



ANNUAL REPORT 2019

MyETF

**MSCI MALAYSIA
ISLAMIC DIVIDEND**

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INTRODUCTION

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

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

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

FUND INFORMATION

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

Registered Address

Level 8, Block B, Plaza Zurich
No. 12 Jalan Gelenggang
Bukit Damansara
50490 Kuala Lumpur
Malaysia

Tel. No. (+603) 2093 7119

Fax No. (+603) 2094 7119

Board of Directors

(Please refer to pages 55-59 for profile of the Directors)

Roslina Binti Abdul Rahman

Chairman/Non-Independent Non-Executive Director

(appointed Director effective 1 August 2018 and appointed Chairman effective 22 January 2019)

Khairi Shahrin Arief Bin Baki

Non-Independent Executive Director/Chief Executive Officer

(appointed effective 11 January 2018)

Datuk Dr Syed Muhamad Bin Syed Abdul Kadir

Independent Non-Executive Director

(appointed effective 1 January 2019)

Encik Mohd Asri Bin Awang

Independent Non-Executive Director

(appointed effective 1 January 2019)

Company Secretaries

Mirza Binti Mohamad (MAICSA 7051997)

Level 8, Block B, Plaza Zurich

No. 12 Jalan Gelenggang

Bukit Damansara

50490 Kuala Lumpur

Malaysia

Tel. no.: (+603) 2788 5111

FUND INFORMATION (*continued*)

- Trustee** : Deutsche Trustees Malaysia Berhad (763590-H)
Level 20, Menara IMC
8, Jalan Sultan Ismail
50250 Kuala Lumpur
Malaysia
- Tel. No. (+603) 2053 7522
Fax No. (+603) 2053-7526
Email cisops.dtmb@db.com
- Custodian**
(Trustee's Delegate)
(Please refer to page
65 for Trustee's
Delegate
information)
- Deutsche Bank (Malaysia) Berhad (312552-W)
Level 18, Menara IMC
8, Jalan Sultan Ismail
50250 Kuala Lumpur
Malaysia
- Tel. No. (+603) 2053 6788
Email dbmb-dcs.cs@db.com
Website www.db.com
- Auditor of the
Manager and the
Fund** : PricewaterhouseCoopers PLT (LLP0014401-LCA & AF 1146)
Level 10, 1 Sentral
Jalan Rakyat
Kuala Lumpur Sentral
50706 Kuala Lumpur
Malaysia
- Tel. No. (+603) 2173 1188
Fax No. (+603) 2173 1288
- Tax Consultant** : PricewaterhouseCoopers Taxation Services Sdn. Bhd. (464731-M)
Level 15, 1 Sentral
Jalan Rakyat
Kuala Lumpur Sentral
50706 Kuala Lumpur
Malaysia
- Tel. No. (+603) 2173 1188
Fax No. (+603) 2173 1288
- Fund Accountant** : Deutsche Trustees Malaysia Berhad (763590-H)
Level 20, Menara IMC
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50250 Kuala Lumpur
Malaysia
- Tel. No. (+603) 2053 6788
Fax No. (+603) 2031 8710
Email Malaysia.team@list.db.com
Website www.db.com

FUND INFORMATION *(continued)*

- Shariah Adviser** : Amanie Advisors Sdn Bhd (684050-H)
(Please refer to pages 66-68 for corporate information, experience and details of the designated person for the Shariah Adviser)
- Level 33, Menara Binjai,
No. 2, Jalan Binjai, Off Jalan Ampang,
50450 Kuala Lumpur
- Tel. no.: (+603) 2181 8228
Fax no.: (+603) 2181 8219
Website: www.amanieadvisors.com
- Participating Dealers** : CGS-CIMB Securities Sdn Bhd
(formerly known as Jupiter Securities Sdn. Bhd)
- Level 13, Menara CIMB
Jalan Stesen Sentral 2
Kuala Lumpur Sentral
50470 Kuala Lumpur
Malaysia
- Tel. No. (+603) 2261 8888
Fax No. (+603) 2261 8889
- RHB Investment Bank Berhad (19663-P)
Level 3A, Tower One
RHB Centre
Jalan Tun Razak
50400 Kuala Lumpur
Malaysia
- Tel. No. (+603) 9200 2185
Fax No. (+603) 9280 8967
- Index Licensor** : MSCI Inc.
One Chase Manhattan Plaza, 44th Floor
New York, NY 10005
United States of America
- Tel No. (+1) 212 804 3901
Fax No. (+1) 212 809 1213
- Share Registrar** : Boardroom Share Registrars Sdn Bhd (378993-D)
(formerly known as Symphony Share Registrars Sdn Bhd)
- Level 6, Symphony House
Pusat Dagangan Dana 1
Jalan PJU 1A/46
47301 Petaling Jaya
Selangor
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- Helpdesk No. (+603) 7849 0777
Fax No. (+603) 7841 8151 / 8152
Website www.boardroomlimited.com
Email bsr.helpdesk@boardroomlimited.com

Annual Manager's Report

For the Financial Year 1 January 2019 to 31 December 2019

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

1. Investment Objective

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

2. Benchmark Index

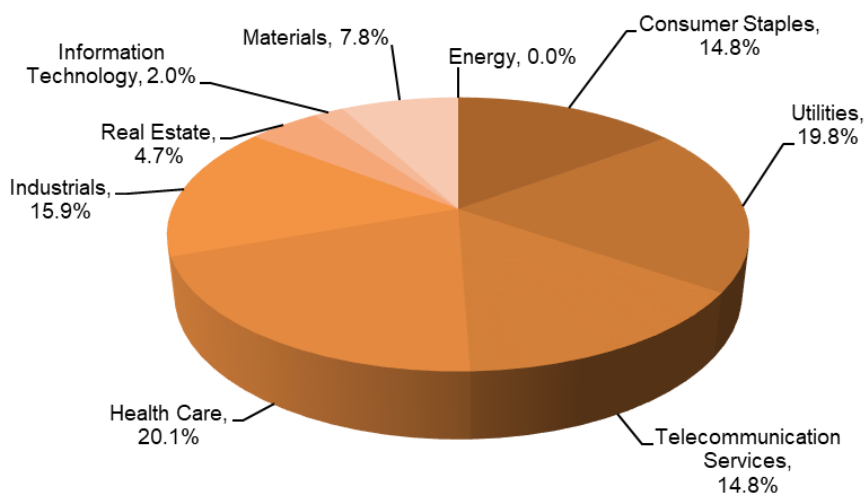
The Benchmark Index is a market capitalisation weighted and free-float adjusted index provided by MSCI Inc ("MSCI"). The Benchmark Index is designed as a performance benchmark for the high dividend-yielding companies of its Parent Index, i.e. the MSCI Malaysia IMI Islamic Index. The Benchmark Index shall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

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

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

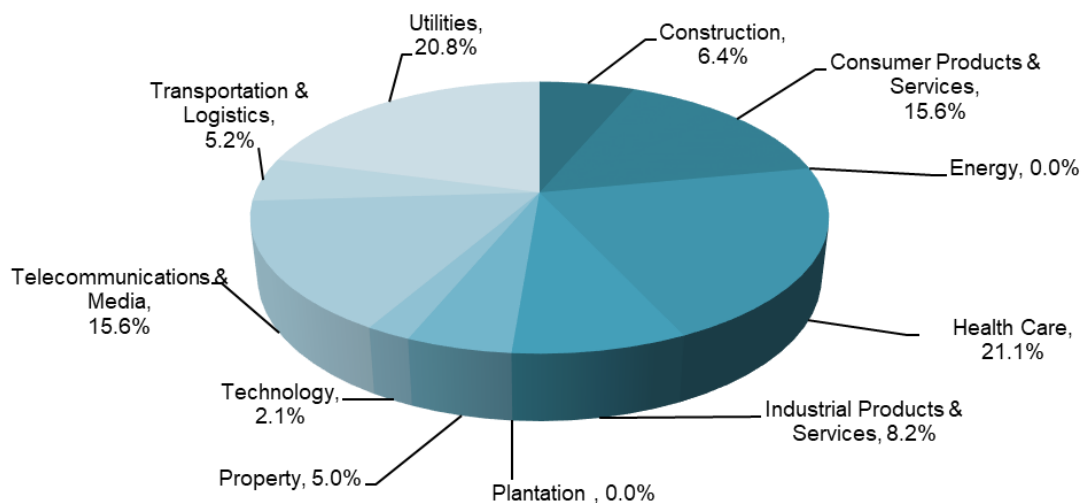
Based on the latest quarterly review (26 November 2019), the sector allocation of MIMYDY40 Index based on MSCI and Bursa Securities sector classifications are as follows:

Chart 1(a): Sector Classification – MSCI



Source: MSCI

Chart 1(b): Sector Classification - Bursa Securities



Sources: Bursa Malaysia, MSCI

3. Investment Strategy

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

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

4. Fund Performance

For the Financial Year 2019, the Fund achieved its investment objective to track closely the underlying benchmark, i.e. MIMYDY40 Index. As at 31 December 2019, the 3-year rolling tracking errors¹ between the NAV per unit of the Fund and the Benchmark Index on both Price Return and Total Return basis were 0.07%, well within the 3% limit stipulated under the Fund's investment objective.

The Fund's NAV per unit decreased by 2.59% to RM1.1160 from RM1.1457 while the Benchmark Index and Benchmark's Total Return Index (MIMYDY40 Total Return Index) decreased by 3.13% and 0.06% respectively over the same period. The variance between the Fund's NAV and Benchmark Index was largely due to the adjustment to the Fund's NAV following the Fund's income distribution of 2.76 sen per unit for Financial Year ended 31 December 2019 which was declared and paid during the year.

As at end-December 2019, total units in circulation for the Fund decreased 15.5% to 39.2 million units from 46.4 million units on a net redemption of 7.2 million units during the year.

The Fund closed its FY2019 with its total NAV contracted 17.7% to RM43.75 million from RM53.82 million a year earlier due to the unit redemption during the year as well as tracking the weak performance of the broad domestic equity market.

The key statistics and comparative performance of the Fund for the Financial Year ended 31 December 2019 are summarised as follows:

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

Table 1: Key Statistics

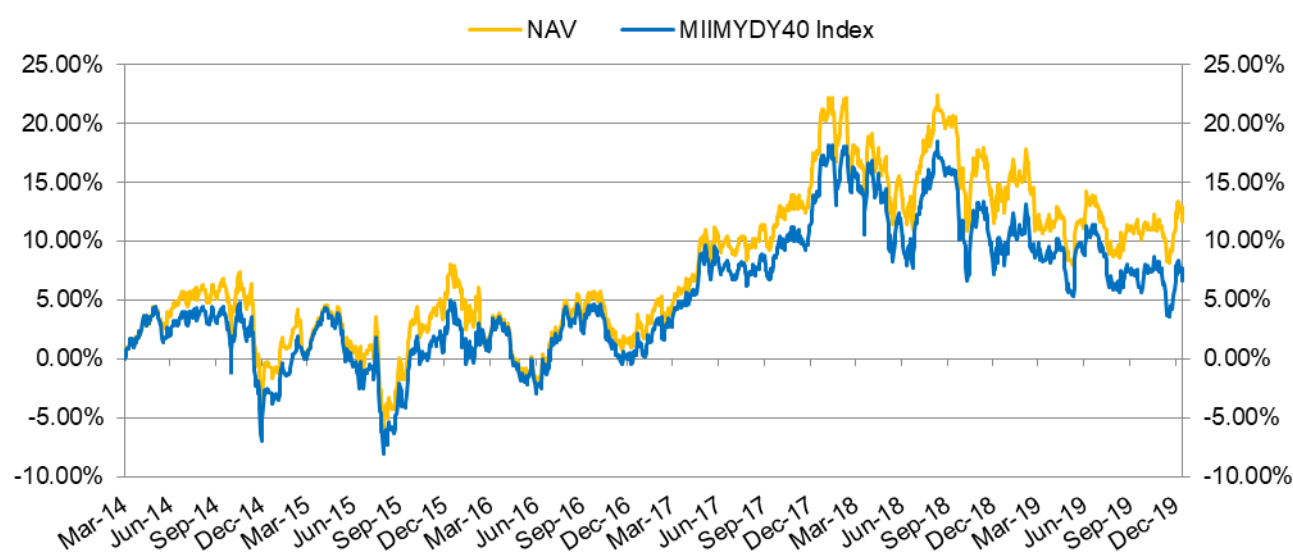
	As at 31-Dec-19	As at 31-Dec-18	As at 31-Dec-17	As at 31-Dec-16	As at 31-Dec-15
NAV per unit (RM)#	1.1160	1.1457	1.1776	1.0210	1.0782
NAV per unit (RM) (before distribution)	1.1357	1.2136	1.0385	1.0512	1.0326
NAV per unit (RM) (after distribution)	1.1081	1.1836	1.0303	1.0125	1.0103
- Highest	1.1783 (21 Feb)	1.2239 (28 Aug)	1.1776 (29 Dec)	1.0794 (6 Jan)	1.0801 (29 Dec)
- Lowest (During the period)	1.0796 (26 May)	1.1086 (26 Oct)	1.0175 (19 Jan)	0.9755 (16 Jun)	0.9376 (17 Aug)
Price per unit (RM)#	1.1500	1.1600	1.1400	1.0150	1.0750
- Highest	1.1600 (30 Dec)	1.2100 (2 Aug)	1.1400 (29 Dec)	1.0750 (6 Jan)	1.0750 (29 Dec)
- Lowest (During the period)	1.0400 (2 Apr)	1.0900 (24 May)	1.0150 (3 Jan)	0.9740 (24 Jun)	0.9400 (17 Aug)
Units in Circulation	39,200,000	46,400,000	48,000,000	51,600,000	21,600,000
Total NAV (RM)	43,748,713	53,158,345	56,522,726	52,683,579	23,289,939
Total NAV (RM) (before distribution)	48,608,394	39,745,078	53,947,832	22,550,945	22,309,093
Total NAV (RM) (after distribution)	47,427,114	38,823,398	53,163,512	21,870,545	21,823,093
Market Capitalisation (RM)	45,080,000	53,824,000	54,720,000	52,374,000	23,220,000
MIMYDY40 Index	2,489.15	2,569.68	2,666.89	2,349.94	2,446.78
MIMYDY40 Total Return Index	4,286.89	4,289.31	4,302.13	3,666.03	3,696.95
Tracking Error vs. MIMYDY40 Price Return Index (%)*	0.09	0.05	1.09	1.06	1.97
Tracking Error vs. MIMYDY40 Total Return Index (%)*	0.09	0.06	0.89	0.85	1.88
Management Expense Ratio (%)	0.63	0.63	0.69	0.71	0.61

Sources: Bloomberg, i-VCAP

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

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

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



Sources: Bloomberg, i-VCAP

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

Table 2(a): Annual Return

	2019 (%)	2018 (%)	2017 (%)	2016 (%)	2015 (%)
MyETF-MMID - NAV Price Return ^(a)	(2.59)	(2.71)	15.34	(5.31)	8.55
MIMYDY40 - Price Return Index	(3.13)	(3.65)	13.49	(3.96)	7.91
MyETF-MMID - NAV Total Return ^(a)	(0.17)	(0.40)	17.04	(2.36)	10.96
MIMYDY40 - Total Return Index	(0.06)	(0.30)	17.35	(0.84)	11.76

Sources: Bloomberg, i-VCAP

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

Table 2(b): Cumulative Returns

	Cumulative Returns (b)				
	YTD	1-Year	3-Year	5-Year	Since Inception
	(%)	(%)	(%)	(%)	(%)
MyETF- MMID - NAV Price Return ^(a)	(2.59)	(2.59)	9.30	12.35	11.60
MIMYDY40 - Price Return Index	(3.13)	(3.13)	5.92	9.77	6.59
MyETF- MMID - NAV Total Return ^(a)	(0.17)	(0.17)	16.38	26.09	25.25
MIMYDY40 - Total Return Index	(0.06)	(0.06)	16.94	29.60	29.80

Sources: Bloomberg, i-VCAP

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

(b) Cumulative returns are up to 31 December 2019 since inception date on 17 March 2014.

Table 2(c): Average Returns (Annualised)

	Average Returns (b)			
	YTD	1-Year	3-Year	Since Inception
	(%)	(%)	(%)	(%)
MyETF- MMID - NAV Price Return ^(a)	(2.60)	(2.60)	3.01	1.91
MIMYDY40 - Price Return Index	(3.14)	(3.14)	1.97	1.14
MyETF- MMID - NAV Total Return ^(a)	(0.17)	(0.17)	5.19	3.96
MIMYDY40 - Total Return Index	(0.06)	(0.06)	5.64	5.14

Sources: Bloomberg, i-VCAP

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

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

Table 2(d): Historical Income Distribution

	For Financial Year Ended				
	2019 [^]	2018	2017	2016	2015
	<u>First & Final</u>	<u>First & Final</u>	<u>First & Final</u>	<u>First & Final</u>	<u>First & Final</u>
Income Distribution Per Unit (Sen)	-	2.76	2.81	1.52	3.15
Income Distribution Yield (%) [*]	-	2.38	2.37	1.45	3.03
Declaration Date	-	21-Feb-19	12-Feb-18	13-Feb-17	10-Feb-16
Ex-Date	-	11-Mar-19	1-Mar-18	1-Mar-17	26-Feb-16
Payment Date	-	8-Apr-19	29-Mar-18	30-Mar-17	29-Mar-16
NAV Per Unit Before Ex-Date (RM)	-	1.16	1.2136	1.0385	1.0512
NAV Per Unit On Ex-Date (RM)	-	1.16	1.1836	1.0303	1.0125

Sources: Bloomberg, i-VCAP

^{*} Based on NAV on income distribution declared date.[^] No income distribution was declared and paid for the Financial Year 2019

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

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

Table 3: List of Stock Inclusions and Exclusion

	Stock Inclusions	Stock Exclusions
1Q19	-	Unisem (M) Bhd
2Q19	Top Glove Corporation Bhd	-
	Petronas Chemicals Group Bhd	-
	Lingkar Trans Kota Holdings Bhd	-
3Q19	-	Top Glove Corporation Bhd
	-	Globetronics Technology Bhd
4Q19	Gamuda Bhd	UOA Development Bhd
	KPJ Healthcare Bhd	Mah Sing Group Bhd
	-	Sime Darby Property Bhd
	-	Petron Malaysia Refining & Marketing Bhd

Source: MSCI

In terms of sectoral weightings, notable changes to the Fund's sector composition as compared to the previous year were the decrease in Property sector from 16.09% to 4.62% due to the exclusion of UOA Development Bhd, Mah Sing Group Bhd and Sime Darby Property Bhd. Weighting of Healthcare sector increased from 12.15% to 19.86% as KPJ Healthcare Bhd was included into the Fund during the year. Details of the Fund's sector exposure are as follows:

Table 4: Fund's Sector Allocation*

	As at 31-Dec-19	As at 31-Dec-18	Change (%)
Health Care	19.86%	12.15%	7.71%
Utilities	19.53%	18.24%	1.29%
Consumer Products & Services	15.04%	11.90%	3.14%
Telecommunications & Media	14.66%	11.68%	2.98%
Industrial Products & Services	7.59%	12.82%	-5.23%
Construction	6.10%	0.31%	5.79%
Plantation	5.18%	4.39%	0.79%
Transportation & Logistics	4.90%	6.95%	-2.05%
Property	4.62%	16.09%	-11.47%
Technology	2.03%	2.33%	-0.30%
Energy	0.00%	0.66%	-0.66%
Cash & Others	0.49%	2.48%	-1.99%

Sources: Bursa Malaysia, i-VCAP

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

Details of the Fund's quoted Investments as at 31 December 2019 are as follows:

Table 5: Investment in Listed Equities

	Quantity	Market Value	Market Value as a percentage of
	(Units)	(RM)	Net Asset Value
			(%)
<u>Construction</u>			
Gamuda Bhd	562,500	2,193,750	5.01
Kerjaya Prospek Group Berhad	362,800	475,268	1.09
		2,669,018	6.10
<u>Consumer Products & Services</u>			
Nestle Malaysia Bhd	14,700	2,160,900	4.94
QL Resources Bhd	290,300	2,360,139	5.40
Sime Darby Bhd	925,400	2,054,388	4.70
		6,575,427	15.04
<u>Health Care</u>			
Hartalega Holdings Bhd	397,100	2,176,108	4.97
IHH Healthcare Berhad	392,400	2,146,428	4.91
Kossan Rubber Industries Bhd	395,700	1,646,112	3.76
KPJ Healthcare Bhd	1,646,800	1,556,226	3.56
Supermax Corporation Bhd	835,966	1,161,993	2.66
		8,686,867	19.86
<u>Industrial Products & Services</u>			
Cahaya Mata Sarawak Bhd	676,200	1,534,974	3.51
Scientex Berhad	188,700	1,783,215	4.08
		3,318,189	7.59
<u>Plantation</u>			
Sime Darby Plantation Berhad	415,700	2,265,565	5.18
		2,265,565	5.18
<u>Property</u>			
Matrix Concepts Holdings Bhd	1,058,500	2,021,735	4.62
		2,021,735	4.62
<u>Technology</u>			
Vitrox Corporation Bhd	112,100	887,832	2.03
		887,832	2.03
<u>Telecommunications & Media</u>			
Maxis Berhad	800,200	4,257,064	9.73
Time DotCom Bhd	233,900	2,156,558	4.93
		6,413,622	14.66
<u>Transportation & Logistics</u>			
Westports Holdings Berhad	509,200	2,143,732	4.90
		2,143,732	4.90
<u>Utilities</u>			
Petronas Gas Bhd	265,400	4,410,948	10.08
Tenaga Nasional Bhd	311,700	4,133,142	9.45
		8,544,090	19.53
		43,526,077	99.51

Sources: Bursa Malaysia, i-VCAP

5. Distribution Policy

The Fund may distribute amongst the unitholders all, or substantially all of the dividend income that the Fund received from its stock investment, pro-rated based on the number of units held by each unitholder as at the entitlement date of the income distribution. Distributions (if any) are expected to be made annually. The exact amount to be distributed will be at the absolute discretion of the Manager, subject to compliance with the Exchange-Traded Funds Guidelines issued by the Securities Commission Malaysia on 11 June 2009 which may be revised from time to time.

During the year, the Fund has announced and paid the first and final income distribution of 2.76 cent per unit for Financial Year ended 31 December 2018. The income distribution is derived from the dividend income that the Fund received during the year.

6. Other Information

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

7. Cross Trade

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

8. Soft Dollar Commissions

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

9. Market Review and Outlook

2019 marked a winning year for stock markets around the world. Most stock markets posted their best returns in a decade. Several key market indexes in the U.S., Europe and Asia hit record highs during the year as investors cheered drastic interest rate cuts by the central banks globally. The possibility of the signing of the phase-one trade deal between the U.S. and China significantly boosted investors' sentiment towards the end of the year. MSCI World Index and S&P 500 Index registered a strong return of 25.2% and 28.9% respectively in 2019.

As opposed to the strong stock market performance, global economy in 2019 recorded its weakest growth since the global financial crisis a decade ago. World Bank cut its global growth forecast for the year to 2.6% as a result of trade disputes, policy uncertainties and weak corporate confidence which led to reduction in capital spending. Leading economic indicators continue to point to slowing growth momentum in most major economies against the backdrop of slower global trade.

Growth had significantly softened across the major economies in Asia. China recorded a 6.1% GDP growth in 2019, the lowest since 1990, as the country's trade war with the U.S. took its toll. Hong Kong slipped into technical recession in the third quarter whilst Singapore and South Korean were exposed to the risk of recession in 2019.

On the local front, Malaysia's GDP growth weakened slightly to 4.4% in 3Q2019 from 4.9% in the preceding quarter, dragged down by a slowdown in key sectors, weaker export, as well as the decline in the mining and construction activities. Consumer Sentiment Index dropped to 84.0 points in 3Q2019 from 93.0 points in 2Q2019 indicated that consumers are likely to be more cautious in their spending plans. In May 2019, Bank Negara Malaysia cut the Overnight Policy Rate (OPR) by 25bp to 3.00% to stimulate growth.

Despite the sharp rally in the global equities in 2019, Malaysia's equity market finished 2019 as one of the worst performing markets in the world. The local stock market declined to a four-year low in October 2019, triggered by the worries over a global slowdown and trade tension between U.S. and EU. Market rebounded slightly in December 2019 as investors returned to bargain hunt following the underperformance against regional peers. Foreign investors continued selling Malaysian equity in 2019 with a total net outflows of RM10.9 billion.

In tandem with the weak equity market in Malaysia, MIMYDY40 Index recorded a decrease of 3.1% for the year. The Index hit a multi-year low of 2,417.86 points on 4 December 2019 before it rebounded and closed at 2,489.15 points on 31 December 2019.

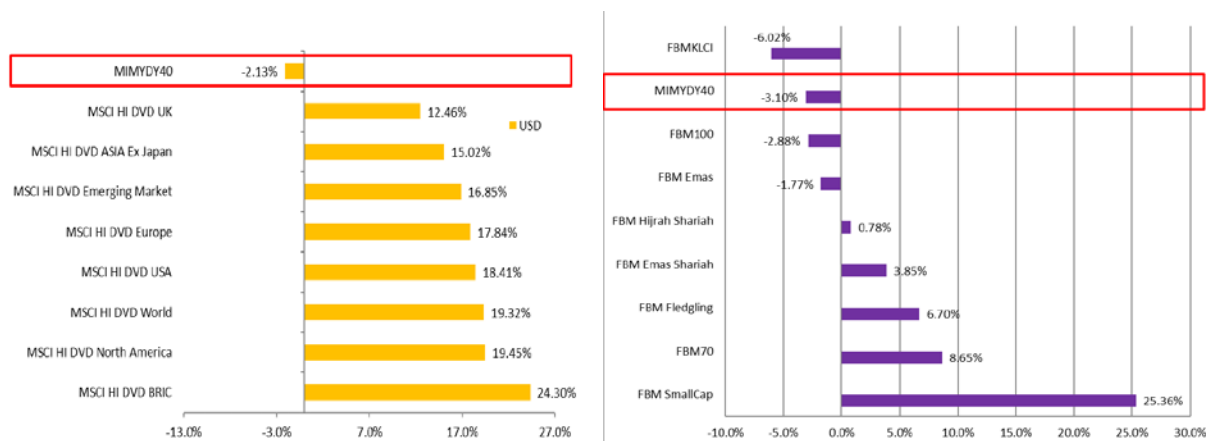
Chart 3(a): MIMYDY40 Index Performance in 2019



Sources: Bloomberg, i-VCAP

On comparative performance within MSCI High Dividend Yield index series (based on USD), the MIMYDY40 Index underperformed all global Islamic equity benchmark indices, tracking the weak equity market in Malaysia. On the local front, MIMYDY40 Index outperformed FBMKLCI Index but lagged most domestic indices.

Chart 3(b): MIMYDY40 Index and Comparable Performances in 2019



Sources: Bloomberg, i-VCAP

Despite challenging environment, Bank Negara Malaysia (BNM) projected a moderate GDP growth between 4.3% and 4.9% for 2019 and confident that growth to be sustained at the same pace going into 2020. Malaysian economy is expected to remain resilient and growth is expected to gradually improve with the continued support from household spending and better export performance in 2020. BNM indicated that monetary policy will be kept accommodative and supportive of economic activities.

While easing monetary policy in the major economies are expected to improve global financial conditions in the near term, it could lead to a higher volatility in financial markets. Global equity market is expected to remain volatile in 2020. Trade tension, global recession fear and domestic political uncertainties would continue to top the list of market concerns for the coming year.

Against these backdrops, Malaysian equity market is expected to be volatile in the near term. We expect MyETF-MMID to be less volatile as the stock components are defensive in nature due to the high dividend yield nature.

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

We have acted as Trustee for MyETF MSCI Malaysia Islamic Dividend (“the Fund”) for the financial year ended 31 December 2019. To the best of our knowledge, for the financial year under review, *i*-VCAP Management Sdn. Bhd. (“the Manager”) has operated and managed the Fund in accordance with the following:-

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

We are of the view that the distribution made during the financial year ended 31 December 2019 by the Manager is not inconsistent with the objectives of the Fund.

For Deutsche Trustees Malaysia Berhad

Ng Hon Leong
Head, Trustee Operations

Richard Lim Hock Seng
Chief Executive Officer

Kuala Lumpur

SHARIAH ADVISER'S REPORT TO THE UNIT HOLDERS OF

MyETF MSCI MALAYSIA ISLAMIC DIVIDEND

We have acted as the Shariah Adviser of MyETF MSCI Malaysia Islamic Dividend (the "Fund") for the financial year ended 31 December 2019. Our responsibility is to ensure that the procedures and processes employed by i-VCAP Management Sdn. Bhd. are in accordance with Shariah.

In our opinion, the Manager of the fund, i-VCAP Management Sdn. Bhd. has managed and administered the Fund in accordance with Shariah Investment Guidelines and complied with applicable guidelines, ruling or decision issued by the Securities Commission Malaysia pertaining to Shariah matters for the financial year ended 31 December 2019.

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

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

For and on behalf of Shariah Adviser
Amanie Advisors Sdn Bhd

Datuk Dr. Mohd Daud Bakar
Executive Chairman

STATEMENT BY THE MANAGER

I, Khairi Shahrin Arief Bin Baki, being a Director of the Manager, do hereby state that, in the opinion of the Manager, the financial statements set out on pages 28 to 56 are drawn up in accordance with the provisions of the Deed and give a true and fair view of the state of affairs of the Fund as at 31 December 2019 and of its results, changes in net assets attributable to unit holders and cash flows of the Fund for the financial year ended on that date in accordance with the Malaysian Financial Reporting Standards, International Financial Reporting Standards and the Securities Commission's Guidelines on Exchange-Traded Funds.

KHAIRI SHAHRIN ARIEF BIN BAKI

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

Kuala Lumpur

21 February 2019

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

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Our opinion

In our opinion, the financial statements of MyETF MSCI Malaysia Islamic Dividend (the "Fund") give a true and fair view of the financial position of the Fund as at 31 December 2019, and of its financial performance and its cash flows for the year then ended in accordance with Malaysian Financial Reporting Standards and International Financial Reporting Standards.

What we have audited

We have audited the financial statements of the Fund, which comprise the statement of financial position as at 31 December 2019, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 28 to 56.

Basis for opinion

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

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

Independence and other ethical responsibilities

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

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

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONTINUED)

Our audit approach

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

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

Key audit matters

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

Key audit matters	How our audit addressed the key audit matters
<p>Valuation and existence of financial assets at fair value through profit or loss</p> <p>Refer to Note F (Summary of significant accounting policies), Note 10 and Note 22 (Notes to the financial statements).</p> <p>The investment portfolio at the year-end comprised listed equity investments valued at RM43,526,077.</p> <p>We focused on the valuation and existence of investments because investments represent the most significant element of the net asset value in the financial statements.</p>	<p>We have tested the valuation of the listed equity investments by agreeing the prices used in the valuation to independent third party sources.</p> <p>We have tested the existence of the investment portfolio by agreeing the holdings for investments to an independent custodian confirmation.</p> <p>Based on the above procedures, no material exceptions were identified.</p>

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

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONTINUED)

Information other than the financial statements and auditors' report thereon

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

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

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

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

Responsibilities of the Manager for the financial statements

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

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

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

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONTINUED)

Auditors' responsibilities for the audit of the financial statements

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

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

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

INDEPENDENT AUDITORS' REPORT TO THE UNIT HOLDERS OF

MyETF MSCI MALAYSIA ISLAMIC DIVIDEND (CONTINUED)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONTINUED)

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

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

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

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

OTHER MATTERS

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

PRICEWATERHOUSECOOPERS PLT
LLP0014401-LCA & AF 1146
Chartered Accountants

MANJIT SINGH A/L HAJANDER SINGH
02954/03/2019 J
Chartered Accountant

Kuala Lumpur

MyETF MSCI MALAYSIA ISLAMIC DIVIDEND

STATEMENT OF COMPREHENSIVE INCOME FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019

	<u>Note</u>	<u>2019</u> RM	<u>2018</u> RM
INVESTMENT INCOME			
Gross dividend income		1,502,669	1,696,103
Profit from short term Shariah-compliant deposits		19,141	17,564
Net loss on financial assets at fair value through profit or loss	10	(1,120,022)	(895,544)
		<u>401,788</u>	<u>818,123</u>
EXPENSES			
Management fee	4	(185,044)	(200,254)
Trustee's fee	5	(20,817)	(22,529)
License fee	6	(27,757)	(30,038)
Transaction cost		(66,951)	(117,548)
Auditors' remuneration		(15,984)	(15,601)
Tax agent's fee		(9,515)	(4,613)
Shariah adviser's fee		(6,501)	(6,500)
Purification of non Shariah-compliant income		(7,480)	(9,852)
Other expenses	7	(20,331)	(24,769)
		<u>(360,380)</u>	<u>(431,704)</u>
PROFIT BEFORE TAXATION			
Taxation	8	-	-
		<u>41,408</u>	<u>386,419</u>
PROFIT AFTER TAXATION AND TOTAL COMPREHENSIVE INCOME FOR THE FINANCIAL YEAR			
		<u>41,408</u>	<u>386,419</u>
Profit after taxation is made up as follows:			
Realised amount		(636,278)	5,944,607
Unrealised amount		677,686	(5,558,188)
		<u>41,408</u>	<u>386,419</u>

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

MyETF MSCI MALAYSIA ISLAMIC DIVIDEND

STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2019

	<u>Note</u>	<u>2019</u> RM	<u>2018</u> RM
ASSETS			
Cash and cash equivalents	12	248,300	105,924
Financial assets at fair value through profit or loss	10	43,526,077	51,836,926
Dividends receivable	11	57,749	95,041
Amount due from stockbrokers		-	1,208,024
TOTAL ASSETS		<u>43,832,126</u>	<u>53,245,915</u>
LIABILITIES			
Management fee payable		15,248	18,020
Amount due to Trustee		1,715	2,027
Auditors' remuneration		16,400	15,671
Tax agent's fee		9,800	4,809
Shariah adviser's fee		440	7,105
Payables	13	39,810	39,938
TOTAL LIABILITIES		<u>83,413</u>	<u>87,570</u>
NET ASSET VALUE OF THE FUND		<u>43,748,713</u>	<u>53,158,345</u>
EQUITY			
Unit holders' capital		36,356,040	44,625,800
Retained earnings		7,392,673	8,532,545
NET ASSETS ATTRIBUTABLE TO UNIT HOLDERS	15	<u>43,748,713</u>	<u>53,158,345</u>
NUMBER OF UNITS IN CIRCULATION	15	<u>39,200,000</u>	<u>46,400,000</u>
NET ASSET VALUE PER UNIT (RM)		<u>1.1160</u>	<u>1.1457</u>

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

MyETF MSCI MALAYSIA ISLAMIC DIVIDEND

STATEMENT OF CHANGES IN EQUITY FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019

	Note	Unit holders' capital RM	Retained earnings RM	Total RM
Balance as at 1 January 2019		44,625,800	8,532,545	53,158,345
Total comprehensive income for the financial year		-	41,408	41,408
Distribution for the financial year ended 31 December 2018	9	-	(1,181,280)	(1,181,280)
Cancellation of units		(8,269,760)	-	(8,269,760)
Balance as at 31 December 2019		36,356,040	7,392,673	43,748,713
Balance as at 1 January 2018		47,567,320	8,955,406	56,522,726
Total comprehensive income for the financial year		-	386,419	386,419
Distribution for the financial year ended 31 December 2017	9	-	(809,280)	(809,280)
Creation of units		30,946,880	-	30,946,880
Cancellation of units		(33,888,400)	-	(33,888,400)
Balance as at 31 December 2018		44,625,800	8,532,545	53,158,345

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

MyETF MSCI MALAYSIA ISLAMIC DIVIDEND

STATEMENT OF CASH FLOWS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019

	<u>Note</u>	<u>2019</u> RM	<u>2018</u> RM
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash used in purchase of investments		(18,977,833)	(64,160,600)
Proceeds from sales of investments		19,104,473	62,575,021
Dividends received		1,539,961	1,650,330
Profit from short term Shariah-compliant deposits		19,141	17,564
Management fee paid		(187,816)	(200,206)
Trustee fee paid		(21,129)	(22,524)
License fee paid		(31,027)	(12,609)
Purification of non Shariah-compliant income		3,013	(9,582)
Payment for other fees and expenses		(57,137)	(183,909)
		<hr/>	<hr/>
Net cash generated from/(used in) operating activities		1,391,646	(346,785)
		<hr/>	<hr/>
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from creation of units	21	-	1,039,199
Payments for cancellation of units	21	(67,990)	(95,401)
Payment for income distribution	9	(1,181,280)	(809,280)
		<hr/>	<hr/>
Net cash (used in)/generated from financing activities		(1,249,270)	134,518
		<hr/>	<hr/>
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS			
		142,376	(212,267)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE FINANCIAL YEAR			
		105,924	318,191
		<hr/>	<hr/>
CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL YEAR			
	12	248,300	105,924
		<hr/> <hr/>	<hr/> <hr/>

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

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019

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

A BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS

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

The financial statements have been prepared under the historical cost convention, except as disclosed in the summary of significant accounting policies.

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

The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note L.

(a) Standards and amendments to existing standards effective 1 January 2019:

There are no standards, amendments to standards or interpretations that are effective for annual periods beginning on 1 January 2019 that have a material effect on the financial statements of the Fund.

(b) New standards, amendments and interpretations effective after 1 January 2019 and have not been early adopted:

A number of new standards, amendments to standards and interpretations are effective for annual periods beginning after 1 January 2019, and have not been early adopted in preparing these financial statements. None of these are expected to have a material effect on the financial statements of the Fund.

MyETF MSCI MALAYSIA ISLAMIC DIVIDEND

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019 (CONTINUED)

B INCOME FROM SHARIAH-COMPLIANT FINANCIAL INSTRUMENTS

Profit income

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

Profit is calculated by applying the effective profit rate to the gross carrying amount of a financial asset except for financial assets that subsequently become credit-impaired.

For credit-impaired financial assets the effective profit rate is applied to the net carrying amount of the financial asset (after deduction of the loss allowance).

Dividend income

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

For quoted equities, realised gains and losses on sale of investments are accounted for as the difference between the net disposal proceeds and the carrying amount of investments, determined on a weighted average cost basis.

C NON SHARIAH-COMPLIANT INCOME

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

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

D TAXATION

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

E CASH AND CASH EQUIVALENTS

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

**SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019 (CONTINUED)**

F FINANCIAL ASSETS AND LIABILITIES

(i) Classification

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

- those to be measured subsequently at fair value (either other comprehensive income or through profit or loss), and
- those to be measured at amortised cost

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

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

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

**SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019 (CONTINUED)**

F FINANCIAL ASSETS AND LIABILITIES (CONTINUED)

(ii) Recognition and measurement

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

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

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

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

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

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

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

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

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

**SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019 (CONTINUED)**

F FINANCIAL ASSETS AND LIABILITIES (CONTINUED)

(iii) Impairment of financial assets

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

Significant increase in credit risk

A significant increase in credit risk is defined by management as any contractual payment which is more than 30 days past due or a counterparty credit rating which has fallen below BBB/Baa.

Definition of default and credit-impaired financial assets

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

Write-off

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

**SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019 (CONTINUED)**

G AMOUNT DUE FROM/TO STOCKBROKERS

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

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

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

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

H UNIT HOLDERS' CAPITAL

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

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

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

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

**SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019 (CONTINUED)**

I PRESENTATION AND FUNCTIONAL CURRENCY

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

J SEGMENT REPORTING

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

K DISTRIBUTION

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

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

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

L CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS IN APPLYING ACCOUNTING POLICIES

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

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

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

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

MyETF MSCI MALAYSIA ISLAMIC DIVIDEND

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019

1 INFORMATION ON THE FUND

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

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

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

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

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

These financial statements were authorised for issue by the Manager on _____.

2 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

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

	Note	Amortised cost	Financial assets at fair value through profit or loss	Total
		RM	RM	RM
2019				
Cash and cash equivalents	12	248,300	-	248,300
Financial assets at fair value through profit or loss	10	-	43,526,077	43,526,077
Dividends receivable	11	57,749	-	57,749
Total		<u>306,049</u>	<u>43,526,077</u>	<u>43,832,126</u>

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019 (CONTINUED)

2 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

	Note	Amortised cost RM	Financial asset at fair value through profit or loss RM	Total RM
2018				
Cash and cash equivalents	12	105,924	-	105,924
Financial assets at fair value through profit or loss	10	-	51,836,926	51,836,926
Dividends receivable	11	95,041	-	95,041
Amount due from stockbrokers		1,208,024	-	1,208,024
Total		1,408,989	51,836,926	53,245,915

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

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

Market risk

Price Risk

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

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

	<u>2019</u> RM	<u>2018</u> RM
Financial assets at fair value through profit or loss	<u>43,526,077</u>	<u>51,836,926</u>

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

2019

<u>% Change in benchmark index</u>	<u>Benchmark index</u>	<u>Market value</u> RM	<u>Impact to profit</u> <u>after tax/NAV</u> RM
-10%	2,240.24	39,465,789	(4,060,288)
0%	2,489.15	43,526,077	-
10%	2,738.07	47,586,364	4,060,288

MyETF MSCI MALAYSIA ISLAMIC DIVIDEND

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019 (CONTINUED)

2 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

Market risk (continued)

Price Risk (continued)

2018

<u>% Change in benchmark index</u>	<u>Benchmark index</u>	<u>Market value</u>	<u>Impact to profit after tax/NAV</u>
		RM	RM
-10%	2,312.71	47,457,686	(4,379,240)
0%	2,569.68	51,836,926	-
10%	2,826.65	56,216,166	4,379,240

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

Profit rate risk

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

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

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

Credit/Default risk

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

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

The credit/default risk is minimal as all transactions in quoted investments are settled/paid upon delivery using approved brokers.

The maximum exposure to credit risk before any credit enhancements at 31 December is the carrying amount of the financial assets as set out below.

	<u>Cash and cash equivalents</u>	<u>Dividends receivable</u>	<u>Total</u>
	RM	RM	RM
2019			
Financial institutions			
– AAA	248,300	-	248,300
Others	-	57,749	57,749
	<u>248,300</u>	<u>57,749</u>	<u>306,049</u>

MyETF MSCI MALAYSIA ISLAMIC DIVIDEND

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019 (CONTINUED)

2 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

Credit/Default risk (continued)

	<u>Cash and cash equivalents</u> RM	<u>Dividends receivable</u> RM	<u>Amount due from stockbrokers</u> RM	<u>Total</u> RM
2018				
Financial institutions				
– AAA	105,924	-	-	105,924
Others	-	95,041	1,208,024	1,300,329
	<u>105,924</u>	<u>95,041</u>	<u>1,208,024</u>	<u>1,408,989</u>

3 CAPITAL AND LIQUIDITY RISK MANAGEMENT

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

The table below analyses the Fund's financial liabilities into relevant maturity groupings based on the remaining period at the statement of financial position date to the contractual maturity date. The amounts in the table below are the contractual undiscounted cash flows.

	<u>Within one month</u> RM	<u>One month to one year</u> RM	<u>Total</u> RM
2019			
Management fee payable	15,248	-	15,248
Amount due to Trustee	1,715	-	1,715
Auditors' remuneration	-	16,400	16,400
Tax agent's fee	-	9,800	9,800
Shariah adviser's fee	-	440	440
Payables	-	39,810	39,810
	<u>16,963</u>	<u>66,450</u>	<u>83,413</u>
2018			
Management fee payable	18,020	-	18,020
Amount due to Trustee	2,027	-	2,027
Auditors' remuneration	-	15,671	15,671
Tax agent's fee	-	4,809	4,809
Shariah adviser's fee	-	7,105	7,105
Payables	-	39,938	39,938
	<u>20,047</u>	<u>67,523</u>	<u>87,570</u>

MyETF MSCI MALAYSIA ISLAMIC DIVIDEND

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019 (CONTINUED)

4 MANAGEMENT FEE

The Manager is entitled to a management fee at a rate not exceeding 3.0% per annum on the Net Asset Value ("NAV") of the Fund calculated on a daily basis, as provided under Clause 15.1(b) of the Deed.

For the financial year ended 31 December 2019, the management fee was recognised at a rate of 0.4% (2018: 0.4%) per annum on the NAV of the Fund, calculated on a daily basis.

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

5 TRUSTEE'S FEE

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

For the financial year ended 31 December 2019, the Trustee's fee was recognised at a rate of 0.045% (2018: 0.045%) per annum on the NAV of the Fund, subject to a minimum of RM12,000 per annum, inclusive of local custodian fee, calculated on a daily basis.

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

6 LICENSE FEE

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

For the financial year ended 31 December 2019, the License Fee was recognised at a rate of 0.06% (2018: 0.06%) per annum of the Net Asset Value ("NAV") of the Fund, calculated on a daily basis.

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

7 OTHER EXPENSES

	<u>2019</u> RM	<u>2018</u> RM
Printing cost	-	3,500
GST expense	-	6,459
Other expenses	20,331	14,810
	<u>20,331</u>	<u>24,769</u>

MyETF MSCI MALAYSIA ISLAMIC DIVIDEND

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019 (CONTINUED)

8 TAXATION

	<u>2019</u> RM	<u>2018</u> RM
Tax charged for the financial period:		
- Current taxation	-	-
	<u> </u>	<u> </u>

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

	<u>2019</u> RM	<u>2018</u> RM
Profit before taxation	41,408	386,419
Tax at Malaysian statutory rate of 24% (2018: 24%)	9,938	92,741
Tax effect of:		
Investment income not subject to tax	(527,879)	(196,350)
Restriction on tax deductible expenses for exchange-traded funds	483,449	50,002
Expenses not deductible for tax purposes	34,492	53,607
	<u> </u>	<u> </u>
	<u> </u>	<u> </u>

9 INCOME DISTRIBUTION

Distribution to unit holders is from the following sources:

	<u>2019</u> RM	<u>2018</u> RM
Undistributed net exempt income brought forward	1,181,280	809,280
Exempt dividend income	-	-
Profits from money market placements	-	-
	<u> </u>	<u> </u>
	1,181,280	809,280
Less: Expenses		
Exempt non Shariah-compliant income	-	-
Fund related expenses	-	-
	<u> </u>	<u> </u>
Total amount of income distribution	<u>1,181,280</u>	<u>809,280</u>

MyETF MSCI MALAYSIA ISLAMIC DIVIDEND

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019 (CONTINUED)

9 INCOME DISTRIBUTION (CONTINUED)

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

<u>Distribution date (ex-date)</u>	<u>Cum-distribution</u> RM	<u>Distribution per unit</u> RM	<u>Ex-distribution</u> RM
2019			
11 March 2019	1.1357	0.0276	1.1081
2018			
1 March 2018	1.2117	0.0281	1.1836

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

<u>Distribution date (ex-date)</u>	<u>Cum-distribution</u> RM	<u>Total distribution amount</u> RM	<u>Ex-distribution</u> RM
2019			
11 March 2019	48,608,394	1,181,280	47,427,114
2018			
1 March 2018	39,632,678	809,280	38,823,398

Included in the above is an amount of RM1,181,280 distributed from previous financial year's undistributed net realised exempt income.

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

The first and final income distribution for the financial year ended 31 December 2017 of 2.81 sen per unit was declared on 12 February 2018 based on the financial position of the Fund as at 31 December 2017 with the ex-date of 1 March 2018 and entitlement date of 5 March 2018. The total amount of income distributed was RM809,280 based on 28,800,000 of the Fund's units in circulation, which was paid out to unit holders on 29 March 2018.

There is no interim income distribution declared for the financial year ended 31 December 2019.

Subsequent to 31 December 2019, the first and final income distribution for the financial year ended 31 December 2019 of [] sen per unit was declared on [] based on the financial position of the Fund as at 31 December 2019 with the ex-date of [] and entitlement date of [].

During the financial year ended 31 December 2019, the Fund incurred unrealised losses on changes in fair values of [] (2018: RM5,558,188).

MyETF MSCI MALAYSIA ISLAMIC DIVIDEND

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019 (CONTINUED)

10 FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	<u>2019</u> RM	<u>2018</u> RM
Financial assets at fair value through profit or loss		
- Shariah compliant quoted securities - local	43,526,077	51,836,926
Net loss on financial assets at fair value through profit or loss		
- Realised (loss)/gain	(1,797,708)	4,662,644
- Unrealised gain/(loss) on changes in fair value	677,686	(5,558,188)
	<u>(1,120,022)</u>	<u>(895,544)</u>

Name of counter	Quantity Units	Aggregate cost RM	Market value RM	Percentage of NAV %
2019				
SHARIAH-COMPLIANT QUOTED SECURITIES				
Construction				
Gamuda Bhd	562,500	2,084,850	2,193,750	5.01
Kerjaya Prospek Group Bhd	362,800	473,744	475,268	1.09
	<u>925,300</u>	<u>2,558,594</u>	<u>2,669,018</u>	<u>6.10</u>
Consumer Products & Services				
Nestle Malaysia Bhd	14,700	2,163,765	2,160,900	4.94
QL Resources Bhd	290,300	1,666,873	2,360,139	5.40
Sime Darby Bhd	925,400	2,250,868	2,054,388	4.70
	<u>1,230,400</u>	<u>6,081,506</u>	<u>6,575,427</u>	<u>15.04</u>
Health Care				
Hartalega Holdings Bhd	397,100	1,753,982	2,176,108	4.97
IHH Healthcare Bhd	392,400	2,232,834	2,146,428	4.91
Kossan Rubber Industries Bhd	395,700	1,675,664	1,646,112	3.76
KPJ Healthcare Berhad	1,646,800	1,534,982	1,556,226	3.56
Supermax Corporation Bhd	835,966	1,195,363	1,161,993	2.66
	<u>3,667,966</u>	<u>8,392,825</u>	<u>8,686,867</u>	<u>19.86</u>
Industrial Products & Services				
Cahaya Mata Sarawak Bhd	676,200	2,038,786	1,534,974	3.51
Scientex Bhd	188,700	1,513,219	1,783,215	4.08
	<u>864,900</u>	<u>3,552,005</u>	<u>3,318,189</u>	<u>7.59</u>

MyETF MSCI MALAYSIA ISLAMIC DIVIDEND

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019 (CONTINUED)

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

Name of counter	Quantity Units	Aggregate cost RM	Market value RM	Percentage of NAV %
2019 (CONTINUED)				
SHARIAH-COMPLIANT QUOTED SECURITIES (CONTINUED)				
Plantation				
Sime Darby Plantation Bhd	415,700	2,224,814	2,265,565	5.18
Property				
Matrix Concepts Holdings Bhd	1,058,500	2,072,302	2,021,735	4.62
Technology				
Vitrox Corporation Bhd	112,100	822,874	887,832	2.03
Telecommunications & Media				
Maxis Bhd	800,200	4,670,136	4,257,064	9.73
Time DotCom Bhd	233,900	1,945,914	2,156,558	4.93
	1,034,100	6,616,050	6,413,622	14.66
Transportation & Logistics				
Westports Holdings Bhd	509,200	1,831,227	2,143,732	4.90
Utilities				
Petronas Gas Bhd	265,400	4,830,009	4,410,948	10.08
Tenaga Nasional Bhd	311,700	4,590,935	4,133,142	9.45
	577,100	9,420,944	8,544,090	19.53
TOTAL SHARIAH-COMPLIANT QUOTED SECURITIES	10,395,266	43,573,141	43,526,077	99.51
ACCUMULATED UNREALISED LOSS ON FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS		(47,064)		
TOTAL FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS		43,526,077		

MyETF MSCI MALAYSIA ISLAMIC DIVIDEND

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019 (CONTINUED)

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

Name of counter	Quantity Units	Aggregate cost RM	Market value RM	Percentage of NAV %
2018				
SHARIAH-COMPLIANT QUOTED SECURITIES				
Construction				
Kerjaya Prospek Group Bhd	144,000	176,501	165,600	0.31
Consumer Products & Services				
Nestle Malaysia Bhd	16,800	2,473,929	2,476,320	4.66
QL Resources Bhd	204,600	991,693	1,393,326	2.62
Sime Darby Bhd	1,022,200	2,508,426	2,453,280	4.62
	1,243,600	5,974,048	6,322,926	11.90
Energy				
Petron Malaysia Refining & Marketing Berhad	56,000	394,649	351,120	0.66
Health Care				
Hartalega Holdings Bhd	387,400	1,636,437	2,378,636	4.47
IHH Healthcare Bhd	447,000	2,570,221	2,409,330	4.53
Kossan Rubber Industries Bhd	242,800	1,047,536	1,053,752	1.98
Supermax Corporation Bhd	178,100	486,994	619,788	1.17
	1,255,300	5,741,188	6,461,506	12.15
Industrial Products & Services				
Cahaya Mata Sarawak Bhd	334,200	1,289,378	898,998	1.69
Petronas Chemicals Group Bhd	529,200	4,276,547	4,916,268	9.25
Scientex Bhd	113,000	823,691	1,000,050	1.88
	976,400	6,389,616	6,815,316	12.82
Plantation				
Sime Darby Plantation Bhd	490,100	2,667,865	2,332,876	4.39
Property				
Mah Sing Group Bhd	2,289,000	2,340,960	2,094,435	3.94
Matrix Concepts Holdings Bhd	896,300	1,768,783	1,685,044	3.17
Sime Darby Property Bhd	2,488,200	2,441,919	2,475,759	4.66
UOA Development Bhd	1,083,800	2,550,236	2,297,656	4.32
	6,757,300	9,101,898	8,552,894	16.09
Technology				
Globetronics Technology Bhd	563,600	1,196,268	986,300	1.86
Vitrox Corporation Bhd	40,000	283,940	251,600	0.47
	603,600	1,480,208	1,237,900	2.33
Telecommunications & Media				
Maxis Bhd	902,300	5,304,967	4,827,305	9.08
Time DotCom Bhd	170,500	1,371,697	1,381,050	2.60
	1,072,800	6,676,664	6,208,355	11.68

MyETF MSCI MALAYSIA ISLAMIC DIVIDEND

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019 (CONTINUED)

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

Name of counter	Quantity Units	Aggregate cost RM	Market value RM	Percentage of NAV %
2018 (CONTINUED)				
SHARIAH-COMPLIANT QUOTED SECURITIES (CONTINUED)				
Transportation & Logistics				
Lingkar Trans Kota Holdings	317,700	1,595,847	1,318,455	2.48
Westports Holdings Bhd	656,900	2,356,124	2,377,978	4.47
	<u>974,600</u>	<u>3,951,971</u>	<u>3,696,433</u>	<u>6.95</u>
Utilities				
Petronas Gas Bhd	260,700	4,866,673	5,005,440	9.42
Tenaga Nasional Bhd	344,600	5,140,395	4,686,560	8.82
	<u>605,300</u>	<u>10,007,068</u>	<u>9,692,000</u>	<u>18.24</u>
TOTAL SHARIAH-COMPLIANT QUOTED SECURITIES	<u>14,179,000</u>	<u>52,561,676</u>	<u>51,836,926</u>	<u>97.52</u>
ACCUMULATED UNREALISED LOSS ON FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS		<u>(724,750)</u>		
TOTAL FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS		<u>51,836,926</u>		

11 DIVIDENDS RECEIVABLE

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

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

12 CASH AND CASH EQUIVALENTS

	<u>2019</u> RM	<u>2018</u> RM
Shariah compliant deposit with a licensed bank	239,697	-
Cash at bank – From Shariah-compliant income	996	105,311
Cash at bank – From non Shariah-compliant income	7,607	613
	<u>248,300</u>	<u>105,924</u>

MyETF MSCI MALAYSIA ISLAMIC DIVIDEND

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019 (CONTINUED)

12 CASH AND CASH EQUIVALENTS (CONTINUED)

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

	<u>2019</u> %p.a.	<u>2018</u> %p.a.
Shariah compliant deposit with a licensed bank	2.90	-

As at the end of financial year ended 31 December 2019, Shariah-compliant deposits with a licensed bank of the Fund have a weighted average maturity period of 4 days (2018: nil days) and are denominated in Ringgit Malaysia.

13 PAYABLES

	<u>2019</u> RM	<u>2018</u> RM
Amount due to index licensor	14,160	17,430
Amount due to beneficial organisations (Note 14)	11,107	613
Printing cost	-	3,500
Payables	14,543	18,395
	<u>39,810</u>	<u>39,938</u>

14 AMOUNT DUE TO BENEFICIAL ORGANISATIONS

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

	<u>2019</u> RM	<u>2018</u> RM
Cash at bank – non Shariah-compliant income	7,607	613
Dividends receivable – non Shariah-compliant income	3,500	-
	<u>11,107</u>	<u>613</u>

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

MyETF MSCI MALAYSIA ISLAMIC DIVIDEND

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019 (CONTINUED)

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

Net asset value attributable to unit holders is represented by:

	<u>Note</u>	<u>2019</u> RM	<u>2018</u> RM
Unit holders' contribution	(a)	36,356,040	44,625,800
Retained earnings		7,392,673	8,532,545
		<u>43,748,713</u>	<u>53,158,345</u>

(a) UNIT HOLDERS' CONTRIBUTION/UNITS IN CIRCULATION

	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
	No. of Units	RM	No. of Units	RM
At beginning of the financial year	46,400,000	44,625,800	48,000,000	47,567,320
Creation during the financial year	-	-	26,800,000	30,946,880
Cancellation during the financial year	(7,200,000)	(8,269,760)	(28,400,000)	(33,888,400)
At the end of the financial year	<u>39,200,000</u>	<u>36,356,040</u>	<u>46,400,000</u>	<u>44,625,800</u>

16 TRANSACTIONS WITH BROKERS

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

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

MyETF MSCI MALAYSIA ISLAMIC DIVIDEND

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019 (CONTINUED)

16 TRANSACTIONS WITH BROKERS (CONTINUED)

Details of transactions with the brokers for the financial year ended 31 December 2018 are as follows:

<u>Name of brokers</u>	<u>Value of trade</u>	<u>Percentage of total trades</u>	<u>Brokerage fees</u>	<u>Percentage of total brokerage</u>
	RM	%	RM	%
Maybank Investment Bank Bhd.	61,428,871	91.79	73,749	91.75
BIMB Securities Sdn. Bhd.	3,935,613	5.88	4,764	5.93
CIMB Investment Bank Bhd.	1,555,775	2.33	1,867	2.32
	<u>66,920,259</u>	<u>100.00</u>	<u>80,380</u>	<u>100.00</u>

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

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

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

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

	<u>2019</u>		<u>2018</u>	
	<u>No. of Units</u>	<u>RM</u>	<u>No. of Units</u>	<u>RM</u>
The Manager	35,200	39,283	182,000	208,517
Valuecap	9,172,700	10,236,733	27,518,100	31,527,487
Shareholders of Valuecap	24,308,434	27,128,212	7,521,967	8,617,918
	<u>33,516,334</u>	<u>37,404,228</u>	<u>35,222,067</u>	<u>40,353,922</u>

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

MyETF MSCI MALAYSIA ISLAMIC DIVIDEND

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019 (CONTINUED)

18 MANAGEMENT EXPENSE RATIO (“MER”)

	<u>2019</u> %	<u>2018</u> %
MER	0.63	0.62

MER is derived from the following calculation:

$$\text{MER} = \frac{(A + B + C + D + E + F + G)}{H} \times 100$$

A	=	Management fee
B	=	Trustee’s fee
C	=	License fee
D	=	Auditors’ remuneration
E	=	Tax agent’s fee
F	=	Shariah adviser’s fee
G	=	Other expenses (excluding goods and services tax on transaction costs)
H	=	Average net asset value of Fund calculated on daily basis

The average net asset value of the Fund for the financial year calculated on a daily basis is RM46,271,487 (2018: RM50,062,816).

19 PORTFOLIO TURNOVER RATIO (“PTR”)

	<u>2019</u>	<u>2018</u>
PTR (times)	0.51	1.27

PTR is derived from the following calculation:

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

where: total acquisition for the financial year = RM18,939,560 (2018: RM64,160,600)
total disposal for the financial year = RM27,928,095 (2018: RM63,005,719)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019 (CONTINUED)**

20 SEGMENT REPORTING

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

The internal reporting provided to the CEO for the fund's assets, liabilities and performance is prepared on a consistent basis with the measurement and recognition principles of MFRS. The CEO is responsible for the performance of the Fund and considers the business to have a single operating segment.

The Fund has a diversified unit holder population. However, as at 31 December 2019, there were 3 unit holders (2018: 1 unit holder) who held more than 10% of the Fund's NAV. The unit holdings were 38.61%, 23.40%, and 23.40% (2018: 59.31%).

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

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

21 NON CASH TRANSACTIONS

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

	<u>2019</u> RM	<u>2018</u> RM
Creation		
- Fair value of benchmark index shares	-	29,907,681
- Cash component	-	1,039,199
	-----	-----
	-	30,946,880
	=====	=====
Cancellation		
- Fair value of benchmark index shares	8,201,770	33,792,999
- Cash component	67,990	95,401
	-----	-----
	8,269,760	33,888,400
	=====	=====

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019 (CONTINUED)**

22 FAIR VALUES OF FINANCIAL INSTRUMENTS

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

The fair value of financial assets traded in active markets (such as trading securities) is based on quoted market prices at the close of trading on the period end date.

An active market is a market in which transactions for the asset take place with sufficient frequency and volume to provide pricing information on an ongoing basis.

The fair value of financial assets that are not traded in an active market is determined by using valuation techniques.

(i) Fair value hierarchy

The table below analyses financial instruments carried at fair value. The different levels have been defined as follows:

- Quoted prices (unadjusted) in active market for identical assets or liabilities (Level 1)
- Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (Level 2)
- Inputs for the asset and liability that are not based on observable market data (that is, unobservable inputs) (Level 3)

The level in the fair value hierarchy within which the fair value measurement is categorised in its entirety is determined on the basis of the lowest level input that is significant to the fair value measurement in its entirety. For this purpose, the significance of an input is assessed against the fair value measurement in its entirety. If a fair value measurement uses observable inputs that require significant adjustment based on unobservable inputs, that measurement is a Level 3 measurement. Assessing the significance of a particular input to the fair value measurement in its entirety requires judgment, considering factors specific to the asset or liability.

The determination of what constitutes 'observable' requires significant judgment by the Fund. The Fund considers observable data to be that market data that is readily available, regularly distributed or updated, reliable and verifiable, not proprietary and provided by independent sources that are actively involved in the relevant market.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019 (CONTINUED)**

22 FAIR VALUES OF FINANCIAL INSTRUMENTS (CONTINUED)

(i) Fair value hierarchy (continued)

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

	<u>Level 1</u> RM	<u>Level 2</u> RM	<u>Level 3</u> RM	<u>Total</u> RM
<u>2019</u>				
Financial assets at fair value through profit or loss				
- Shariah compliant quoted securities	43,526,077	-	-	43,526,077
	<u>43,526,077</u>	<u>-</u>	<u>-</u>	<u>43,526,077</u>
<u>2018</u>				
Financial assets at fair value through profit or loss				
- Shariah compliant quoted securities	51,836,926	-	-	51,836,926
	<u>51,836,926</u>	<u>-</u>	<u>-</u>	<u>51,836,926</u>

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

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

ANALYSIS OF UNIT HOLDINGS

Summary of Unit Holders

As at 31 December 2019

	No. of unit holders	% of unit holders	No. of units held	% of units in circulation
Less than 100	4	4.40	57	0.00
100 - 1,000	33	36.26	17,109	0.04
1,001 - 10,000	29	31.87	130,100	0.33
10,001 - 100,000	13	14.29	448,600	1.14
100,001 to less than 5% of issued units	7	7.69	2,988,200	7.62
5% and above of issued units	5	5.49	35,615,934	90.86
TOTAL	91	100.00	39,200,000	100.00

PROFILE OF DIRECTORS OF THE MANAGER

DIRECTORS' PROFILE

Name:	Roslina Binti Abdul Rahman
Age:	51
Gender:	Female
Nationality:	Malaysian
Designation:	Chairman/Non-Independent Non-Executive Director
Qualifications:	Bachelor of Business Administration from Loyola Marymount University in Los Angeles and a Master of Business Administration from the Australia Graduate School of Management, University of New South Wales.
Working Experience and Occupation:	<p>Roslina Abdul Rahman was appointed to the board of directors of VCAP Asset Managers Sdn. Bhd. as Non-Independent Non-Executive Director on 1 August 2018. She is the Group Chief Executive Officer of Valuecap.</p> <p>Prior to joining Valuecap, Roslina was the Managing Director of Amundi Malaysia and Director of Amundi Islamic Malaysia. Roslina joined Amundi Malaysia in 2008, prior to which she held fund management roles at CIMB-Principal Asset Management from 2004 to 2008 and served across various units of AMMB Holdings Berhad – namely AmInvestment Management, Arab-Malaysian Merchant Bank/Arab-Malaysian Asset Management Berhad, and Arab-Malaysian Unit Trusts Berhad – from 1990 to 2004.</p>
Date Appointed to Board:	1 August 2018
Details of Membership of any Board Committee:	None
Directorship of other public companies and listed issuer:	None
Family relationship with any director and/or major shareholder of the Fund:	None
Conflict of interest with the Fund:	Roslina is the Managing Director and Group Chief Executive Officer of Valuecap Sdn. Bhd. of which is a unit holder of the Fund.
List of convictions for offences within the past 5 years other than traffic offences and any public sanction or penalty imposed by the relevant regulatory bodies during the financial year:	None

DIRECTORS' PROFILE (continued)

Name:	Khairi Shahrin Arief Bin Baki
Age:	39
Gender:	Male
Nationality:	Malaysian
Designation:	Chief Executive Officer ("CEO") / Non-Independent Executive Director
Qualifications:	Bachelor of Business Administration from Universiti Putra Malaysia and Diploma in Investment Analysis from The Research Institute of Investment Analysts Malaysia (RIIAM).
Working Experience and Occupation:	<p>Khairi Shahrin was appointed as CEO of i-VCAP in January 2018 and bringing with him fourteen (14) years of experience in the capital market industry.</p> <p>Khairi Shahrin began his career with OSK Investment Bank in 2003 and later held various positions at various institutions which include Maybank Investment Bank, JP Morgan Securities and Citigroup Global Markets. He subsequently served as Senior Director & Head of Equity Dealing, MIDF Amanah Investment Bank prior to his appointment as CEO of i-VCAP.</p>
Date Appointed to Board:	11 January 2018
Details of Membership of any Board Committee:	None
Directorship of other public companies and listed issuer:	None
Family relationship with any director and/or major shareholder of the Fund:	None
Conflict of interest with the Fund:	Khairi is the CEO of i-VCAP of which is the Manager and unit holder of the Fund.
List of convictions for offences within the past 5 years other than traffic offences and any public sanction or penalty imposed by the relevant regulatory bodies during the financial year:	None

DIRECTORS' PROFILE (continued)

Name:	Datuk Dr Syed Muhamad Bin Syed Abdul Kadir
Age:	72
Gender:	Male
Nationality:	Malaysian
Designation:	Independent Non-Executive Director
Qualifications:	Bachelor of Arts (Hons) degree from the University of Malaya and MBA degree from the University of Massachusetts followed by a Ph.D. (BM) from Virginia Polytechnic Institute and State University.
Working Experience and Occupation:	<p>Datuk Dr. Syed Muhamad started his career in 1973 as Senior Project Officer, School of Financial Management at the National Institute of Public Administration and in November 1988, he joined the Ministry of Education as Secretary of Higher Education and then assumed the position of Deputy Secretary (Foreign and Domestic Borrowing, Debt Management) Federal Treasury. From 1993, he joined the board of directors of Asian Development Bank, first as Alternate Executive Director and later as Executive Director prior to joining the Ministry of Finance as Secretary, Tax Analysis Division and later became Deputy Secretary General (Operations). Prior to his retirement, YBhg. Datuk Dr. Syed was Secretary General in the Ministry of Human Resource. Currently, Datuk Dr. Syed is also a Director of Valuecap Sdn. Bhd., the holding company of i-VCAP.</p> <p>During his career, he wrote and presented many papers relating to human resources development. His special achievement was that his dissertation "A Study on Board of Directors and Organizational Effectiveness" was published by Garland Publisher, Inc, of New York in 1991.</p> <p>Datuk Dr. Syed Muhamad is a Director of Malakoff Corporation Berhad , BSL Corporation Berhad and Asia Capital Reinsurance Malaysia Sdn Bhd. He is also the Chairman of Sun Life Malaysia Assurance Berhad. In addition, he holds a directorship in a number of private companies.</p>
Date Appointed to Board:	1 January 2019
Details of Membership of any Board Committee:	None
Directorship of other public companies and listed issuer:	<ol style="list-style-type: none">1. Solution Engineering Holdings Berhad2. BSL Corporation Berhad3. Malakoff Corporation Berhad4. Sun Life Malaysia Assurance Berhad5. Sun Life Malaysia Takaful Berhad

DIRECTORS' PROFILE (continued)

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

Conflict of interest with the Fund: None

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

Name: Mohd Asri Bin Awang

Age: 63

Gender: Male

Nationality: Malaysian

Designation: Independent Non-Executive Director

Qualifications: Bachelor of Arts from Macquarie University, Sydney

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

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

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

Date Appointed to Board: 1 January 2019

DIRECTORS' PROFILE (continued)

Directorship of other public companies and listed issuer: None

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

Conflict of interest with the Fund: None

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

Date of first appointment as Director and attendance of Board Meetings during 2019:

<u>Name</u>	<u>Date First Appointed</u>	<u>Attendance</u>
Roslina Binti Abdul Rahman	1 August 2018	4 of 4
Khairi Shahrin Arief Bin Baki	11 January 2018	4 of 4
Datuk Dr Syed Muhamad Bin Syed Abdul Kadir	1 January 2019	4 of 4
Mohd Asri Bin Awang	1 January 2019	4 of 4

DIRECTORS' TRAINING

iVCAP strongly supports the development of its Board members by providing continuous education programmes that are designed to meet the regulatory requirement and to keep abreast with the new developments in the industry. These would be the basis for their developmental needs and a dedicated training budget is allocated for this purpose. Besides the in-house programmes, the Board members also attend relevant external training programmes sponsored by iVCAP and other companies that the Board members hold directorships.

The training programmes attended by the Directors for FY2019 are as follows:

Director	Programme Attended	Date	Organising Company
Roslina Binti Abdul Rahman	Dialogue with Y.A.Bhg. Tun Daim bin Zainuddin	10 May 2019	KLBC
	Talk by Professor Sunil Gupta from Harvard Business School (HBS)	24 January 2019	Khazanah Nasional
	Spokesperson Training – Khoo Hsu Chuang	15 April 2019	ValueCAP Sdn. Bhd.
	ValueCAP Group Team Building	18 – 19 April 2019	
	IFN Forum Asia 2019	23 – 24 April 2019	Islamic Finance News
	Asset Owner Roundtable on ESG	31 May 2019	Securities Commission
	BattleFin Conference NYC	19 – 20 June 2019	BattleFin
	Investment Management Workshop 2019	23 – 28 June 2019	CFA Institute & Harvard Business School
	Steinbeis Malaysia – Everedge Talk	10 July 2019	Steinbeis Malaysia
	ECN C-Suite Workshop – Future Threats	29 August 2019	The Economist
	Women's Forum Asia	19 – 20 September 2019	Women's Forum
	The Cooler Earth Sustainable Finance Summit	1 – 2 October 2019	CIMB
	Malaysia Private Equity Forum Khazanah Megatrends 2019	1 October 2019 7 – 8 October 2019	Ekuias Khazanah Nasional
	PNB Corporate Summit 2019	30 October 2019	PNB
IIC – SIDC Governance Convention 2019	18 – 19 November 2019	IIC & SIDC	

DIRECTORS' TRAINING (continued)

Director	Programme Attended	Date	Organising Company
Khairi Shahrin Arief Bin Baki	2019 Asset & Wealth Management	22 January 2019	PWC Singapore
	Islamic Fintech Dialogue 2019	19 – 20 February 2019	International Shari'ah Research Academy For Islamic Finance (ISRA)
	Regional Seminar on Collection Investment Scheme & Implications on Emerging Trends	27 – 28 February 2019	Securities and Exchange Commission of Cambodia (SECC)
	Invest Malaysia	19 – 20 March 2019	Bursa Malaysia & Maybank
	IFN Asia Forum 2019	23 – 24 April 2019	Islamic Finance News
	ETF Applications and Trading Strategies (Advanced Level) Workshop	27 June 2019	Bursa Malaysia
	The Asset 2nd Malaysia Issuers and Investors Leaders Dialogue	4 July 2019	The Asset Financial Magazine
	Business Foresight Forum 2019	19 September 2019	Securities Industry Development Corporation (SIDC)
	Khazanah Megatrends Forum 2019	7 – 8 October 2019	Khazanah Nasional Berhad
	SC x SC Fintech Conference 2019	22 - 23 October 2019	Securities Commission
	Cyber Risk and Anti Money Laundering, Countering Financing of Terrorism (AML / CFT) In-house Training	12 November 2019	ValueCAP Group
IFN Green & Sustainable Finance Forum 2019	3 December 2019	REDMoney	
Datuk Dr. Syed Muhamad bin Syed Abdul Kadir	Speaking on Development of Insurance Law in Malaysia	17 February 2019	Universiti Sultan Zainal Abidin (UNISZA)
	Speaking on Kepentingan Insurans Hayat & Kesihatan kepada Kakitangan Berkanun	17 February 2019	

DIRECTORS' TRAINING (continued)

Director	Programme Attended	Date	Organising Company
Datuk Dr. Syed Muhamad bin Syed Abdul Kadir (continued)	Latest amendments to the Listing Requirements	10 April 2019	Tricor
	Roles and responsibilities of Directors, Board and Board Committees under the Listing Requirements and Malaysian Code on Corporate Governance	10 April 2019	
	Common breaches of the Listing Requirements with case studies	10 April 2019	
	FORUM on "2nd Distinguished Board Leadership Series: Rethinking Strategy" by Prof Anil K.Gupta	23 April 2019	FIDE
	Talk on "CG Watch: How Does Malaysia Rank?"	3 May 2019	The ICLIF Leadership and Governance Centre
	Independent Directors Programme: The Essence of Independence	27 June 2019	
	Bursa Advocacy on Diversity by Robert Ford "Demystifying The Diversity Conundrum: The Road to Business Excellence"	12 June 2019	Institute of Corporate Directors Malaysia (ICDM)
	Financial Industry Conference (FIC) 2019	17 June 2019	Bank Negara Malaysia
	2 nd PIDM FIDE Forum Annual Dialog with the CEO of PIDM to discuss key issues on deposit insurance and strategic overview of PIDM's evolution and future plans	12 July 2019	FIDE
	FIDE Forum on "3 rd Distinguished Board Leadership Series: Artificial Intelligence and Its Role in FIs" by Ms. Clara Durodie	24 July 2019	
	FIDE Forum – ISRA Program – "Value Based Intermediation: Director's Role"	1 August 2019	
	Panel Slot Wacana Intelektual: CEO @ Faculty: Charting Your Career Path	7 September 2019	Universiti Sains Islam Malaysia (USIM)
	Penceramah bagi Program Seminar Persediaan Kerjaya untuk Pelajar Ekonomi dan Muamalat	19 September 2019	
Khazanah Megatrends Forum	7 & 8 October 2019	Khazanah Nasional	

DIRECTORS' TRAINING (continued)

Director	Programme Attended	Date	Organising Company
Mohd Asri Bin Awang	CMDP Programme Module 1: Directors as Gatekeepers of Market Participants	12 March 2019	Securities Industry Development Corporation (SIDC)
	CMDP Programme Module 2B: Business Challenges & Regulatory Expectations (Fund Management)	12 March 2019	
	CMDP Programme Module 3: Risk Oversight & Compliance-Action Plan for Directors	13 March 2019	
	CMDP Programme Module 4: Current & Emerging Regulatory Issues in the Capital Market	14 March 2019	
	The Mandatory Accreditation Programme (MAP)	11 April 2019	

TRUSTEE'S DELEGATE

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

SHARIAH ADVISER'S PROFILE

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

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

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

Shareholding

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

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

Experience as Adviser : The company is led by Datuk Dr. Mohd Daud Bakar and teamed by an active and established panel of consultants covering every aspect related to the Islamic banking and finance industry, both in Malaysia and the global market. Currently, the team comprises of eight (8) full-time consultants who represent dynamic and experienced professionals with a mixture of corporate finance, accounting, product development, Shariah law and education. Amanie has more than ten (10) years of experience in advisory role in capital markets including unit trust funds and funds management. As at 31 December 2019, Amanie has become the Shariah Adviser for more than 200 funds.

Designated Person : The designated person responsible for Shariah advisory matters of the Fund is Datuk Dr. Mohd Daud Bakar as the Chairman. Other consultants are:
(1) Suhaida Mahpot
(2) Nurul Liyana Kasman
(3) Muhammad Hafizuddin Abd Hamid

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

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

SHARIAH ADVISER'S PROFILE (*continued*)

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

Datuk Dr. Mohd Daud Bakar

Shariah Adviser / Executive Summary

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

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

In July 2019, he has just been appointed as the 8th President of the International Islamic University of Malaysia (IIUM) due to his vast skill and experience serving the university. His last post there was as the Deputy Vice-Chancellor before.

In the corporate world, Datuk sits as a Board Director at Sime Darby Property Berhad and a member of the PNB Investment Committee. He was recently appointed as a Chairman to Malaysia Islamic Economic Development Foundation (YaPEIM). He is also the third Chair Professor in Islamic Banking and Finance of Yayasan Tun Ismail Mohamed Ali Berdaftar (YTI) PNB at Faculty of Economics and Muamalat, Universiti Sains Islam Malaysia (USIM). In addition, he is the co-founder of Experts Analytics Centre Sdn Bhd and MyFinb.

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

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

SHARIAH ADVISER'S PROFILE *(continued)*

Suhaida Mahpot

Chief Executive Officer

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

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

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

Nurul Liyana Kasman

Consultant

Nurul Liyana Kasman is a Consultant at Amanie Advisors Kuala Lumpur, Malaysia. She holds Master of Science in Finance from International Islamic University of Malaysia (IIUM) and graduated with a Bachelor of Business Administration (HONS) Islamic Banking from Universiti Teknologi Mara (UiTM).

Previously, she was positioned at Amanie Global Technology Sdn Bhd where she was exposed in the market research and evaluation of modules for Islamic core banking system. She started her career in February 2015 with Amanie Nexus Sdn Bhd and involved in assisting investors and fund managers to monitor Shariah compliance stock for investment related decision before joining Amanie Advisors in 2017. Currently, she is responsible for advising and consulting clients from various Islamic financial institutions, regulators and corporations across the globe on Shariah compliant products, instruments and other services as well as on their strategic and corporate issues.

Muhammad Hafizuddin Abd Hamid

Assistant Consultant

Muhammad Hafizuddin is an Assistant Consultant at Amanie Advisors Kuala Lumpur, Malaysia. He graduated with a Bachelor of Business Administration (HONS) Islamic Banking from Universiti Teknologi Mara (UiTM).

Previously, he was internship trainee where he was exposed to the financial and Shariah advisory services such as Shariah stock screening, monitoring and compliance review to various clients including financial institution.

OTHER INFORMATION

- There were no sanctions and/or penalties imposed on the Fund or its Manager by the relevant regulatory bodies during the financial year and up to the date of this report.
- There was no material litigation involving the Fund since the last annual balance sheet date.
- The amount of audit fees and non-audit fees incurred for the Financial Year 2019 for services rendered by PricewaterhouseCoopers PLT and PricewaterhouseCoopers Taxation Services Sdn. Bhd. (a company affiliated to the Auditor of the Fund) is RM15,984 and RM9,515 respectively.
- There was four (4) Board of Directors Meetings held in the Financial Year 2019.



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