1967.

A reconciliation of income tax expense applicable to net income/(loss) before tax at the statutory income tax rate to income tax expense at the effective income tax rate of the Fund is as follows:

	2021 RM	2020 RM
Net income/(loss) before tax	<u>3,110,825</u>	<u>(4,274,848)</u>
Tax at Malaysian statutory tax rate of 24% (2020: 24%)	746,598	(1,025,964)
Tax effect of:		
Income not subject to tax	(1,092,333)	(730,982)
Loss not deductible for tax purposes	145,381	1,569,299
Expenses not deductible for tax purposes	77,736	75,330
Restriction on tax deductible expenses for exchange-traded funds	<u>122,618</u>	<u>112,317</u>
Income tax for the financial year	<u>-</u>	<u>-</u>

10. DISTRIBUTION

Distribution to unit holders was made on the following dates:

	2021 RM	2020 RM
12 March 2021/11 March 2020	<u>1,116,000</u>	<u>1,345,400</u>

10. DISTRIBUTION (CONTD.)

Distributions to units holders was from the following sources:

	2021 RM	2020 RM
Tax exempt income	1,950,808	2,127,260
Less: Expenses	(834,808)	(781,860)
Distribution for the financial year	<u>1,116,000</u>	<u>1,345,400</u>
Gross/Net distribution per unit (sen)	<u>1.86</u>	<u>2.17</u>

11. SHORT TERM ISLAMIC DEPOSITS

Short term Islamic deposits are held with licensed financial institutions in Malaysia at the prevailing profit rates.

12. OTHER RECEIVABLES

	2021 RM	2020 RM
Dividends receivable	36,456	88,406
Profit receivable from short term Islamic deposits	21	-
	<u>36,477</u>	<u>88,406</u>

13. OTHER PAYABLES

	2021 RM	2020 RM
Accrual for auditors' remuneration	16,335	16,350
Accrual for tax agent's fees	16,375	11,425
Amount due to charitable bodies	37	6,939
Shariah adviser's fee payable	-	1,625
Sundry payables	25,025	35,621
	<u>57,772</u>	<u>71,960</u>

14. NET ASSET VALUE ATTRIBUTABLE TO UNIT HOLDERS

NAV attributable to unit holders is represented by:

	Note	2021 RM	2020 RM
Unit holders' contribution	(a)	<u>57,557,300</u>	<u>58,281,100</u>
<u>Retained earnings:</u>			
Realised deficits		(13,236,792)	(13,109,161)
Unrealised reserves		2,876,368	753,912
		<u>(10,360,424)</u>	<u>(12,355,249)</u>
		<u>47,196,876</u>	<u>45,925,851</u>

14. NET ASSET VALUE ATTRIBUTABLE TO UNIT HOLDERS (CONTD.)

(a) Unit holders' contribution

	2021		2020	
	No. of units	RM	No. of units	RM
At beginning of the financial year	60,000,000	58,281,100	88,000,000	79,460,800
Less: Cancellation of units	(1,000,000)	(723,800)	(28,000,000)	(21,179,700)
At end of the financial year	<u>59,000,000</u>	<u>57,557,300</u>	<u>60,000,000</u>	<u>58,281,100</u>

The Manager, i-VCAP Management Sdn. Bhd., and parties related to the Manager did not hold any units in the Fund, either legally or beneficially, as at 31 December 2021 (2020: nil).

15. SHARIAH INFORMATION OF THE FUND

The Shariah Adviser confirmed that the investment portfolio of the Fund is Shariah-compliant, which comprises the following:

- i. Investment in equity securities listed on Bursa Malaysia Securities Berhad which have been classified as Shariah-compliant by the SACSC for the financial year under review; and
- ii. Liquid assets in the local market, which have been placed in Shariah-compliant investments and/or instruments.

16. PORTFOLIO TURNOVER RATIO ("PTR")

PTR for the financial year is 0.86 times (2020: 0.99 times).

PTR is the ratio of average sum of acquisitions and disposals of Shariah-compliant investments of the Fund for the financial year to the average NAV of the Fund, calculated on a daily basis.

17. MANAGEMENT EXPENSE RATIO ("MER")

MER for the financial year is 1.12% per annum (2020: 0.93% per annum).

MER is the ratio of total fees and recovered expenses of the Fund expressed as a percentage of the Fund's average NAV, calculated on a daily basis.

18. TRANSACTIONS WITH LICENSED FINANCIAL INSTITUTIONS

	Transaction value RM	Percentage of total %	Brokerage, stamp duty and clearing fee RM	Percentage of total %
Maybank Investment Bank Berhad	36,426,441	47.2	44,222	47.5
CIMB Group Holdings Berhad	25,183,279	32.7	30,281	32.5
Affin Hwang Investment Bank Berhad	15,500,350	20.1	18,607	20.0
	<u>77,110,070</u>	<u>100.0</u>	<u>93,110</u>	<u>100.0</u>

The above transaction values are in respect of listed Shariah-compliant equity securities and listed Shariah-compliant warrants.

19. SEGMENTAL REPORTING

a. Business segments

In accordance with the objective of the Fund, the Fund can invest at least 90% of its NAV in listed Shariah-compliant investment securities which correspond to Benchmark Index and not more than 10% of its NAV in Islamic liquid assets. The following table provides an analysis of the Fund's revenue, results, assets and liabilities by business segments:

	Listed Shariah- compliant investment securities RM	Other Shariah- compliant investments RM	Total RM
2021			
Revenue			
Segment income	4,548,587	2,802	
Segment expenses	(113,398)	-	
Net segment income representing segment results	<u>4,435,189</u>	<u>2,802</u>	4,437,991
Unallocated loss on foreign currency exchange			(605,756)
			<u>3,832,235</u>
Unallocated expenditure			(721,410)
Income before tax			<u>3,110,825</u>
Income tax			-
Net income after tax			<u>3,110,825</u>

19. SEGMENTAL REPORTING (CONTD.)

a. Business segments (contd.)

	Listed Shariah- compliant investment securities RM	Other Shariah- compliant investments RM	Total RM
2021 (contd.)			
Assets			
Financial assets at FVTPL	46,919,029	-	
Short term Islamic deposits	-	240,000	
Other segment assets	36,456	21	
Total segment assets	<u>46,955,485</u>	<u>240,021</u>	47,195,506
Unallocated assets			<u>90,968</u>
			<u>47,286,474</u>
Liabilities			
Unallocated liabilities			<u>89,598</u>
2020			
Revenue			
Segment (loss)/income	(3,019,224)	10,420	
Segment expenses	<u>(119,197)</u>	-	
Net segment (loss)/income representing segment results	<u>(3,138,421)</u>	<u>10,420</u>	(3,128,001)
Unallocated loss on foreign currency exchange			<u>(484,184)</u>
			(3,612,185)
Unallocated expenditure			<u>(662,663)</u>
Loss before tax			(4,274,848)
Income tax			-
Net loss after tax			<u>(4,274,848)</u>
Assets			
Financial assets at FVTPL	45,903,571	-	
Other segment assets	88,406	-	
Total segment assets	<u>45,991,977</u>	<u>-</u>	45,991,977
Unallocated assets			<u>39,841</u>
			<u>46,031,818</u>
Liabilities			
Unallocated liabilities			<u>105,967</u>

19. SEGMENTAL REPORTING (CONTD.)

b. Geographical segments

The Fund seeks to achieve its investment objective by investing in a diversified portfolio of Shariah compliant equities of the countries of South East Asian region. The following table provide an analysis of the Fund's revenue, results, assets and liabilities by geographical segments:

	Local investments RM	Foreign investments RM	Total RM
2021			
Revenue			
Segment income	441,670	3,501,161	
Segment expenses	<u>(45,762)</u>	<u>(67,636)</u>	
Net segment income representing segment results	<u>395,908</u>	<u>3,433,525</u>	3,829,433
Unallocated income			<u>2,802</u>
			3,832,235
Unallocated expenditure			<u>(721,410)</u>
Income before tax			3,110,825
Income tax			-
Net income after tax			<u>3,110,825</u>
Assets			
Financial assets at FVTPL	22,088,651	24,830,378	
Other segment assets	<u>36,456</u>	<u>-</u>	
Total segment assets	<u>22,125,107</u>	<u>24,830,378</u>	46,955,485
Unallocated assets			<u>330,989</u>
			<u>47,286,474</u>
Liabilities			
Unallocated liabilities			<u>89,598</u>

19. SEGMENTAL REPORTING (CONTD.)

b. Geographical segments (contd.)

	Local investments RM	Foreign investments RM	Total RM
2020			
Revenue			
Segment income/(loss)	2,650,415	(6,153,823)	
Segment expenses	<u>(33,303)</u>	<u>(85,894)</u>	
Net segment income/(loss) representing segment results	<u>2,617,112</u>	<u>(6,239,717)</u>	(3,622,605)
Unallocated income			<u>10,420</u>
			(3,612,185)
Unallocated expenditure			<u>(662,663)</u>
Loss before tax			(4,274,848)
Income tax			-
Net loss after tax			<u>(4,274,848)</u>
Assets			
Financial assets at FVTPL	13,188,882	32,714,689	
Other segment assets	-	88,406	
Total segment assets	<u>13,188,882</u>	<u>32,803,095</u>	45,991,977
Unallocated assets			<u>39,841</u>
			<u>46,031,818</u>
Liabilities			
Unallocated liabilities			<u>105,967</u>

20. FINANCIAL INSTRUMENTS

a. Classification of financial instruments

The Fund's financial assets and financial liabilities are measured on an ongoing basis at either fair value or at amortised cost based on their respective classification. The significant accounting policies in Note 3 describe how the classes of financial instruments are measured, and how income and expenses, including fair value gains and losses, are recognised.

20. FINANCIAL INSTRUMENTS (CONTD.)

a. Classification of financial instruments (contd.)

The following table analyses the financial assets and financial liabilities of the Fund in the statement of financial position by the class of financial instruments to which they are assigned and therefore by the measurement basis.

	Financial assets at FVTPL RM	Financial assets at amortised cost RM	Other financial liabilities RM	Total RM
2021				
Assets				
Listed Shariah-compliant equity securities	46,919,029	-	-	46,919,029
Short term Islamic deposits	-	240,000	-	240,000
Other receivables	-	36,477	-	36,477
Cash at banks	-	90,968	-	90,968
	<u>46,919,029</u>	<u>367,445</u>	<u>-</u>	<u>47,286,474</u>
Liabilities				
Amount due to Manager	-	-	25,654	25,654
Amount due to Trustee	-	-	1,776	1,776
Amount due to Index Provider	-	-	4,396	4,396
	<u>-</u>	<u>-</u>	<u>31,826</u>	<u>31,826</u>
2020				
Assets				
Listed Shariah-compliant equity securities	45,903,571	-	-	45,903,571
Other receivables	-	88,406	-	88,406
Cash at banks	-	39,841	-	39,841
	<u>45,903,571</u>	<u>128,247</u>	<u>-</u>	<u>46,031,818</u>
Liabilities				
Amount due to Manager	-	-	25,636	25,636
Amount due to Trustee	-	-	1,775	1,775
Amount due to Index Provider	-	-	6,596	6,596
Shariah adviser's fee payable (Note 13)	-	-	1,625	1,625
	<u>-</u>	<u>-</u>	<u>35,632</u>	<u>35,632</u>

20. FINANCIAL INSTRUMENTS (CONTD.)

b. Financial instruments that are carried at fair value

The Fund's financial assets at FVTPL are carried at fair value. The fair value of these financial assets were determined using prices in active markets.

The following table shows the fair value measurements by level of the fair value measurement hierarchy:

	Level 1 RM	Level 2 RM	Level 3 RM	Total RM
Investments:				
2021				
Listed Shariah-compliant equity securities	46,919,029	-	-	46,919,029
2020				
Listed Shariah-compliant equity securities	45,903,571	-	-	45,903,571

Level 1: Listed prices in active market

Level 2: Model with all significant inputs which are observable market data

Level 3: Model with inputs not based on observable market data

The fair values of listed Shariah-compliant equity securities are determined by reference to Bursa Malaysia Securities Berhad's and respective foreign stock exchanges of the respective countries' last traded prices at reporting date.

c. Financial instruments not carried at fair value and for which their carrying amounts are reasonable approximations of fair value

The carrying amounts of the Fund's other financial assets and financial liabilities are not carried at fair value but approximate fair values due to the relatively short term maturity of these financial instruments.

21. CAPITAL MANAGEMENT

The capital of the Fund can vary depending on the demand for creation and cancellation of units to the Fund.

The Fund's objectives for managing capital are:

- To invest in Shariah-compliant investments meeting the description, risk exposure and expected return indicated in its prospectus;
- To maintain sufficient liquidity to meet the expenses of the Fund, and to meet cancellation requests as they arise; and
- To maintain sufficient fund size to make the operations of the Fund cost-efficient.

No changes were made to the capital management objectives, policies or processes during the current and previous financial years.

22. SIGNIFICANT EVENT

(a) Impact of COVID-19

The COVID-19 pandemic has significantly disrupted many business operations around the world. For the Fund, the impact on business operations has not been a direct consequence of the COVID-19 outbreak, but a result of the measures taken by the Government of Malaysia to contain it. As the outbreak continues to evolve, it is challenging to predict the full extent and duration of its impact on business and the economy.

While the Fund is not able to fully ascertain on the financial impact of the COVID-19 outbreak at the date of this report, it is anticipated based on initial assessments performed that there have not been any circumstances which would require adjustments to be made to the carrying values of the assets and liabilities of the Fund as at 31 December 2021. The Fund holds sufficient capital and will continue to prudently manage risks in order to ensure that it remains resilient through this period of uncertainty.

(b) Acquisition of the Manager by Kenanga Investors Berhad

On 26 August 2020, Kenanga Investors Berhad entered into a sales and purchase agreement with Valuecap Sdn. Bhd. to acquire the entire issued share capital of the Manager, i-VCAP Management Sdn. Bhd. for a cash consideration of RM11.5 million.

On 29 January 2021, an approval was received from Securities Commission Malaysia for the acquisition, and it was subsequently completed on 19 February 2021.

9. DIRECTORS' PROFILE

Name	Luk Wai Hong, William
Age	57
Gender	Male
Nationality	Hong Kong
Position	Independent Non-Executive Director
Date of Appointment	12 April 2021
Membership of Board Committee(s)	Nil
Directorship of Other Public Companies	<ul style="list-style-type: none"> • Kenanga Investment Bank Berhad • Kenanga Investors Berhad • Cotton Tree Capital Ltd.
Length of Tenure as Director <i>(As at 31 December 2021)</i>	Eight (8) Months
Number of Board Meetings Attended in the Financial Year <i>(April 2021 to December 2021)</i>	Four (4)/ Four (4) (100%)
Academic Qualification(s)	<ul style="list-style-type: none"> • Executive Fellowship awarded by the State of Washington, United States of America ("USA") • Master of Urban Planning from University of Michigan, USA • Bachelor of Arts (Honors) from Concordia University, Canada
Present Appointment(s)	<ul style="list-style-type: none"> • Independent Non-Executive Director of Kenanga Investment Bank Berhad ("KIBB") • Chairman of the Group Board Risk Committee, KIBB • Member of the Audit Committee, KIBB • Member of the Group Governance, Nomination & Compensation Committee (formerly known as Group Nomination & Remuneration Committee), KIBB • Member of the Employees' Share Scheme Committee, KIBB • Member of the Group Board Digital Innovation & Technology Committee, KIBB • Independent Non-Executive Director of Kenanga Investors Berhad ("KIB") • Member of the Audit and Risk Committee of KIB • Member of the Investment Committee of KIB • Non-Executive Director of 1.57 Pte. Ltd. • Director of Investment of Cotton Tree Capital Ltd. • Non-Executive Director of Far East Mining Pte. Ltd.

Name	Luk Wai Hong, William
Present Appointment(s) (contd.)	<ul style="list-style-type: none"> • Non-Executive Director of Kenanga Singapore Pte. Ltd. • Non-Executive Director of The Rare Whisky Fund Pte. Ltd. • Non-Executive Director of The Whisky Capital Pte. Ltd • Non-Executive Director of The Whisky Distillery Pte. Ltd.
Past Relevant Experiences	<ul style="list-style-type: none"> • Independent Non- Executive Director, K & N Kenanga Holdings Berhad • Principal and Portfolio Manager of Pacific Advantage Capital, Hong Kong and Singapore • Managing Director and Co-Head of Saba Proprietary Trading Group Asia, Deutsche Bank AG, Hong Kong • Managing Director and Co-Head of Global Trading and Principal Finance Asia, Deutsche Bank AG, Singapore • Director and Head of Structured Credit Trading and Principal Finance Asia, Deutsche Bank AG, Singapore • Senior Associate Director and Senior Credit and Derivatives Trader, Deutsche Bank AG, Singapore • Senior Fixed Income Trader, HSBC Markets, Hong Kong • Fixed Income and Credit Trader, Lehman Brothers Asia, Hong Kong and Japan • Executive Fellow and Transportation Finance Specialist, Office of Financial Management, State of Washington, USA
Family relationship with any Director and/or major shareholder	Nil
Conflict of interest with the Fund	Nil
List of convictions for offences within the last five (5) years and particulars of any public sanction or penalty imposed by the relevant regulatory bodies, other than traffic offences	Nil

Name	Imran Devindran Bin Abdullah
Age	55
Gender	Male
Nationality	Malaysian
Position	Independent Non-Executive Director
Date of Appointment	19 February 2021
Membership of Board Committee(s)	Nil
Directorship of Other Public Companies	Kenanga Investors Berhad
Length of Tenure as Director (As at 31 December 2021)	Ten (10) Months
Number of Board Meetings Attended in the Financial Year (February 2021 to December 2021)	Four (4)/ Four (4) (100%)
Academic Qualification(s)	<ul style="list-style-type: none"> • Admitted to the Malaysian Bar, High Court Malaya • Certificate of Legal Practice, University of Malaya • Honours Bachelor of Law (1988), University of Buckingham, England • GCE A-Levels, Raffles Junior College, Singapore
Present Appointment(s)	<ul style="list-style-type: none"> • Independent Non-Executive Director of Kenanga Investors Berhad ("KIB") • Member of the Audit and Risk Committee of KIB • Member of the Investment Committee of KIB • Senior Associate of BH Lawrence & Co, Advocates and Solicitors
Past Relevant Experiences	<ul style="list-style-type: none"> • Independent Non-Executive Director of Libra Invest Berhad ("LIB") • Member of the Investment Committee of LIB • Partner in Imran Shahareen & Co. • Legal Assistant of Messrs. Miranda & Co. • Legal Assistant of Dass, Jainab & Associate • Legal Assistant of Messrs. Riza, Leong & Partners
Family relationship with any Director and/or major shareholder	Nil
Conflict of interest with the Fund	Nil
List of convictions for offences within the last five (5) years and particulars of any public sanction or penalty imposed by the relevant regulatory bodies, other than traffic offences	Nil

Name	Ismitz Matthew De Alwis
Age	47
Gender	Male
Nationality	Malaysian
Position	Non-Executive Director
Date of Appointment	19 February 2021
Membership of Board Committee(s)	Nil
Directorship of Other Public Companies	<ul style="list-style-type: none"> • Kenanga Investors Berhad • Kenanga Islamic Investors Berhad • Kenanga Funds Berhad • Federation of Investment Managers Malaysia
Length of Tenure as Director <i>(As at 31 December 2021)</i>	Ten (10) Months
Number of Board Meetings Attended in the Financial Year <i>(February 2021 to December 2021)</i>	Four (4)/ Four (4) (100%)
Academic Qualification(s)	<ul style="list-style-type: none"> • Islamic Financial Planner, Financial Planning Association of Malaysia • Cambridge Summer School Programme-Executive Programme, Asian Banking School, University of Cambridge • Advanced Business Management Program, Securities Industry Development Corporation/ International Institute for Management Development, Lausanne, Switzerland • Capital Markets Services Representative's Licence, Securities Commission Malaysia • Certified Financial Planner, USA • Person Dealing Unit Trust, Federation of Malaysian Unit Trust Manager • Master in Business Administration, Southern Cross University Australia • Graduate Diploma in Marketing (UK), Chartered Institute of Marketing, United Kingdom
Present Appointment(s)	<ul style="list-style-type: none"> • Executive Director/ Chief Executive Officer of Kenanga Investors Berhad ("KIB") • Member of the Investment Committee, KIB • Non-Executive Director, Kenanga Islamic Investors Berhad • Non-Executive Director of Kenanga Funds Berhad • Non-Executive Director of KUT Nominees (Asing) Sdn Bhd • Non-Executive Director of KUT Nominees (Tempatan) Sdn Bhd

Name	Ismitz Matthew De Alwis
Present Appointment(s) (contd.)	<ul style="list-style-type: none"> • Board Member of Federation of Investment Managers Malaysia • Committee Member of Malaysia Association of Asset Managers • Member of the Licensing Examinations Review Committee for the Securities Commission's Licensing Examination Module 10: Asset & Funds Management • Industry Competency Framework Advisory Panel for the Malaysian Capital Market • Member of the FTSE Bursa Malaysia Index Advisory Committee • Chairman of Investment Advisory Committee for Ericsenz Capital Pte Ltd (Singapore) on Ericsenz-K2 Global Unicorn Fund II • Chairman of Investment Advisory Committee for Ericsenz Capital Pte Ltd (Singapore) on Ericsenz Frontier Fund • Sustainable Investment Platform (SIP) Steering Committee – Malaysia Sustainable Investment Initiative • Institutional Investors Council Malaysia (IIC) – Council Member
Past Relevant Experiences	<ul style="list-style-type: none"> • President of the Board of Governors for the Financial Planning Association of Malaysia • Non-Executive Director of Libra Invest Berhad • Member of the Investment Committee of Libra Invest Berhad • Executive Director of ING Funds Berhad • Country Head, ING Investment Management Malaysia • Senior Vice President, Head, Business Development of ING Funds Berhad • Vice President-Head, Retail Distribution of ING Funds Berhad • Assistant Vice President – Head, Agency Channel of ING Funds Berhad • Senior Manager – Business Development of ING Insurance Berhad/ING Funds Berhad • Head Sales & Marketing of MBF Unit Trust Management Berhad • Senior Manager, Investment Services of MBF Cap/MBF Asset Management • Asia Pacific Relationship Manager/ Account Director of ARA (Asia Research & Consultancy) Consultancy Ltd.
Family relationship with any Director and/or major shareholder	Nil

Name	Ismitz Matthew De Alwis
Conflict of interest with the Fund	Nil
List of convictions for offences within the last five (5) years and particulars of any public sanction or penalty imposed by the relevant regulatory bodies, other than traffic offences	Nil

Name	Syed Umar Bin Abdul Rahman Alhadad
Age	41
Gender	Male
Nationality	Malaysian
Position	Executive Director/ Acting Chief Executive Officer
Date of Appointment	19 February 2021
Membership of Board Committee(s)	Nil
Directorship of Other Public Companies	Nil
Length of Tenure as Director <i>(As at 31 December 2021)</i>	Ten (10) Months
Number of Board Meetings Attended in the Financial Year <i>(February 2021 to December 2021)</i>	Four (4)/ Four (4) (100%)
Academic Qualification(s)	<ul style="list-style-type: none"> • Certified Financial Planner, Financial Planning Association of Malaysia • Bachelor of Engineering (Hons) Electronics Majoring in Telecommunication from Multimedia University • Sijil Pelajaran Malaysia from Maktab Rendah Sains Mara Balik Pulau, Pulau Pinang
Present Appointment(s)	<ul style="list-style-type: none"> • Non-Executive Director, Global Turbine Asia Sdn Bhd
Past Relevant Experiences	<ul style="list-style-type: none"> • Head, Strategic Planning & Risk, Kenanga Investors Berhad • Senior Vice President, Group Transformation & Group Corporate Planning, Kenanga Investment Bank Berhad • Media Director, Spafax Airline Network • Operations Executive, Ramtronics Technology (M) Sdn Bhd

Name	Syed Umar Bin Abdul Rahman Alhadad
Family relationship with any Director and/or major shareholder	Nil
Conflict of interest with the Fund	Nil
List of convictions for offences within the last five (5) years and particulars of any public sanction or penalty imposed by the relevant regulatory bodies, other than traffic offences	Nil

10. DIRECTORS' TRAINING

Director	Program Title and Organiser	Date
Luk Wai Hong, William	FIDE Elective Program: Risk Management in Technology (RMiT) & Digital Transformation: What they mean for governance and Strategy of Bank and Insurance Boards by Iclif Executive Education Center (" ICLIF ")	20 April 2021
	Male Digital Transformation Executive Program at Asian School of Business (" ASB ")	21 - 22 June 2021
	Islamic Finance For Board (" IF4BOD ") by ISRA Consultancy Sdn Bhd	5 - 6 July 2021
	Legacy & Estate Planning - Amanah Warisan Berhad (" AWARIS ")	13 July 2021
	Environmental, Social and Governance in Islamic Finance	5 August 2021
	2021 Anti-Money Laundering & Financial Crime in the Age of Covid - Training for Board of Directors of Kenanga Group of Companies by Nature of Life	3 September 2021
	Section 17A of the Malaysian Anti-Corruption Commission Act 2009 (" MACCA ") - Strengthening Integrity: The Role of Directors and Senior Management in the Anti-Corruption System by Trident Integrity Solutions	3 September 2021
	Capital Markets Director Programmes (" CMDP ") - Module 2B - Business Challenges and Regulatory Expectations - What Directors Need to Know (Fund Management) by SIDC	8 September 2021
	Cyber Awareness Training for Board of Directors by EC-Council Cyber Defence	2 December 2021
Imran Devindran Abdullah	Mandatory Accreditation Program (" MAP ") by Iclif Executive Education Center ("ICLIF")	31 May - 2 June 2021
	Legacy & Estate Planning - Amanah Warisan Berhad (" AWARIS ")	13 July 2021
	Environmental, Social and Governance in Islamic Finance	5 August 2021
	The Law Behind Corporate Governance by Malaysian Institute of Corporate Governance (" MICG ")	26 August 2021

Director	Program Title and Organiser	Date
Imran Devindran Abdullah (contd.)	2021 Anti-Money Laundering & Financial Crime in the Age of Covid - Training for Board of Directors of Kenanga Group of Companies by Nature of Life	3 September 2021
	Section 17A of the Malaysian Anti-Corruption Commission Act 2009 ("MACCA") - Strengthening Integrity: The Role of Directors and Senior Management in the Anti-Corruption System by Trident Integrity Solutions	3 September 2021
	Cyber Awareness Training for Board of Directors by EC-Council Cyber Defence	2 December 2021
Ismitz Matthew De Alwis	Cybersecurity Awareness Training Part 1-2021 by Sophos	19 January - 1 February 2021
	Cybersecurity Awareness Training Part 2-2021 by Sophos	22 March - 1 April 2021
	Cybersecurity Awareness Training Part 3-2021 by Sophos	14 - 29 April 2021
	8Th MFPC E-Conference On Shariah Wealth Management & Financial Planning by Malaysian Financial Planning Council	20 April 2021
	Growth Hack Your PV, PMT, & FV Of Your Financial Advisory Business by Association Of Financial Advisers	28 April 2021
	Mandatory Accreditation Program For Directors of Public Listed Companies by Asia School Of Business	31 May - 2 June 2021
	Paving The Way For Profitability Through Sustainability by Securities Industry Development Corporation	16 - 17 June 2021
	JC3 Flagship Conference 2021 Finance For Change by Joint Committee On Climate Change	23 - 25 June 2021
	MAAM IIIS 2021: Sustainability & Technology by Malaysia Association Of Asset Managers	15 July 2021
	Cybersecurity Awareness Training Part 4-2021 by Sophos	16 - 30 Jul 2021
	Anti-Money Laundering & Financial Crime In The Age Of Covid by Nature of Life	9 - 15 August 2021

Director	Program Title and Organiser	Date
Ismitz Matthew De Alwis (contd.)	Strengthening Integrity: The Role Of Directors And Senior Management In The Anti-Corruption System by Trident Integrity Solutions	3 September 2021
	Cybersecurity Awareness Training Part 7-2021 by Sophos	15 - 29 October 2021
	6Th Annual Regulatory Seminar: Reinforcing Ethical Values Through Regulatory Dynamism	15 November - 7 December 2021
Syed Umar Bin Abdul Rahman Alhadad	SCLE Revision: Fund Management Regulation: Module 9	10 - 11 April 2021
	SCLE Revision: Asset & Fund Management: Module 10	24 - 25 April 2021
	Mandatory Accreditation Programme for Directors of Public Listed Companies	31 May - 2 June 2021
	Anti-Money Laundering & Terrorism Financing for Capital Market Intermediaries by Nature of Life	15 November - 12 December 2021
	Managing Material Non Public Information by Fund Management Companies by Securities Industry Development Corporation	14 July 2021
	Business Continuity Management (BCM) Awareness and Business Impact Analysis (BIA) Training 2021	22 September 2021

11. SHARIAH ADVISER'S PROFILE

Shariah Adviser	: Amanie Advisors Sdn Bhd ("Amanie") Incorporated in Kuala Lumpur, Malaysia in 2005 (Co. No. 200501007003 (684050-H)) under the Companies Act, 1965
Corporate Information	: <u>Principal Activities</u> Amanie is a Shariah advisory, consultancy, training and research and development boutique for institutional and corporate clientele focusing on Islamic financial services. Amanie is a registered Shariah adviser with the SC. Amanie also focuses on organizational aspect of the development of human capital in Islamic finance worldwide through providing updated quality learning embracing both local and global issues on Islamic financial products and services <u>Shareholding</u> The authorised & paid-up capital is RM500,000 divided into 500,000 shares of RM1.00 each. The shareholders of Amanie are Tan Sri Dr Mohd Daud Bakar and En Abdul Aziz Bin Abd Jalal.
Experience as Adviser	: The company is led by Tan Sri Dr. Mohd Daud Bakar and teamed by an active and established panel of consultants covering every aspect related to the Islamic banking and finance industry, both in Malaysia and the global market. Currently, the team comprises of eight (8) full-time consultants who represent dynamic and experienced professionals with a mixture of corporate finance, accounting, product development, Shariah law and education. As at 30 April 2021, Amanie has acquired over sixteen (16) years of experience in the advisory role in capital market including unit trust funds and funds management with more than 100 funds which Amanie acts as Shariah adviser.
Designated Person	: The designated person responsible for Shariah advisory matters of the Fund is Tan Sri Dr. Mohd Daud Bakar as the Chairman. Another consultant is: (1) Puan Suhaida Mahpot
Conflict of interest with the Fund	: The Shariah Adviser does not have any conflict of interest with the Fund
List of convictions for offences within the past 5 years, other than traffic offences and any public sanction or penalty imposed by the relevant regulatory bodies during the financial year	: None

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

Tan Sri Dr. Mohd Daud Bakar

Shariah Adviser / Executive Chairman

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

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

Currently, Tan Sri serves as the Chairman of Federal Territory Islamic Religious Department [Majlis Agama Islam Persekutuan (MAIWP)]. In the corporate world, he is currently a member of the PNB Investment Committee. Previously, he served as a Board Director at Sime Darby Property Berhad and Chairman to Malaysia Islamic Economic Development Foundation (YaPEIM). In addition, he is the co-founder of Experts Analytics Centre Sdn Bhd and MyFinB Sdn. Bhd. He also serve as the Chairman of Berry Pay Sdn. Bhd., Data Sukan Consulting Sdn. Bhd., Bio Fluid Sdn. Bhd., KAB Gold Dynamics Sdn. Bhd., Bio-Angle Vacs Sdn. Bhd., Tulus Digital Sdn. Bhd., and Amanie-Afra Halal Capital Co (Bangkok). He is currently the 8th President of the International Islamic University of Malaysia (IIUM).

In 2014, he received the **“Most Outstanding Individual”** award by His Majesty, the King of Malaysia, in conjunction with the national-level Prophet Muhammad's birthday. Under his leadership, Amanie Advisors received the **“Islamic Economy Knowledge Infrastructure Award”** at the Global Islamic Economy Summit, Dubai 2015, by His Highness Sheikh Mohammed bin Rashid Al Maktoum, Vice President and Prime Minister of the UAE and Ruler of Dubai, Oct 2015. On 13 November 2021, he was conferred the Darjah Kebesaran Panglima Setia Mahkota (P.S.M.) which carries the title of **“Tan Sri”**.

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

Tan Sri's first book entitled **“Shariah Minds in Islamic Finance: An Inside Story of A Shariah Scholar”** has won the **“Islamic Finance Book of the Year 2016”** by the Global Islamic Finance Award (GIFA) 2016. Then, his book on sukuk entitled **“An Insightful Journey to Emirates Airline Sukuk: Pushing The Boundaries of Islamic Finance”** has also won the **“Best Islamic Finance Case 2017”** by the GIFA 2017 in Kazakhstan. To date, Tan Sri has been authoring 28 books with different genre.

His latest books include **Insyirah: Kelapangan Hati dan Minda** (Feb 2021) novel, **Kembara Ilmu Dari Sg Korok ke St Andrews** (Jan 2021), **Covid 25: Kapsul Kehidupan dan Makhluq Mistik** (2020) novel, **Dhuha : Cahaya Pagi Yang Terang** (2020) novel, **Mindset Is Everything** (2019), **The Hard Truth Of Islamic Finance** (2019), **Ratiocination In Islamic Legal Theory** (2019), and **Corporate Matrimony** (2019), **Dukun Kegagalan** (2019), **Engsel Kehidupan** (2019) and **Sosialisasi Fekah Dalam Struktur Masyarakat** (2019).

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

Suhaida Mahpot

Chief Executive Officer

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

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

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

12. TRUSTEE'S DELEGATE

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

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