

Interim Manager's Report

For the Financial Period 1 July 2020 to 31 December 2020

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

1. Investment Objective

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

2. Benchmark Index

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

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

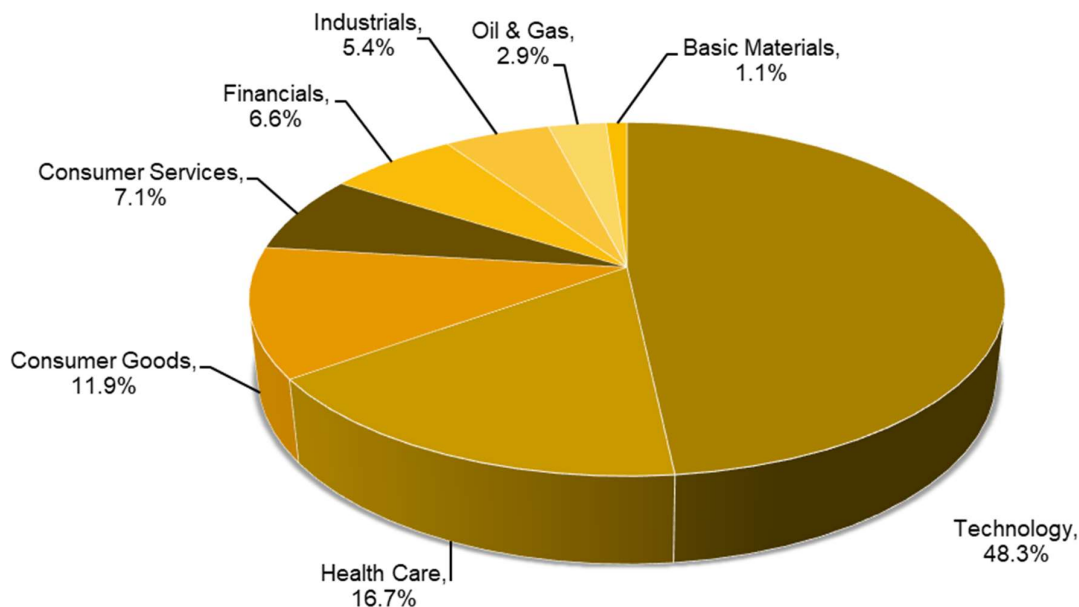
During the reporting period, the constituent securities of the Benchmark Index are listed on the New York Stock Exchange (“NYSE”) and National Association of Securities Dealers Automated Quotation System (“Nasdaq”).

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

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

Based on the Fund's quoted Investments as at 31 December 2020, the sector allocation of DJUS50 Index based on S&P Dow Jones sector classifications are as follows:

Chart 1: Sector Classification – S&P Dow Jones



Source: S&P Dow Jones

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

3. Investment Strategy

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

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

4. Fund Performance

For the period under review, the Fund continued to achieve its investment objective which is to track closely the underlying Benchmark Index, i.e. DJUS50 Index. As at 31 December 2020, the tracking error of the Fund and the Benchmark Index on Price Return and Total Return basis was 0.13% and 0.14% respectively.

The Fund's NAV per unit increased by 22.34% to USD1.6339 from USD1.3355 in the 1HFY21. Comparatively, the Benchmark Index and Benchmark's Total Return Index (DJUS50 Total Return Index) increased by 21.63% and 22.25% respectively. The variance between the MIMYDY40 Index and Fund's NAV movement was largely due to the rallied of technology stocks in 1HFY21 that the Fund had slight overweight.

The Fund started FY21 positively and closed 1HFY21 at USD1.6339 per unit, the highest NAV for the period under review. Meanwhile, the Fund's unit price traded on Bursa Securities moved in tandem but largely at a premium to its NAV before closing the quarter at USD1.6400 per unit, translating to an increase of 23.31% in 1HFY21.

Total units in circulation for the Fund decrease to 5.51 million units from 7.31 million units on a net redemption of 1.8 million units for the 1HFY21. The key statistics and comparative performance of the Fund for the 1HFY21 are summarised as follows:

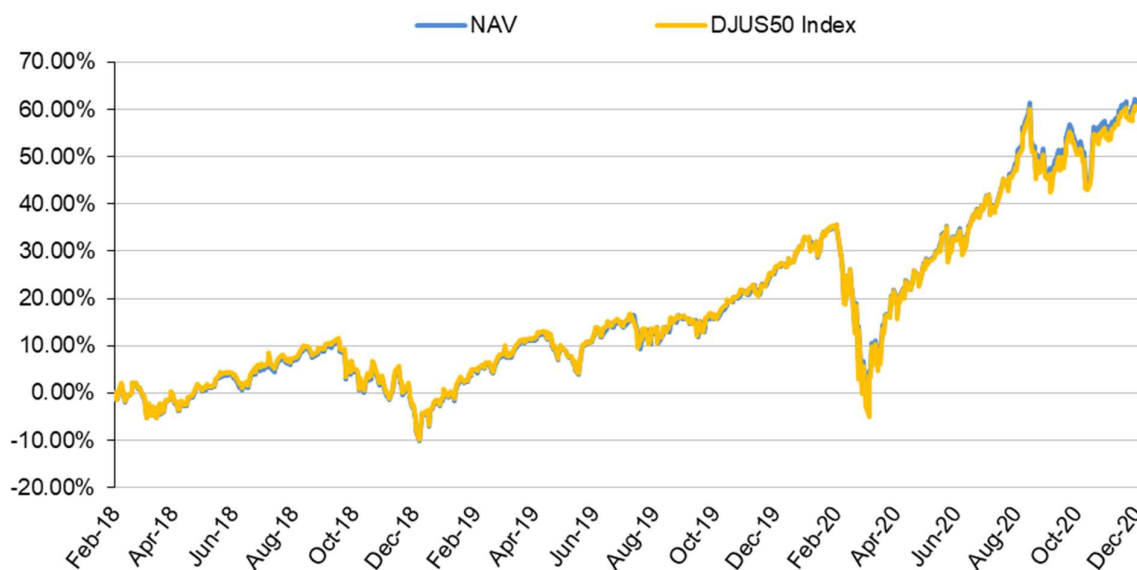
Table 1: Key Statistics

	As at 31-Dec-20	As at 30-Jun-20	HoH change
NAV per unit (USD)	1.6339	1.3355	22.34%
- Highest	1.6339 (31 Dec)	1.3562 (19 Feb)	
- Lowest	1.3442 (1 July)	0.9636 (23 Mar)	
<i>(During the period)</i>			
Price per unit (USD)	1.6400	1.3300	23.31%
- Highest	1.6850 (20 Nov'20)	1.5500 (12 May)	
- Lowest	1.2900 (14 Jul'20)	1.0400 (26 Mar)	
<i>(During the period)</i>			
Units in Circulation	5,512,300	7,312,300	-24.62%
Total NAV (USD)	9,006,449	9,765,313	-7.77%
Market Capitalisation (USD)	9,040,172	9,725,359	-7.05%
DJUS50 Index	7,761.33	6,381.07	21.63%
DJUS50T Index	11,190.94	9,154.29	22.25%
Tracking Error vs. Price Return DJUS50 Index (%)*	0.13	0.13	
Tracking Error vs. Total Return DJUS50 Index (%)*	0.14	0.13	
Management Expense Ratio (%)	0.45	0.75	

Sources: Bloomberg, i-VCAP

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

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



Sources: Bloomberg, i-VCAP

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

Table 2(a): Annual Return

	YTD (%)	2020 (%)	2019 (%)	2018* (%)
MyETF-US50 - NAV Price Return ^(a)	22.34	18.96	10.69	1.42
DJUS50 - Price Return Index	21.63	18.49	10.32	2.01
MyETF-US50 - NAV Total Return ^(a)	22.34	18.96	10.69	1.42
DJUS50 - Total Return Index	22.25	19.98	11.86	2.48

Sources: Bloomberg, *i*-VCAP

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

* The Fund commencement date on 20 February 2018.

Table 2(b): Cumulative Returns

	YTD (%)	Cumulative Returns ^(b)	
		1-year (%)	Since Inception * (%)
MyETF-US50 - NAV Price Return ^(a)	22.34	28.66	63.39
DJUS50 - Price Return Index	21.63	27.67	62.20
MyETF-US50 - NAV Total Return ^(a)	22.34	28.66	63.39
DJUS50 - Total Return Index	22.25	29.11	68.14

Sources: Bloomberg, *i*-VCAP

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

(b) Average returns for both US50 Price Return Index and US50 Total Return Index are annualized figures computed based on the price and total returns for the respective period.

* The Fund commencement date on 20 February 2018.

Table 2(c): Average Returns (Annualised)

	YTD (%)	Average Returns ^(b)	
		1-year (%)	Since Inception * (%)
MyETF-US50 - NAV Price Return ^(a)	44.19	28.66	18.69
DJUS50 - Price Return Index	42.95	27.67	21.66
MyETF-US50 - NAV Total Return ^(a)	44.19	28.66	18.69
DJUS50 - Total Return Index	44.18	29.11	23.72

Sources: Bloomberg, *i*-VCAP

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

(b) Average returns for both US50 Price Return Index and US50 Total Return Index are annualized figures computed based on the price and total returns for the respective period.

* The Fund commencement date on 20 February 2018.

During the period under review, S&P Dow Jones performed two quarterly reviews (in September and December) and rebalanced the composition of the Benchmark Index in accordance with its index methodology. The quarterly reviews during the period under review had resulted in changes to the weightings of the component stocks and stock constituents in the Benchmark Index, with three new stock inclusions and three stock removals. The summary of the changes for the review period are as follows:

Table 3: List of Stock Inclusion and Exclusion

	Stock Inclusions	Stock Exclusions
1QFY21	Advanced Micro Devices	Oracle Corp.
	ServiceNow Inc.	Automatic Data Processing
	Intuitive Surgical Inc.	Stryker Corp.
2QFY21	-	-

Sources: S&P Dow Jones, i-VCAP

In terms of sectoral weightings, Technology maintained the top sector exposure with 48.15% followed by Health Care sector of 16.44%. The Fund's top 10 holdings and sector exposure as at end-December are as follows:

Table 4: Top Ten Holdings of the Fund as at 31 December 2020

Stock	% of NAV
1. Apple Inc.	10.54
2. Microsoft Corp.	10.16
3. Facebook Inc. - Class A	5.15
4. Tesla Inc.	4.16
5. Alphabet Inc. - Class A	4.13
6. Alphabet Inc. - Class C	3.97
7. Johnson & Johnson	3.25
8. Visa Inc. - Class A	2.92
9. Procter & Gamble	2.71
10. Nvidia Corp.	2.55
Total	49.52

Sources: S&P Dow Jones, i-VCAP

Table 5: Fund's Sector Allocation *

	As at 31-Dec-20	As at 30-Jun-20	Change (%)
Technology	48.15%	47.76%	0.39%
Health Care	16.44%	17.53%	-1.09%
Consumer Goods	12.22%	9.48%	2.74%
Consumer Services	7.03%	7.21%	-0.18%
Financials	6.81%	7.31%	-0.50%
Industrials	5.37%	5.52%	-0.16%
Oil & Gas	2.63%	3.36%	-0.73%
Basic Materials	1.11%	1.05%	0.05%
Cash & Others	0.26%	0.78%	-0.52%

* Based on S&P Dow Jones classification

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

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

	Quantity (Units)	Market Value (USD)	Market Value as a Value percentage of Net Asset (%)
<u>Basic Materials</u>			
Linde PLC	378	99,607	1.11
		99,607	1.11
<u>Consumer Goods</u>			
Tesla Inc.	531	374,711	4.16
Procter & Gamble	1,751	243,634	2.71
Coca-Cola Co.	2,753	150,975	1.68
PepsiCo Inc.	987	146,372	1.63
NIKE Inc. - Class B	887	125,484	1.39
Mondelez International Inc.	1,018	59,522	0.66
		1,100,698	12.22
<u>Consumer Services</u>			
Home Depot Inc.	768	203,996	2.27
Walmart Inc.	991	142,853	1.59
McDonald's Corp.	531	113,942	1.27
Starbucks Corp.	833	89,114	0.99
Lowe's Cos Inc.	518	83,144	0.92
		633,049	7.03
<u>Financials</u>			
Visa Inc. - Class A	1,201	262,695	2.92
Mastercard Inc. - Class A	621	221,660	2.46
American Tower Corp. - Class A	319	71,603	0.80
S&P Global Inc.	174	57,199	0.64
		613,156	6.81
<u>Health Care</u>			
Johnson & Johnson	1,859	292,569	3.25
Merck & Co. Inc.	1,801	147,322	1.64
Pfizer Inc.	3,980	146,504	1.63
Abbott Laboratories	1,261	138,067	1.53
Thermo Fisher Scientific	285	132,747	1.47
Medtronic PLC	959	112,337	1.25
Danaher Corp.	453	100,629	1.12
Amgen Inc.	419	96,336	1.07
Eli Lilly & Co.	567	95,732	1.06
Intuitive Surgical Inc.	85	69,539	0.77
Gilead Sciences Inc.	896	52,201	0.58
Becton Dickinson & Co.	207	51,796	0.58
Vertex Pharmaceuticals Inc.	189	44,668	0.50
		1,480,448	16.44
<u>Industrials</u>			
Accenture PLC- Class A	456	119,112	1.32
Honeywell International Inc.	500	106,350	1.18
Union Pacific Corp.	482	100,362	1.11
United Parcel Service Inc. - Class B	506	85,210	0.95
3M Co.	413	72,188	0.80
		483,222	5.37
<u>Oil & Gas</u>			
Exxon Mobil Corp.	3,013	124,196	1.38
Chevron Corp.	1,331	112,403	1.25
		236,599	2.63
<u>Technology</u>			
Apple Inc.	7,154	949,264	10.54
Microsoft Corp.	4,114	915,036	10.16
Facebook Inc. - Class A	1,699	464,099	5.15
Alphabet Inc. - Class A	212	371,560	4.13
Alphabet Inc. - Class C	204	357,384	3.97
Nvidia Corp.	439	229,246	2.55
Adobe Inc.	342	171,041	1.90
Intel Corp.	2,896	144,279	1.60
Salesforce.com	648	144,199	1.60
Cisco Systems Inc.	3,016	134,966	1.50
QUALCOMM Inc.	805	122,634	1.36
Texas Instruments Inc.	655	107,505	1.19
Advanced Micro Devices	838	76,853	0.85
ServiceNow Inc.	139	76,510	0.85
Intuit Inc.	189	71,792	0.80
		4,336,366	48.15
		8,983,146	99.74

Sources: S&P Dow Jones, i-VCAP

5. Distribution Policy

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

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

6. Other Information

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

7. Cross Trade

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

8. Soft Dollar Commissions

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

9. Market Review and Outlook

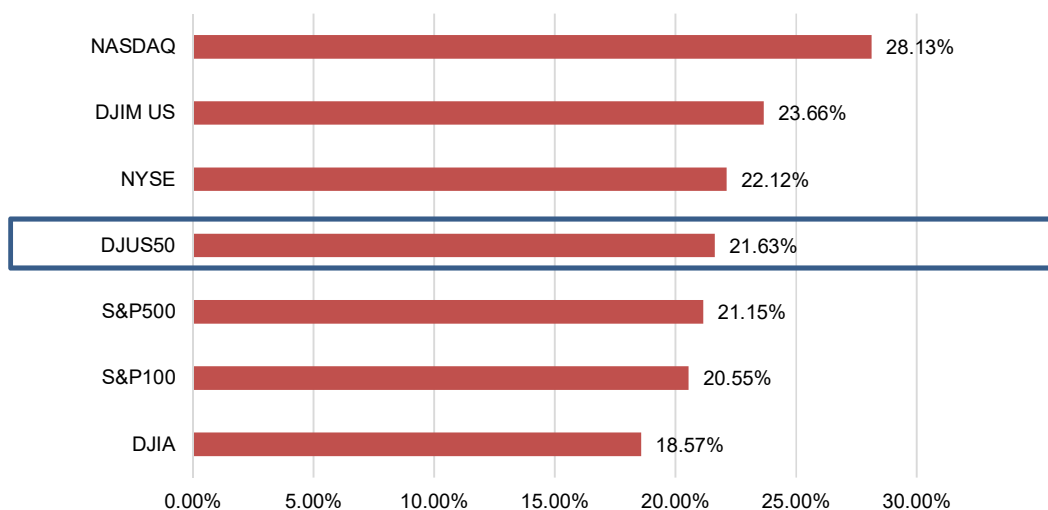
The U.S. stock market continued its positive momentum in 3Q2020 as investors were encouraged that the pandemic would not trigger a more severe financial crisis after the Federal Reserve took swift and wide-ranging action to stabilize markets. Nonetheless, U.S. stock market faced few weeks' worth of declines in September and October as concerns over stagnating coronavirus case improvement stoked fears of more lockdowns, and as political uncertainty nudged investors away from risk assets. The U.S. stock market improved in November amid a slew of positive coronavirus vaccine news, which lifted hope of a strong economic recovery.

The U.S. stock market ended 1HFY21 at all-time highs, enriching the wealthy and capping off a soaring comeback. The S&P 500-stock index (S&P 500), the most widely watched gauge, is finishing the year up more than 21%. The Dow Jones industrial average (DJIA) and the tech-heavy Nasdaq

gained 18.57% and 28.13%, respectively. The DJIA and S&P 500 finished at record levels despite the public health and economic crises.

The Dow Jones Islamic Market U.S. Titans 50 Index (DJUS50) recorded a strong return of 21.63% for 1HFY21 (1 July 2020 – 31 December 2020), closing the year of 2020 at all-time high of 7,761.33 points. On comparative performance within U.S. indices, the DJUS50 Index outperformed major U.S. benchmark indices such as DJIA Index and S&P 500 Index. The outperformance of DJUS50 Index was attributed to its heavy weighting on U.S. technology sector which had done well during the period. Nevertheless, the DJUS50 lagged behind Nasdaq, the Dow Jones Islamic Market U.S. (DJIM US) and the New York Stock Exchange (NYSE).

Chart 3: DJUS50 Index Performance against Other Indices in 1HFY21



Sources: Bloomberg, i-VCAP

The economy of most markets were regaining ground in the 3Q20. The increase in third quarter gross domestic product (GDP) reflected continued efforts to reopen businesses and resume activities that were postponed or restricted due to Covid-19. The U.S. economy increased 33.1% in the 3Q20, following a decrease of 31.4% the 2Q20.

Looking ahead, global growth in 2021 is expected to show modest pick-up as demand remain stable and governments of major economies adopt fiscal measures to increase domestic investments. Meanwhile, the central banks are expected to remain generally accommodative despite potential upside pressure on inflation. In addition, trade activities are expected to undergo a modest recovery, given the upbeat expectations of a gradual increase in commodity prices, modest pick-up in investments and higher infrastructure spending by major economies i.e. U.S. and China. Amid

exceptional uncertainty, International Monetary Fund (IMF) projected global economy to grow 5.5% in 2021 and 4.2% in 2022. The 2021 forecast is reflecting expectations of a vaccine-powered strengthening of activity later in the year and additional policy support in a few large economies.

In the U.S., outlook remains challenging, as Covid-19 infections explode across the country, leading to partial, localized lockdowns. However, once a vaccine is widely available, it is believed that dislocated sectors (e.g., restaurants, travel and hotels) will bounce back strongly, likely in the second half of 2021. Meanwhile, the Federal Reserve continues to maintain an ultra-accommodative policy stance. These factors could potentially drive the stock market higher in the near term.