

FTSE Bursa Malaysia KLCI etf

Semi-Annual Report

30 June 2021

FTSE Bursa Malaysia KLCI etf

TRUST DIRECTORY

Manager

AmFunds Management Berhad
9th & 10th Floor, Bangunan AmBank Group
55 Jalan Raja Chulan
50200 Kuala Lumpur

Board of Directors

Jeyaratnam A/L Tamotharam Pillai
Tai Terk Lin
Dato' Mustafa Bin Mohd Nor
Jas Bir Kaur A/P Lol Singh
Ng Chih Kaye
Goh Wee Peng

Investment Committee

Jas Bir Kaur A/P Lol Singh
Dato' Mustafa Bin Mohd Nor
Tai Terk Lin
Zainal Abidin Bin Mohd Kassim
Izad Shahadi Bin Mohd Sallehuddin
Goh Wee Peng

Trustee

HSBC (Malaysia) Trustee Berhad

Auditors and Reporting Accountants

Ernst & Young PLT

Taxation Adviser

Deloitte Tax Services Sdn Bhd

CORPORATE DIRECTORY

AmFunds Management Berhad

Registered Office
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Secretaries

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Loh Saw Kim (MAICSA 7061471)
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50200 Kuala Lumpur

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13th Floor, Bangunan HSBC, South Tower
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MANAGER'S REPORT

Dear Unitholders,

We are pleased to present you the Manager's report and the unaudited accounts of FTSE Bursa Malaysia KLCI etf ("FBM KLCI etf") ("Fund") for the financial period from 1 January 2021 to 30 June 2021.

Salient Information of the Fund

Name	FTSE Bursa Malaysia KLCI etf ("Fund")		
Category/Type	Exchange-traded fund / Equity		
Objective	<p>The objective of the Fund is to achieve a price and yield performance, before fees, expenses and tax, that is generally similar to that of the Benchmark Index, balanced with the need to facilitate liquidity provision.</p> <p><i>Note: Any material change to the Fund's investment objective will require the Unit Holders' approval by way of a resolution of not less than two-thirds of all Unit Holders at a Unit Holders' meeting duly convened and held in accordance with the deed.</i></p>		
Index Component	Details of the index component as at 30 June 2021 are as follows:		
	Stock code	Company's name	Percentage weight (%)
		Shares in issue ('million units)	
	1295	Public Bank Berhad	13.09
	1155	Malayan Banking Berhad	10.01
	5347	Tenaga Nasional Berhad	7.88
	1023	CIMB Group Holdings Berhad	6.62
	5183	PETRONAS Chemicals Group Berhad	4.69
	7113	Top Glove Corporation Berhad	4.53
	8869	Press Metal Aluminium Holdings Berhad	3.74
	6888	Axiata Group Berhad	3.56
	5225	IHH Healthcare Berhad	3.35
	6947	Digi.Com Berhad	3.11
	5285	Sime Darby Plantation Berhad	2.92
	7277	Dialog Group Berhad	2.72
	5819	Hong Leong Bank Berhad	2.56
	4065	PPB Group Berhad	2.52
	6012	Maxis Berhad	2.48
	4863	Telekom Malaysia Berhad	2.46
	1961	IOI Corporation Berhad	2.44
	3816	MISC Berhad	2.41
	3182	Genting Berhad	2.32
	5168	Hartalega Holdings Berhad	2.28
	2445	Kuala Lumpur Kepong Berhad	1.97
	6033	PETRONAS Gas Berhad	1.82
	1066	RHB Bank Berhad	1.71
	4707	Nestle (Malaysia) Berhad	1.68
	4715	Genting Malaysia Berhad	1.59

	Stock code	Company's name	Percentage weight (%)	Shares in issue ('million units)	
	4197	Sime Darby Berhad	1.58	6,801.00	
	5681	PETRONAS Dagangan Berhad	1.34	993.45	
	3034	Hap Seng Consolidated Berhad	1.04	2,489.67	
	1082	Hong Leong Financial Group Berhad	0.83	1,133.80	
	5296	MR D.I.Y. Group (M) Berhad	0.73	6,276.60	
Duration	The Fund was established on 7 June 2007 and shall exist for as long as it appears to the Manager and the Trustee that it is in the interests of the unitholders for it to continue. In some circumstances, the unitholders can resolve at a meeting to terminate the Fund.				
Performance Benchmark	FTSE Bursa Malaysia KLCI ("FBM KLCI") (Available at www.aminvest.com) <i>Source: FTSE International Limited ("FTSE") ©FTSE 2021. "FTSE®" is a trade mark of the London Stock Exchange Group companies and is used by FTSE International Limited under licence. "BURSA MALAYSIA" is a trade mark of Bursa Malaysia Berhad ("BURSA MALAYSIA"). All intellectual property rights in the index values and constituent list vests in FTSE and BURSA MALAYSIA. Neither FTSE nor its licensors accept any liability for any errors or omissions in the FTSE indices and / or FTSE ratings or underlying data. No further distribution of FTSE Data is permitted without FTSE's express written consent.</i>				
Income Distribution Policy	Cash distribution (if any) are expected to be made semi-annually.				
Breakdown of Unit Holdings by Size	For the financial period under review, the size of the Fund stood at 2,508,000 units.				
	Size of holding	As at 30 June 2021		As at 31 December 2020	
		No of units held	Number of unitholders	No of units held	Number of unitholders
	Less than 100	1,707	52	1,729	50
	100 - 1,000	116,899	251	96,877	195
	1,001 - 10,000	645,871	170	598,101	155
	10,001 - 100,000	1,085,563	44	940,833	38
	100,001 to less than 5% of issue units	-	-	-	-
	5% and above of issue units	657,960	1	870,460	1

Fund Performance Data

Portfolio Composition	Details of portfolio composition of the Fund for the financial period as at 30 June 2021 and five financial years as at 31 December are as follows:					
	As at 30.6.2021 %	FY 2020 %	FY 2019 %	FY 2018 %	FY 2017 %	FY 2016 %
Construction	-	-	-	-	1.79	1.97
Consumer discretionary	5.28	3.41	4.61	4.29	-	-
Consumer products	-	-	-	-	2.85	3.10
Consumer staples	11.74	12.48	13.12	11.82	-	-
Energy	3.93	4.34	4.50	4.13	-	-
Financials	34.32	32.22	35.67	38.25	35.58	32.56
Health care	10.02	14.73	6.44	6.33	-	-
Industrials	5.00	4.88	6.57	6.07	6.56	7.74
Infrastructure project companies	-	-	-	-	3.46	3.76
Materials	8.29	7.02	5.90	6.68	-	-
Plantations	-	-	-	-	8.79	5.79
REITs	-	-	-	-	0.72	0.59
Telecommunication services	11.43	10.94	9.96	9.29	-	-
Trading/Services	-	-	-	-	39.34	43.99
Utilities	9.54	9.63	12.78	12.98	-	-
Money market deposits and cash equivalents	0.45	0.35	0.45	0.16	0.91	0.50
Total	100.00	100.00	100.00	100.00	100.00	100.00
	<i>Note: The abovementioned percentages are calculated based on total net asset value.</i>					
Performance Details	Performance details of the Fund for the financial period ended 30 June 2021 and five financial years ended 31 December are as follows:					
	Half year ended 30.6.2021	FY 2020	FY 2019	FY 2018	FY 2017	FY 2016
Net asset value (RM)*	3,996,054	4,242,795	2,754,698	2,929,354	3,123,423	2,836,171
Units in circulation*	2,508,000	2,508,000	1,672,000	1,672,000	1,672,000	1,672,000
Net asset value per unit (RM)*	1.5933	1.6917	1.6475	1.7520	1.8681	1.6963
Highest net asset value per unit (RM)*	1.7056	1.7656	1.7903	1.9757	1.8704	1.7851
Lowest net asset value per unit (RM)*	1.5933	1.2748	1.6334	1.7255	1.6898	1.6450
Closing quoted price (RM)*	1.6100	1.7100	1.6900	1.7900	1.8450	1.7550
Highest quoted price (RM)*	1.7100	1.7800	1.9000	1.9600	1.8600	1.7850

	Half year ended 30.6.2021	FY 2020	FY 2019	FY 2018	FY 2017	FY 2016
Lowest quoted price (RM)*	1.6000	1.3600	1.6550	1.7500	1.7000	1.6450
Benchmark performance (%)	-3.76	5.69	-2.89	-2.98	13.22	0.07
Total return (%) ⁽¹⁾	-4.20	4.09	-4.12	-4.44	12.10	-0.55
- Capital growth (%)	-5.86	2.69	-6.00	-6.21	10.15	-2.45
- Income distribution (%)	1.66	1.40	1.88	1.77	1.95	1.90
Gross distribution (sen per unit)	2.80	2.30	3.30	3.30	3.30	3.30
Net distribution (sen per unit)	2.80	2.30	3.30	3.30	3.30	3.30
Distribution yield (%) ⁽²⁾	1.74	1.35	1.95	1.84	1.79	1.88
Management expense ratio (%) ⁽³⁾	1.16	1.11	1.25	1.14	1.17	0.52
Portfolio turnover ratio (times) ⁽⁴⁾	0.02	0.30	0.01	0.15	0.04	0.04

* Above prices and net asset value per unit are shown as ex-distribution.

Note:

- (1) Total return is the actual return of the Fund for the respective financial period/years computed based on the net asset value per unit and net of all fees.
- (2) Distribution yield is calculated based on the total distribution for the years divided by the closing quoted price.
- (3) Management expense ratio ("MER") is calculated based on the total fees and expenses incurred by the Fund divided by the average fund size calculated on a daily basis. The MER increased by 0.05% as compared to 1.11% per annum for the financial year ended 31 December 2020 mainly due to increase in expenses.
- (4) Portfolio turnover ratio ("PTR") is calculated based on the average of the total acquisitions and total disposals of investment securities of the Fund divided by the average fund size calculated on a daily basis. The PTR decreased by 0.28 times (93.3%) as compared to 0.30 times for the financial year ended 31 December 2020 mainly due to decrease in investing activities.

Average Total Return (as at 30 June 2021)

	FBM KLCI etf ^(a) %	FBM KLCI/ FBM30 Index ^(b) %
One year	4.44	5.58
Three years	-1.24	0.10
Five years	0.56	1.81
Ten years	1.85	3.05

Annual Total Return

Financial Years Ended (31 December)	FBM KLCI etf^(a) %	FBM KLCI^(b) %
2020	4.09	5.69
2019	-4.12	-2.89
2018	-4.44	-2.98
2017	12.10	13.22
2016	-0.55	0.07

(a) Source: Novagni Analytics and Advisory Sdn. Bhd.

(b) Effective from 6 July 2009, the FTSE Bursa Malaysia Large 30 Index ("FBM30Index") has been renamed FTSE Bursa Malaysia KLCI ("FBM KLCI"). (Available at www.aminvest.com)

The Fund performance is calculated based on the net asset value per unit of the Fund. Average total return of the Fund and its benchmark for a period is computed based on the absolute return for that period annualised over one year.

Note: Past performance is not necessarily indicative of future performance and that unit prices and investment returns may go down, as well as up.

Fund Performance

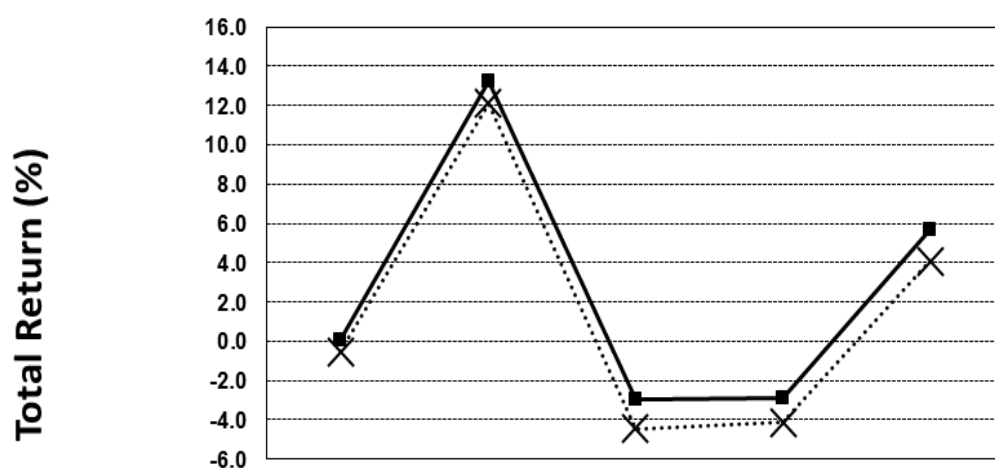
For the financial period under review, the Fund registered a negative return of 4.20% comprising of negative 5.86% capital growth and 1.66% income distribution.

Thus, the Fund's negative return of 4.20% has underperformed the benchmark's negative return of 3.76% by 0.44%.

As compared with the financial year ended 31 December 2020, the net asset value ("NAV") of the Fund decreased by 5.82% from RM4,242,795 to RM3,996,054. The NAV per unit of the Fund decreased by 5.82% from RM1.6917 to RM1.5933, while units in circulation remain unchanged at 2,508,000 units.

The closing price of the Fund quoted on Bursa Malaysia decreased by 5.85% from RM1.7100 to RM1.6100.

The line chart below shows comparison between the annual performances of FBM KLCI etf and its benchmark, FBM KLCI/FBM30 Index, for the financial years ended 31 December.



	2016	2017	2018	2019	2020
...x... Fund	-0.55	12.10	-4.44	-4.12	4.09
—■— Benchmark	0.07	13.22	-2.98	-2.89	5.69

Financial Years Ended (31 December)

Note: Past performance is not necessarily indicative of future performance and that unit prices and investment returns may go down, as well as up.

Strategies and Policies Employed

For the financial period under review, the Manager had been indexing using complete or partial replication. This will generally result in the Fund investing all or substantially all of its assets in the constituents of the benchmark index. In managing the Fund, the Manager aims to achieve performance, over time, with a correlation of 95% or better between the Fund's portfolio NAV and the benchmark index.

The Manager will be responsible to monitor the correlation and if, in the Manager's belief, the current portfolio is not tracking the benchmark index and that it will lead to correlation below the objective of 95%, then the Manager may judiciously rebalance the portfolio to improve correlation or to rectify the divergence. Except for index changes, where rebalancing of the portfolio may have to take place prior to, upon or after the index changes, rebalancing of the portfolio will be carried out, no more than once a month.

Where the Manager deems appropriate, the Manager may allow a Participating Dealer that has been pre-approved, to tender Zero Strike Call Options equivalent in value to an In-Kind Creation Basket or multiples thereof, in exchange for ETF units, to facilitate the liquidity provision process.

Portfolio Structure

This table below is the asset allocation of the Fund for the financial period/year under review.

	As at 30.6.2021 %	As at 31.12.2020 %	Changes %
Consumer discretionary	5.28	3.41	1.87
Consumer staples	11.74	12.48	-0.74
Energy	3.93	4.34	-0.41
Financials	34.32	32.22	2.10
Health care	10.02	14.73	-4.71

	As at 30.6.2021 %	As at 31.12.2020 %	Changes %
Industrials	5.00	4.88	0.12
Materials	8.29	7.02	1.27
Telecommunication services	11.43	10.94	0.49
Utilities	9.54	9.63	-0.09
Money market deposits and cash equivalents	0.45	0.35	0.10
Total	100.00	100.00	

During the financial period under review, the Fund reduced weighting in health care, consumer staples and energy and re-deployed money into financials, consumer discretionary, materials and telecommunication services.

Cross Trade There were no cross trades undertaken during the financial period under review.

Distribution/ unit splits During the financial period under review, the Fund declared income distribution, detailed as follows:

Date of distribution	Distribution per unit (sen)	NAV per unit Cum-Distribution (RM)	NAV per unit Ex-Distribution (RM)
23-Jun-21	2.80	1.6549	1.6269

There was no unit split declared for the financial period under review.

State of Affairs There has been neither significant change to the state of affairs of the Fund nor any circumstances that materially affect any interests of the unitholders during the financial period under review.

Rebates and Soft Commission During the period, the management company received soft commissions by virtue of transactions conducted for the Fund, in the form of research services or quotation services that assist in investment decision making process which are of demonstrable benefit to unitholders of the Fund.

Market Review Starting the year, negative news on the imposition of Movement Control Order (MCO) 2.0, declaration of state of emergency and rise in new COVID-19 cases in the late of Jan have dampened market sentiment. The market rebounded in February on the back of news of the vaccination programme but concerns over rising bond yields and political instability towards the later part of March have brought the market down again.

The KLCI loss -0.3% MoM in March, dragged down by the gloves sector. We saw strong performance of the Dow Jones which advanced 6.6% MoM. The mid and small caps were outperforming where the FBM 70 and FBMSC Index gained 0.1% and 2.3% MoM respectively. Sector wise, Property and Construction were the best performing sectors, increasing 8.4%, and 6.1% MoM respectively. On the other hand, Healthcare and Tech were the worst performing sector, down by -9.4% and -6.1% MoM respectively. The top three gainers in KLCI components stocks were Genting Bhd, Genting Malaysia and Petronas Chemical while the worst performing stocks were Supermax (-21%), Hartalega (-11%), and Top Glove.

	<p>In Malaysia, Prime Minister (PM) Muhyiddin announced the MYR20b PEMERKASA stimulus. Highlights were:</p> <ol style="list-style-type: none"> 1) additional MYR2b for the vaccine procurement budget; 2) MYR6.7b towards fuel subsidies; 3) extension of tax relief/incentives to tourism and retail as well as a 10% discount on electricity bills for selected industries; and 4) incentives for productivity enhancing investments. <p>Malaysia stocks failed to resume its momentum in December 2020 with the KLCI's momentum stalled into January, brought up short by the twin shocks of a renewed national MCO and Proclamation of Emergency. The KLCI has been range-bound through 1H21, as a combination of renewed uptrend in daily COVID cases and slow pace of vaccinations resulted in disruptive MCOs of various intensities.</p> <p>The KLCI loss -2.60% QoQ in 2Q21, while Dow Jones advanced 4.7% QoQ. The mid and small caps were underperforming where the FBM 70 and FBMSC Index dropped 6.43% and 7.92% QoQ respectively. Sector wise, Healthcare and Financials were the best performing sectors, decreasing 0.2%, and 0.81% QoQ respectively. On the other hand, Energy and Plantation were the worst performing sector, down by -14.60% and -8.70% QoQ respectively. The top three gainers in KLCI components stocks were Digi.com (+13.46%), CIMB Group Holdings (+6.22%) and IHH Healthcare (+2.82%) while the worst performing stocks were Hartalega (-17.69%), Sime Darby Plantation (-14.22%) and MR DIY Group (-12.86%).</p> <p>The PM Mahiaddin announced a new MYR150b PEMULIH (Perlindungan Rakyat dan Pemulihan Ekonomi) stimulus package on 28 June. PEMULIH, the 10th iteration of stimulus efforts and second largest at MYR150b, takes the cumulative tally to MYR530b. Fiscal outlays in PEMULIH are modest at MYR10b (0.5% of GDP). Government debt to Gross Domestic Product (GDP) ratio would increase to 59.3% but still below the 60% statutory debt ceiling. Fiscal deficit would widened to 7% of GDP from 6.5%. Banks will offer automatic loan moratorium to all individual borrowers as well as micro Small and Medium Enterprises (SMEs). Borrowers only need to apply this from the and the approval is automatic. The assistance will be in the forms of either a 3-month moratorium or a 50% reduction in monthly loan repayment for six months.</p>
Market Outlook	<p>We remain constructive in equities due to economic reopening in 2H21 expected to be underpinned by easing restrictive lockdown and acceleration in the vaccination programmes. Market volatility could rise with investors paying closer attention to inflation and the timeline the Fed will begin tapering. Thus, in order to balance between the two scenarios, we reiterate our barbell strategy – that is to have good quality, dividend-yielding stocks for an element of defensiveness whilst being opportunistic on weakness to position in stocks positioned for the recovery theme.</p>
Additional Information	<p>The following information was updated:</p> <ol style="list-style-type: none"> 1. The Fifth Supplemental Deed dated 16 November 2020 in respect of FTSE Bursa Malaysia KLCI etf was modified to include the changes of but not limited to: <ul style="list-style-type: none"> • the allowance of cash creation and cash redemption together with their procedures; • the inclusion of provisions relating to the events where the FTSE Bursa Malaysia KLCI may be replaced;

- the inclusion of provisions relating to the Manager and/or Trustee's right to reject or suspend a creation or redemption application under circumstances provided in this deed;
- the inclusion of provisions to allow the Manager to send any notice or document which is required to be sent to the unit holders of the Fund by electronic means; and
- the allowance of virtual meeting of unit holders of the Fund to be conducted

Announcement of the changes for the Fifth Supplemental Deed dated 16 November 2020 in respect of FTSE Bursa Malaysia KLCI etf has been published on Bursa Malaysia website at www.bursamalaysia.com.

2. The Prospectus dated 16 April 2021 for FTSE Bursa Malaysia KLCI etf has been registered with the Securities Commission Malaysia, to include the changes of but not limited to:

- the allowance of cash creation and cash redemption together with their procedures;
- the introduction of a new risk, i.e. "Risk associated with securities lending";
- the deletion of an existing risk, i.e. "Units will not usually be redeemed for cash";
- the change in participating dealers for the Fund;
- the change in the annual trustee fee;
- the updated information in relation to the FTSE Bursa Malaysia KLCI where unit holders of the Fund may refer to the Fund's website at www.fbmklcietf.com.my;
- the allowance of participation in lending of securities by the Fund;
- the inclusion of information relating to the Manager and/or Trustee's right to reject or suspend a creation or redemption application under certain circumstances;
- the updated information under the "Salient Terms of the Deed" section; and
- the updated details of the substantial shareholder of the Manager's direct and indirect interest in other corporations carrying on a similar business

Announcement of the changes for the Prospectus dated 16 April 2021 for FTSE Bursa Malaysia KLCI etf has been published on Bursa Malaysia website at www.bursamalaysia.com.

3. The non-significant changes made in the Fifth Supplemental Deed dated 16 November 2020 and the Prospectus dated 16 April 2021 are as follows:

- any changes in the size of creation unit block and "redemption unit block will no longer require approval of the trustee, but the trustee and participating dealers will be notified on the changes;
- the insertion and amendment to the following defined terms –
 - in-kind creation;
 - in-kind creation basket;
 - in-kind redemption; and
 - in-kind redemption basket;
- any appointment of the registrar will no longer require approval from the trustee;
- the amendment to the definition of special resolution;
- any changes in valuation point of the fund will no longer require approval of the trustee; and
- any changes in the in-kind creation basket and subscription amount will no longer require approval of the trustee.

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- | | |
|--|---|
| | <p>4. Sum Leng Kuang resigned as an Independent Non-Executive Director and a Chairperson of the Investment Committee of the funds of AmFunds Management Berhad with effect from 1st July 2021.</p> <p>5. Jas Bir Kaur A/P Lol Singh was appointed as an Independent Non-Executive Director and a Chairperson of the Investment Committee of the funds of AmFunds Management Berhad with effect from 1st July 2021.</p> <p>6. Ng Chih Kaye was appointed as an Independent Non-Executive Director of AmFunds Management Berhad with effect from 1st July 2021.</p> <p>7. Izad Shahadi bin Mohd Sallehuddin was appointed as a member of the Investment Committee of the funds of AmFunds Management Berhad with effect from 1st July 2021.</p> |
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Kuala Lumpur, Malaysia
AmFunds Management Berhad

19 August 2021

FTSE Bursa Malaysia KLCI etf (“FBM KLCI etf”)

**STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2021**

	Note	30.6.2021 (unaudited) RM	31.12.2020 (audited) RM
ASSETS			
Investments	4	3,978,086	4,228,132
Dividends receivable		8,893	14,126
Cash at banks		96,466	66,808
TOTAL ASSETS		<u>4,083,445</u>	<u>4,309,066</u>
LIABILITIES			
Amount due to Manager	5	1,937	2,053
Amount due to Trustee	6	171	183
Amount due to Index provider	7	1,547	719
Distributions payable		70,224	45,144
Sundry payables and accruals		13,512	18,172
TOTAL LIABILITIES		<u>87,391</u>	<u>66,271</u>
NET ASSET VALUE (“NAV”) OF THE FUND		<u>3,996,054</u>	<u>4,242,795</u>
EQUITY			
Unit holders’ capital	9(a)	3,548,424	3,548,424
Retained earnings	9(b)(c)	447,630	694,371
NET ASSETS ATTRIBUTABLE TO UNIT HOLDERS	9	<u>3,996,054</u>	<u>4,242,795</u>
UNITS IN CIRCULATION	9(a)	<u>2,508,000</u>	<u>2,508,000</u>
NAV PER UNIT (RM)			
- EX-DISTRIBUTION		<u>1.5933</u>	<u>1.6917</u>

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

FTSE Bursa Malaysia KLCI etf (“FBM KLCI etf”)

**STATEMENT OF COMPREHENSIVE INCOME (Unaudited)
FOR THE FINANCIAL PERIOD FROM 1 JANUARY 2021 TO 30 JUNE 2021**

	Note	1.1.2021 to 30.6.2021 RM	1.1.2020 to 30.6.2020 RM
INVESTMENT LOSS			
Gross dividend income		112,468	61,500
Interest income		344	1
Net loss from investments:			
- Financial assets at fair value through profit or loss (“FVTPL”)	8	<u>(264,209)</u>	<u>(168,865)</u>
		<u>(151,397)</u>	<u>(107,364)</u>
EXPENDITURE			
Manager’s fee	5	(10,358)	(6,337)
Trustee’s fee	6	(1,036)	(634)
Licence fee	7	(829)	(507)
Audit fee		(3,718)	(2,238)
Tax agent’s fee		(2,480)	(2,486)
Other expenses		<u>(6,699)</u>	<u>(4,914)</u>
		<u>(25,120)</u>	<u>(17,116)</u>
Net loss before taxation		(176,517)	(124,480)
Taxation	11	-	-
Net loss after taxation, representing total comprehensive loss for the financial period		<u>(176,517)</u>	<u>(124,480)</u>
Total comprehensive loss comprises the following:			
Realised income		44,148	23,490
Unrealised losses		<u>(220,665)</u>	<u>(147,970)</u>
		<u>(176,517)</u>	<u>(124,480)</u>
Distribution for the financial period			
Net distribution	12	<u>70,224</u>	<u>8,360</u>
Gross/net distribution per unit (sen)	12	<u>2.80</u>	<u>0.50</u>

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

FTSE Bursa Malaysia KLCI etf (“FBM KLCI etf”)**STATEMENT OF CHANGES IN EQUITY (Unaudited)****FOR THE FINANCIAL PERIOD FROM 1 JANUARY 2021 TO 30 JUNE 2021**

	Note	Unit holders’ capital RM	Retained earnings RM	Total equity RM
At 1 January 2020		2,218,683	536,015	2,754,698
Total comprehensive loss for the financial period		-	(124,480)	(124,480)
Distribution	12	-	(8,360)	(8,360)
Balance at 30 June 2020		<u>2,218,683</u>	<u>403,175</u>	<u>2,621,858</u>
At 1 January 2021		3,548,424	694,371	4,242,795
Total comprehensive loss for the financial period		-	(176,517)	(176,517)
Distribution	12	-	(70,224)	(70,224)
Balance at 30 June 2021		<u>3,548,424</u>	<u>447,630</u>	<u>3,996,054</u>

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

FTSE Bursa Malaysia KLCI etf (“FBM KLCI etf”)**STATEMENT OF CASH FLOWS (Unaudited)
FOR THE FINANCIAL PERIOD FROM 1 JANUARY 2021 TO 30 JUNE 2021**

	1.1.2021 to 30.6.2021 RM	1.1.2020 to 30.6.2020 RM
CASH FLOWS FROM OPERATING AND INVESTING ACTIVITIES		
Proceeds from sale of investments	62,826	92,025
Dividends received	117,701	58,900
Interest received	344	1
Manager’s fee paid	(10,474)	(6,397)
Trustee’s fee paid	(1,048)	(639)
Tax agent’s fee paid	(5,000)	-
Payments for other expenses	(12,558)	(12,811)
Purchase of investments	(76,989)	(116,962)
Net cash generated from operating and investing activities	<u>74,802</u>	<u>14,117</u>
CASH FLOW FROM FINANCING ACTIVITY		
Distributions paid	<u>(45,144)</u>	<u>(46,816)</u>
Net cash used in financing activity	<u>(45,144)</u>	<u>(46,816)</u>
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		
	29,658	(32,699)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE FINANCIAL PERIOD	<u>66,808</u>	<u>78,399</u>
CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL PERIOD	<u>96,466</u>	<u>45,700</u>
Cash and cash equivalents comprise:		
Cash at banks	<u>96,466</u>	<u>45,700</u>

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

FTSE Bursa Malaysia KLCI etf (“FBM KLCI etf”)

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD FROM 1 JANUARY 2021 TO 30 JUNE 2021

1. GENERAL INFORMATION

FBM KLCI etf (“the Fund”) was established pursuant to a Deed dated 18 January 2007 as amended by the Deeds Supplemental thereto (“the Deed”), between AmFunds Management Berhad as the Manager, HSBC (Malaysia) Trustee Berhad as the Trustee and all unit holders.

On 6 July 2009, the Fund’s benchmark, FTSE Bursa Malaysia Large 30 Index (“FBM30”) has been renamed to FTSE Bursa Malaysia KLCI and concurrent with this change, the Fund also announced the change of name to FTSE Bursa Malaysia KLCI etf (short name: FBM KLCI etf). The Fund’s change of its name is pursuant to the Third Supplemental Deed dated 29 June 2009.

The Fund was set up with the objective to achieve a price and yield performance, before fees, expenses and tax, that is generally similar to that of the benchmark index, FTSE Bursa Malaysia KLCI, balanced with the need to facilitate liquidity provision. As provided in the Deeds, the “accrual period” or financial year shall end on 31 December and the units in the Fund were first offered for sale on 7 June 2007.

The financial statements were authorised for issue by the Manager on 19 August 2021.

2. BASIS OF PREPARATION OF FINANCIAL STATEMENTS

The financial statements of the Fund have been prepared on a historical cost basis, except as otherwise stated in the accounting policies and comply with Malaysian Financial Reporting Standards 134: Interim Financial Reporting (“MFRS 134”) as issued by the Malaysian Accounting Standards Board (“MASB”) and the Securities Commission Malaysia’s Guidelines on Exchange Traded Funds in Malaysia.

Standards effective during the financial period

The adoption of MFRS which have been effective during the financial period did not have any material financial impact to the financial statements.

Standards issued but not yet effective

The standards and amendments to standards that have been issued but not yet effective up to the date of issuance of the Fund’s financial statements are disclosed below. The Fund intends to adopt these new pronouncements, if applicable, when they become effective:

FTSE Bursa Malaysia KLCI etf (“FBM KLCI etf”)

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD FROM 1 JANUARY 2021 TO 30 JUNE 2021

2. BASIS OF PREPARATION OF FINANCIAL STATEMENTS (CONT'D.)

Standards issued but not yet effective (cont'd.)

	Effective for financial periods beginning on or after
Amendments to MFRSs contained in the document entitled “Annual Improvements to MFRS Standards 2018-2020”	1 January 2022
Reference to the Conceptual Framework (Amendments to MFRS 3 <i>Business Combinations</i>)*	1 January 2022
Property, Plant and Equipment – Proceeds before Intended Use (Amendments to MFRS 116 <i>Property, Plant and Equipment</i>)*	1 January 2022
Onerous Contracts - Cost of Fulfilling a Contract (Amendments to MFRS 137 <i>Provisions, Contingent Liabilities and Contingent Assets</i>)	1 January 2022
Amendments to MFRS 101: <i>Presentation of Financial Statements Classification of Liabilities as Current or Non-Current</i>	1 January 2023
Amendments to MFRS 101: <i>Disclosure of Accounting Policies</i>	1 January 2023
MFRS 17 <i>Insurance Contracts</i> and Amendments to MFRS 17*	1 January 2023
Amendments to MFRS 108: <i>Definition of Accounting Estimates</i>	1 January 2023
Amendments to MFRS 112 <i>Income Taxes: Deferred Tax related to Assets and Liabilities arising from a Single Transaction</i>	1 January 2023
Amendments to MFRS 10 and MFRS 128: <i>Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*</i>	Deferred

* These MFRS and Amendments to MFRSs are not relevant to the Fund.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

3.1 Income recognition

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

(i) Dividend income

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

(ii) Interest income

Interest income on short-term deposits is recognised on an accrual basis using the effective interest method.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD FROM 1 JANUARY 2021 TO 30 JUNE 2021**

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

3.1 Income recognition (cont'd.)

(iii) Gain or loss on disposal of investments

On disposal of investments, the net realised gain or loss on disposal is measured as the difference between the net disposal proceeds and the carrying amount of the investments. The net realised gain or loss is recognised in profit or loss.

3.2 Income tax

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the tax authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the reporting date.

Current taxes are recognised in profit or loss except to the extent that the tax relates to items recognised outside profit or loss, either in other comprehensive income or directly in equity.

3.3 Functional and presentation currency

Functional currency is the currency of the primary economic environment in which the Fund operates that most faithfully represents the economic effects of the underlying transactions. The functional currency of the Fund is Ringgit Malaysia (“RM”) which reflects the currency in which the Fund competes for funds, issues and redeems units. The Fund has also adopted RM as its presentation currency.

3.4 Statement of cash flows

The Fund adopts the direct method in the preparation of the statement of cash flows.

Cash equivalents are short-term, highly liquid investments that are readily convertible to cash with insignificant risk of changes in value.

3.5 Distribution

Distributions are at the discretion of the Manager. A distribution to the Fund’s unit holders is accounted for as a deduction from the retained earnings and realised income. Realised income is the income earned from interest income, dividend income and net gain on disposal of investments after deducting expenses and taxation. A proposed distribution is recognised as a liability in the period in which it is approved. Distribution is either reinvested or paid in cash to the unit holders on the income payment date. Reinvestment of units is based on the NAV per unit on the income payment date, which is also the time of creation.

3.6 Unit holders’ capital

The unit holders’ capital of the Fund meets the definition of puttable instruments and is classified as equity instruments under MFRS 132 *Financial Instruments: Presentation* (“MFRS 132”).

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD FROM 1 JANUARY 2021 TO 30 JUNE 2021**

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

3.6 Unit holders' capital (cont'd.)

(i) In-Kind Creation

In order for the new units to be created, Participating Dealer (“PD”) will apply to the Manager for the issue of units on a Dealing Day by generally tendering the In-Kind Creation Basket which comprise of Creation Securities and the Cash Component (if any).

(ii) In-Kind Redemption

Following receipt of Redemption Application from a holder through a PD on each Dealing Day, the Manager may determine the In-Kind Redemption Basket by Redemption Securities and payment in cash of the Cash Component (if any).

3.7 Financial assets – initial recognition and measurement

(i) Initial recognition

Financial assets and financial liabilities are recognised when the Fund becomes a party to the contractual provisions of the instrument. Regular way purchases and sales of financial assets are recognised using trade date accounting or settlement date accounting. The method used is applied consistently for all purchases and sales of financial assets that belong to the same category of financial assets.

(ii) Initial measurement

All financial assets are recognised initially at fair value, in the case of financial assets not recorded at FVTPL, transaction costs that are attributable to the acquisition of the financial asset. All financial liabilities are recognised initially at fair value and, in the case of financial liabilities not recorded at FVTPL, net of directly attributable transaction costs.

(iii) “Day 1” profit or loss

At initial measurement, if the transaction price differs from the fair value, the Fund immediately recognises the difference between the transaction price and fair value (a “Day 1” profit or loss) in profit or loss provided that fair value is evidenced by a quoted price in an active market for an identical asset or liability (i.e. Level 1 input) or based on a valuation technique that uses only data from observable markets. In all other cases, the difference between the transaction price and model value is recognised in profit or loss on a systematic and rational basis that reflects the nature of the instrument over its tenure.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD FROM 1 JANUARY 2021 TO 30 JUNE 2021**

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

3.8 Financial assets – classification and subsequent measurement

The Fund subsequently measures its investments in equity investments at FVTPL. Dividends earned whilst holding the investments are recognised in profit or loss when the right to the payment has been established. Gains and losses on the investments, realised and unrealised, are included in profit or loss.

3.9 Financial assets under MFRS 9

(i) Classification and measurement

The classification of financial assets depends on the Fund’s business model of managing the financial assets in order to generate cash flows (“business model test”) and the contractual cash flow characteristics of the financial instruments (“SPPI test”). The business model test determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both and the assessment is performed on a portfolio basis. The SPPI test determines whether the contractual cash flows are solely for payments of principal and interest and the assessment is performed on a financial instrument basis.

The Fund may classify its financial assets under the following categories:

Financial assets at amortised cost

A financial asset is measured at amortised cost if it is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. The Fund includes in this category are deposits with financial institutions, dividends receivable, cash at banks, amounts due from brokers/financial institutions, amount due from the Manager and other receivables.

Financial assets at FVOCI

A financial asset is measured at fair value through other comprehensive income (“FVOCI”) if its business model is both to hold the asset to collect contractual cash flows and to sell the financial asset. In addition, the contractual terms of the financial assets give rise on specified dates to cash flows that are solely payments of principal and interest on the outstanding principal.

These investments are initially recorded at fair value and transaction costs are expensed in the profit or loss. Subsequent to initial recognition, these investments are remeasured at fair value. All fair value adjustments are initially recognised through OCI. Debt instruments at FVOCI are subject to impairment assessment.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD FROM 1 JANUARY 2021 TO 30 JUNE 2021**

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

3.9 Financial assets under MFRS 9 (cont'd.)

(i) Classification and measurement (cont'd.)

Financial assets at FVTPL

Any financial assets that are not measured at amortised cost or FVOCI are measured at FVTPL. Subsequent to initial recognition, financial assets at FVTPL are measured at fair value. Changes in the fair value of those financial instruments are recorded in “Net gain or loss on financial assets at FVTPL”. Interest earned and dividend revenue elements of such instruments are recorded separately in “Interest income” and “Dividend income” respectively.

Instruments that qualify for amortised cost or FVOCI may be irrevocably designated as FVTPL, if doing so eliminates or significantly reduces a measurement or recognition inconsistency. Equity instruments are normally measured at FVTPL, nevertheless, the Fund is allowed to irrevocably designate equity instruments that are not held for trading as FVOCI, with no subsequent reclassification of gains or losses to profit or loss.

3.10 Financial liabilities – classification and subsequent measurement

Financial liabilities issued by the Fund are classified as financial liabilities at amortised cost, where the substance of the contractual arrangement results in the Fund having an obligation either to deliver cash or another financial asset to the holder. After initial measurement, financial liabilities are subsequently measured at amortised cost using the effective interest method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate.

3.11 Derecognition of financial instruments

(i) Derecognition of financial asset

A financial asset (or, where applicable a part of a financial asset or part of a group of similar financial assets) is derecognised when:

- the rights to receive cash flows from the asset have expired, or
- the Fund has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a “pass-through” arrangement; and either:
 - the Fund has transferred substantially all the risks and rewards of the asset, or
 - the Fund has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

For investments classified as FVOCI - debt instruments, the cumulative fair value change recognised in OCI is recycled to profit or loss.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD FROM 1 JANUARY 2021 TO 30 JUNE 2021**

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

3.11 Derecognition of financial instruments (cont'd.)

(ii) Derecognition of financial liability

A financial liability is derecognised when the obligation under the liability is discharged, cancelled or expired. Gains and losses are recognised in profit or loss when the liabilities are recognised, and through the amortisation process.

3.12 Financial instruments – expected credit losses (“ECL”)

The Fund assesses on a forward-looking basis the ECL associated with its financial assets at amortised cost. The Fund recognises a loss allowance for such losses at each reporting date. The measurement of ECL reflects:

- an unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes;
- the time value of money; and
- reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecasts of future economic conditions.

The ECL in respect of financial assets at amortised cost, if any, is recognised in profit or loss.

Financial assets together with the associated allowance are written off when it has exhausted all practical recovery efforts and there is no realistic prospect of future recovery. The Fund may also write-off financial assets that are still subject to enforcement activity when there is no reasonable expectation of full recovery. If a write-off is later recovered, the recovery is credited to profit or loss.

3.13 Determination of fair value

For investments in quoted equity securities, fair value is determined based on the closing price quoted on Bursa Malaysia Berhad. Purchased cost is the quoted price that the Fund paid when buying its investments. The difference between purchased cost and fair value is treated as unrealised gain or loss and is recognised in profit or loss. Unrealised gains or losses recognised in profit or loss are not distributable in nature.

3.14 Classification of realised and unrealised gains and losses

Unrealised gains and losses comprise changes in the fair value of financial instruments for the period and from reversal of prior period's unrealised gains and losses for financial instruments which were realised (i.e. sold, redeemed or matured) during the reporting period.

Realised gains and losses on disposals of financial instruments classified at FVTPL are calculated using the weighted average method. They represent the difference between an instrument's initial carrying amount and disposal amount.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD FROM 1 JANUARY 2021 TO 30 JUNE 2021**

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT’D.)

3.15 Significant accounting estimates and judgments

The preparation of the Fund’s financial statements requires the Manager to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities at the reporting date. However, uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amount of the asset or liability in the future.

The Fund classifies its investments as financial assets at FVTPL as the Fund may sell its investments in the short-term for profit-taking or to meet unit holders’ cancellation of units.

No major judgments have been made by the Manager in applying the Fund’s accounting policies. There are no key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial period.

4. INVESTMENTS

	30.6.2021	31.12.2020
	RM	RM
Financial assets at FVTPL		
Quoted equity securities	<u>3,978,086</u>	<u>4,228,132</u>

Details of investments as at 30 June 2021 are as follows:

Name of company	Number of shares	Fair value RM	Purchased cost RM	Fair value as a percentage of NAV %
Quoted equity securities				
Consumer discretionary				
Genting Berhad	18,600	91,698	133,960	2.29
Genting Malaysia Berhad	22,500	62,325	67,001	1.56
MR D.I.Y. Group (M) Berhad	15,900	57,081	60,057	1.43
	<u>57,000</u>	<u>211,104</u>	<u>261,018</u>	<u>5.28</u>

FTSE Bursa Malaysia KLCI etf (“FBM KLCI etf”)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD FROM 1 JANUARY 2021 TO 30 JUNE 2021

4. INVESTMENTS (CONT'D.)

Details of investments as at 30 June 2021 are as follows: (cont'd.)

Name of company	Number of shares	Fair value RM	Purchased cost RM	Fair value as a percentage of NAV %
Quoted equity securities (cont'd.)				
Consumer staples				
IOI Corporation Berhad	25,485	95,824	133,863	2.40
Kuala Lumpur Kepong Berhad	3,900	79,404	77,104	1.99
Nestle (Malaysia) Berhad	600	79,980	76,708	2.00
PPB Group Berhad	5,420	99,186	78,386	2.48
Sime Darby Plantation Berhad	28,789	114,580	149,536	2.87
	<u>64,194</u>	<u>468,974</u>	<u>515,597</u>	<u>11.74</u>
Energy				
Dialog Group Berhad	36,900	106,641	127,272	2.67
PETRONAS Dagangan Berhad	2,700	50,220	46,766	1.26
	<u>39,600</u>	<u>156,861</u>	<u>174,038</u>	<u>3.93</u>
Financials				
CIMB Group Holdings Berhad	56,410	260,050	317,755	6.51
Hong Leong Bank Berhad	5,412	101,313	63,220	2.54
Hong Leong Financial Group Berhad	1,790	31,862	24,318	0.80
Malayan Banking Berhad	48,631	394,397	386,271	9.87
Public Bank Berhad	125,450	515,600	335,260	12.90
RHB Bank Berhad	12,611	68,099	63,514	1.70
	<u>250,304</u>	<u>1,371,321</u>	<u>1,190,338</u>	<u>34.32</u>
Health care				
Hartalega Holdings Berhad	12,300	90,405	127,231	2.26
IHH Healthcare Berhad	24,000	131,280	97,145	3.28
Top Glove Corporation Berhad	42,900	178,893	195,839	4.48
	<u>79,200</u>	<u>400,578</u>	<u>420,215</u>	<u>10.02</u>
Industrials				
Hap Seng Consolidated Berhad	5,400	42,120	42,960	1.05
MISC Berhad	14,100	95,598	81,077	2.39
Sime Darby Berhad	28,489	62,106	56,328	1.56
	<u>47,989</u>	<u>199,824</u>	<u>180,365</u>	<u>5.00</u>

FTSE Bursa Malaysia KLCI etf (“FBM KLCI etf”)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD FROM 1 JANUARY 2021 TO 30 JUNE 2021

4. INVESTMENTS (CONT'D.)

Details of investments as at 30 June 2021 are as follows: (cont'd.)

Name of company	Number of shares	Fair value RM	Purchased cost RM	Fair value as a percentage of NAV %
Quoted equity securities (cont'd.)				
Materials				
PETRONAS Chemicals Group Berhad	22,800	183,768	134,833	4.60
Press Metal Aluminium Holdings Berhad	30,900	147,702	81,841	3.69
	<u>53,700</u>	<u>331,470</u>	<u>216,674</u>	<u>8.29</u>
Telecommunication services				
Axiata Group Berhad	37,500	140,250	144,108	3.51
Digi.Com Berhad	29,700	122,661	89,719	3.07
Maxis Berhad	22,200	97,458	121,205	2.44
Telekom Malaysia Berhad	15,900	96,513	65,773	2.41
	<u>105,300</u>	<u>456,882</u>	<u>420,805</u>	<u>11.43</u>
Utilities				
PETRONAS Gas Berhad	4,500	69,750	61,144	1.75
Tenaga Nasional Berhad	31,800	311,322	291,043	7.79
	<u>36,300</u>	<u>381,072</u>	<u>352,187</u>	<u>9.54</u>
Total financial assets at FVTPL	<u>733,587</u>	<u>3,978,086</u>	<u>3,731,237</u>	<u>99.55</u>
Excess of fair value over purchased cost		<u>246,849</u>		

FTSE Bursa Malaysia KLCI etf (“FBM KLCI etf”)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD FROM 1 JANUARY 2021 TO 30 JUNE 2021

4. INVESTMENTS (CONT'D.)

Details of investments as at 31 December 2020 are as follows:

Name of company	Number of shares	Fair value RM	Purchased cost RM	Fair value as a percentage of NAV %
Quoted equity securities				
Consumer discretionary				
Genting Berhad	18,900	84,294	136,120	1.99
Genting Malaysia Berhad	22,500	60,525	67,001	1.42
	<u>41,400</u>	<u>144,819</u>	<u>203,121</u>	<u>3.41</u>
Consumer staples				
IOI Corporation Berhad	25,485	111,370	133,863	2.62
Kuala Lumpur Kepong Berhad	3,900	92,352	77,104	2.18
Nestle (Malaysia) Berhad	600	83,340	76,708	1.96
PPB Group Berhad	5,420	100,378	78,386	2.37
Sime Darby Plantation Berhad	28,489	142,160	148,270	3.35
	<u>63,894</u>	<u>529,600</u>	<u>514,331</u>	<u>12.48</u>
Energy				
Dialog Group Berhad	36,600	126,270	126,384	2.98
PETRONAS Dagangan Berhad	2,700	57,780	46,766	1.36
	<u>39,300</u>	<u>184,050</u>	<u>173,150</u>	<u>4.34</u>
Financials				
CIMB Group Holdings Berhad	57,310	246,433	322,824	5.81
Hong Leong Bank Berhad	5,412	98,499	63,220	2.32
Hong Leong Financial Group Berhad	1,790	32,327	24,318	0.76
Malayan Banking Berhad	48,331	408,880	383,821	9.64
Public Bank Berhad	24,930	513,558	331,900	12.11
RHB Bank Berhad	12,311	67,095	61,903	1.58
	<u>150,084</u>	<u>1,366,792</u>	<u>1,187,986</u>	<u>32.22</u>
Health care				
Hartalega Holdings Berhad	12,000	145,680	124,738	3.43
IHH Healthcare Berhad	24,000	132,000	97,145	3.11
Supermax Corporation Berhad	13,200	79,332	90,420	1.87
Top Glove Corporation Berhad	43,800	268,056	199,948	6.32
	<u>93,000</u>	<u>625,068</u>	<u>512,251</u>	<u>14.73</u>

FTSE Bursa Malaysia KLCI etf (“FBM KLCI etf”)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD FROM 1 JANUARY 2021 TO 30 JUNE 2021

4. INVESTMENTS (CONT'D.)

Details of investments as at 31 December 2020 are as follows: (cont'd.)

Name of company	Number of shares	Fair value RM	Purchased cost RM	Fair value as a percentage of NAV %
Quoted equity securities (cont'd.)				
Industrials				
Hap Seng Consolidated Berhad	5,400	46,440	42,960	1.10
MISC Berhad	13,800	94,806	78,980	2.23
Sime Darby Berhad	28,489	65,810	56,328	1.55
	<u>47,689</u>	<u>207,056</u>	<u>178,268</u>	<u>4.88</u>
Materials				
PETRONAS Chemicals Group Berhad	22,800	169,404	134,832	3.99
Press Metal Aluminium Holdings Berhad	15,300	128,367	80,419	3.03
	<u>38,100</u>	<u>297,771</u>	<u>215,251</u>	<u>7.02</u>
Telecommunication services				
Axiata Group Berhad	38,700	144,738	148,719	3.41
Digi.Com Berhad	29,700	122,958	89,720	2.90
Maxis Berhad	21,900	110,595	119,861	2.60
Telekom Malaysia Berhad	15,900	86,019	65,773	2.03
	<u>106,200</u>	<u>464,310</u>	<u>424,073</u>	<u>10.94</u>
Utilities				
PETRONAS Gas Berhad	4,500	77,310	61,144	1.82
Tenaga Nasional Berhad	31,800	331,356	291,043	7.81
	<u>36,300</u>	<u>408,666</u>	<u>352,187</u>	<u>9.63</u>
Total financial assets at FVTPL	<u>615,967</u>	<u>4,228,132</u>	<u>3,760,618</u>	<u>99.65</u>
Excess of fair value over purchased cost		<u>467,514</u>		

FTSE Bursa Malaysia KLCI etf (“FBM KLCI etf”)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD FROM 1 JANUARY 2021 TO 30 JUNE 2021

5. AMOUNT DUE TO MANAGER

	Note	30.6.2021 RM	31.12.2020 RM
Due to Manager			
Manager’s fee payable	(i)	<u>1,937</u>	<u>2,053</u>

(i) Manager’s fee is at a rate of 0.50% (2020: 0.50%) per annum on the NAV of the Fund, calculated on a daily basis.

The normal credit period in the previous financial year and current financial period for Manager’s fee payable is one month.

6. AMOUNT DUE TO TRUSTEE

The Trustee’s fee is at a rate of 0.05% (2020: 0.05%) per annum on the NAV of the Fund, calculated on a daily basis.

The normal credit period in the previous financial year and current financial period for Trustee’s fee payable is one month.

7. AMOUNT DUE TO INDEX PROVIDER

Licence fee rate is at 0.04% (2020: 0.04%) per annum on the NAV of the Fund, calculated on a daily basis.

8. NET LOSS FROM INVESTMENTS

	1.1.2021 to 30.6.2021 RM	1.1.2020 to 30.6.2020 RM
Net loss on financial assets at FVTPL comprised:		
– Net realised loss on sale of investments	(43,544)	(20,895)
– Net unrealised loss on changes in fair value of investments	<u>(220,665)</u>	<u>(147,970)</u>
	<u>(264,209)</u>	<u>(168,865)</u>

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9. TOTAL EQUITY

Total equity is represented by:

	Note	30.6.2021 RM	31.12.2020 RM
Unit holders' capital	(a)	3,548,424	3,548,424
Retained earnings			
– Realised income	(b)	200,781	226,857
– Unrealised gain	(c)	246,849	467,514
		<u>3,996,054</u>	<u>4,242,795</u>

(a) Unit holders' capital/units in circulation

	30.6.2021		31.12.2020	
	Number of units	RM	Number of units	RM
At beginning of the financial period/year	2,508,000	3,548,424	1,672,000	2,218,683
Creation during the financial period/year	-	-	836,000	1,329,741
At end of the financial period/year	<u>2,508,000</u>	<u>3,548,424</u>	<u>2,508,000</u>	<u>3,548,424</u>

(b) Realised - distributable

	30.6.2021 RM	31.12.2020 RM
At beginning of the financial period/year	226,857	223,609
Net realised income for the financial period/year	44,148	56,752
Distributions out of realised income	(70,224)	(53,504)
At end of the financial period/year	<u>200,781</u>	<u>226,857</u>

(c) Unrealised - non-distributable

	30.6.2021 RM	31.12.2020 RM
At beginning of the financial period/year	467,514	312,406
Net unrealised (loss)/gain for the financial period/year	(220,665)	155,108
At end of the financial period/year	<u>246,849</u>	<u>467,514</u>

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10. UNITS HELD BY THE MANAGER AND RELATED PARTIES

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

<u>Related parties</u>	<u>Relationships</u>
AmFunds Management Berhad	The Manager
AmInvestment Bank Berhad	Holdings company of the Manager
AMMB Holdings Berhad	Ultimate holding company of the Manager
Subsidiaries and associates of AMMB as disclosed in its financial statements	Subsidiaries and associate companies of the ultimate holding company of the Manager

	30.6.2021		31.12.2020	
	Number of units	RM	Number of units	RM
AmInvestment Bank Berhad*	685,176	1,103,133 ^	901,376	1,541,353 ^

* The financial institution related to the Manager is the legal and beneficial owner of the units. The Manager did not hold any units in the Fund as at 30 June 2021 and 31 December 2020.

^ Closing quoted price published in Bursa Malaysia Berhad as at 30 June 2021 was RM1.6100 (2020: RM1.7100).

11. TAXATION

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

Pursuant to Schedule 6 of the Income Tax Act 1967, provided that the exemption shall not apply to the interest paid or credited to a unit trust that is a wholesale fund which is a money market fund. Interest income earned by Funds other than wholesale money market fund is exempted from tax.

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

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11. TAXATION (CONT'D.)

	1.1.2021 to 30.6.2021 RM	1.1.2020 to 30.6.2020 RM
Net loss before taxation	<u>(176,517)</u>	<u>(124,480)</u>
Taxation at Malaysian statutory rate of 24% (2020: 24%)	(42,364)	(29,875)
Tax effects of:		
Income not subject to tax	(27,075)	(14,760)
Loss not allowed for tax deduction	63,410	40,528
Restriction on tax deductible expenses for exchange traded funds	3,790	2,131
Non-permitted expenses for tax purposes	1,818	1,740
Permitted expenses not used and not available for future financial periods	421	236
Tax expense for the financial period	<u>-</u>	<u>-</u>

12. DISTRIBUTION

Distribution to unit holders declared on 23 June 2021 (declared on 23 June 2020 for the previous financial period) are from the following sources:

	1.1.2021 to 30.6.2021 RM	1.1.2020 to 30.6.2020 RM
Gross dividend income	112,468	61,500
Interest income	344	1
Net realised loss on sale of investments	<u>(43,544)</u>	<u>(20,895)</u>
	69,268	40,606
Less: Expenses	<u>(25,120)</u>	<u>(17,116)</u>
Realised income for the financial period	44,148	23,490
Previous year's undistributed realised income	226,857	223,609
Total realised income available for distribution	<u>271,005</u>	<u>247,099</u>
Less : Declared income distribution	<u>(70,224)</u>	<u>(8,360)</u>
Balance undistributed realised income	<u>200,781</u>	<u>238,739</u>
Gross/net distributions per unit (sen)	<u>2.80</u>	<u>0.50</u>
Cum-Distribution - 23 June 2021/2020		
NAV	<u>4,150,388</u>	<u>2,638,732</u>
NAV per unit	<u>1.6549</u>	<u>1.5782</u>
Ex-Distribution - 23 June 2021/2020		
NAV	<u>4,080,164</u>	<u>2,630,372</u>
NAV per unit	<u>1.6269</u>	<u>1.5732</u>

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12. DISTRIBUTION (CONT'D.)

Gross distribution per unit is derived from gross realised income less expenses divided by the number of units in circulation, while net distribution per unit is derived from gross realised income less expenses and taxation divided by the number of units in circulation.

Included in the distribution for the financial period ended 30 June 2021 was RM26,076 distributed from previous financial periods' realised income.

The above distribution has been proposed before taking into account the net realised loss of RM43,544 (2020: RM20,895) and net unrealised loss of RM220,665 (2020: RM147,970) arising during the financial period which is carried forward to the next financial period.

13. MANAGEMENT EXPENSE RATIO (“MER”)

The Fund's MER is as follows:

	1.1.2021 to 30.6.2021 % p.a.	1.1.2020 to 30.6.2020 % p.a.
Manager's fee	0.50	0.50
Trustee's fee	0.05	0.05
Licence fee	0.04	0.04
Fund's other expenses	0.57	0.57
Total MER	<u>1.16</u>	<u>1.16</u>

The MER of the Fund is the ratio of the sum of annualised fees and expenses incurred by the Fund to the average NAV of the Fund calculated on a daily basis.

14. PORTFOLIO TURNOVER RATIO (“PTR”)

The PTR of the Fund, which is the ratio of average total acquisitions and disposals of investments to the average NAV of the Fund calculated on a daily basis, is 0.02 times (2020: 0.04 times).

15. SEGMENTAL REPORTING

In accordance with the objective of the Fund, substantially all of the Fund's investments are made in the form of quoted equity securities in Malaysia. The Manager is of the opinion that the risk and rewards from these investments are not individually or segmentally distinct and hence the Fund does not have a separately identifiable business or geographical segments.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD FROM 1 JANUARY 2021 TO 30 JUNE 2021

16. TRANSACTIONS WITH BROKERS AND FINANCIAL INSTITUTIONS

Details of transactions with brokers and financial institutions for the financial period ended 30 June 2021 are as follows:

Brokers/Financial institutions	Transaction value		Brokerage fee, stamp duty and clearing fee	
	RM	%	RM	%
CGS-CIMB Securities Sdn Bhd	60,057	42.95	270	24.86
Maybank Investment Bank Berhad	48,180	34.46	216	19.89
AmInvestment Bank Berhad*	31,578	22.59	600	55.25
Total	139,815	100.00	1,086	100.00

* A financial institution related to the Manager. The Manager is of the opinion that the above transactions have been entered in the normal course of business and have been established under terms that are no less favourable than those arranged with independent third parties.

The above transactions were in respect of listed securities.

17. FINANCIAL INSTRUMENTS

(a) Classification of financial instruments

The significant accounting policies in Note 3 describe how the classes of financial instruments are measured, and how income and expenses, including fair value gains and losses, are recognised. The following table analyses the financial assets and liabilities of the Fund in the statement of financial position by the class of financial instrument to which they are assigned, and therefore by the measurement basis.

	Financial assets at FVTPL RM	Financial assets at amortised cost RM	Financial liabilities at amortised cost RM	Total RM
30.6.2021				
Assets				
Investments	3,978,086	-	-	3,978,086
Dividends receivable	-	8,893	-	8,893
Cash at banks	-	96,466	-	96,466
Total financial assets	3,978,086	105,359	-	4,083,445

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD FROM 1 JANUARY 2021 TO 30 JUNE 2021

17. FINANCIAL INSTRUMENTS (CONT'D.)

(a) Classification of financial instruments (cont'd.)

	Financial assets at FVTPL RM	Financial assets at amortised cost RM	Financial liabilities at amortised cost RM	Total RM
30.6.2021 (cont'd.)				
Liabilities				
Amount due to Manager	-	-	1,937	1,937
Amount due to Trustee	-	-	171	171
Amount due to Index provider	-	-	1,547	1,547
Distribution payable	-	-	70,224	70,224
Total financial liabilities	-	-	73,879	73,879
31.12.2020				
Assets				
Investments	4,228,132	-	-	4,228,132
Dividends receivable	-	14,126	-	14,126
Cash at banks	-	66,808	-	66,808
Total financial assets	4,228,132	80,934	-	4,309,066
Liabilities				
Amount due to Manager	-	-	2,053	2,053
Amount due to Trustee	-	-	183	183
Amount due to Index provider	-	-	719	719
Distribution payable	-	-	45,144	45,144
Total financial liabilities	-	-	48,099	48,099
			Income, expense, gains and losses	
			1.1.2021 to 30.6.2021 RM	1.1.2020 to 30.6.2020 RM
Net loss from financial assets at FVTPL			(264,209)	(168,865)
Income, of which derived from:				
– Gross dividend income from financial assets at FVTPL			112,468	61,500
– Interest income from financial assets at amortised cost			344	1

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD FROM 1 JANUARY 2021 TO 30 JUNE 2021**

17. FINANCIAL INSTRUMENTS (CONT'D.)

(b) Financial instruments that are carried at fair value

The Fund’s financial assets and liabilities are carried at fair value.

The Fund uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

Level 1: quoted (unadjusted) prices in active markets for identical assets or liabilities;

Level 2: other techniques for which all inputs which have a significant effect on the recorded fair value are observable; either directly or indirectly; or

Level 3: techniques which use inputs which have a significant effect on the recorded fair value that are not based on observable market data.

The following table shows an analysis of financial instruments recorded at fair value by the level of the fair value hierarchy:

	Level 1 RM (Note 4)	Level 2 RM	Level 3 RM	Total RM
30.6.2021				
Financial assets at FVTPL	3,978,086	-	-	3,978,086
31.12.2020				
Financial assets at FVTPL	4,228,132	-	-	4,228,132

(c) Financial instruments that are not carried at fair value and whose carrying amounts are reasonable approximation of fair value

The following are classes of financial instruments that are not carried at fair value and whose carrying amounts are reasonable approximation of fair value due to their short period to maturity or short credit period:

- Dividends receivable
- Cash at banks
- Amount due to Manager
- Amount due to Trustee
- Amount due to Index provider
- Distribution payable
- Sundry payables and accruals

There are no financial instruments which are not carried at fair value and whose carrying amounts are not reasonable approximation of their respective fair value.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD FROM 1 JANUARY 2021 TO 30 JUNE 2021

18. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Fund is exposed to a variety of risks that include market risk, credit risk, liquidity risk, single issuer risk, regulatory risk, management risk and non-compliance risk.

Risk management is carried out by closely monitoring, measuring and mitigating the above said risks, careful selection of investments coupled with stringent compliance to investment restrictions as stipulated by the Capital Market and Services Act 2007, Securities Commission’s Guidelines on Exchange Traded Funds and the Deed as the backbone of risk management of the Fund.

(a) Market risk

The Fund’s principal exposure to market risk arises primarily due to changes in the market environment, global economic and geo-political developments.

Financial markets have experienced and may continue to experience significant volatility resulting from the spread of a novel coronavirus known as Covid-19. The outbreak of Covid-19 has resulted in travel and border restrictions, quarantines, supply chain disruptions, lower consumer demand and general market uncertainty. The outcomes of global and local financial markets are highly uncertain and cannot be predicted at this point in time. Due to this, the Manager of the Fund is unable to reliably estimate the quantitative impact of Covid-19 towards the Fund’s performance for the next twelve months. The Manager of the Fund will continue to actively monitor the developments in the market to minimise any potential impact to the Fund.

The Fund’s market risk is affected primarily by the following risks:

(i) Price risk

Price risk refers to the uncertainty of an investment’s future prices. In the event of adverse price movements, the Fund might endure potential loss on its quoted investments. In managing price risk, the Manager actively monitors the performance and risk profile of the investment portfolio.

The result below summarised the price risk sensitivity of the Fund’s NAV due to movements of price by -5.00% and +5.00% respectively:

Percentage movements in price by:	Sensitivity of the Fund’s NAV	
	30.6.2021	31.12.2020
	RM	RM
-5.00%	(198,904)	(211,407)
+5.00%	198,904	211,407

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD FROM 1 JANUARY 2021 TO 30 JUNE 2021**

18. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT’D.)

(b) Credit risk

Credit risk is the risk that the counterparty to a financial instrument will cause a financial loss to the Fund by failing to discharge an obligation. Credit risk applies to dividends receivable. The issuer of such instruments may not be able to fulfill the required interest payments or repay the principal invested or amount owing. These risks may cause the Fund’s investments to fluctuate in value.

Cash at banks are held for liquidity purposes and are not exposed to significant credit risk.

(c) Liquidity risk

Liquidity risk is defined as the risk that the Fund will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset. Exposure to liquidity risk arises because of the possibility that the Fund could be required to pay its liabilities or redeem its units earlier than expected. The Fund maintains sufficient level of liquid assets, after consultation with the Trustee, to meet anticipated payments and cancellations of units by unit holders. Liquid assets comprise of deposits with licensed financial institutions and other instruments, which are capable of being converted into cash within 5 to 7 days. The Fund’s policy is to always maintain a prudent level of liquid assets so as to reduce liquidity risk.

(d) Single issuer risk

Internal policy restricts the Fund from investing in securities issued by any issuer of not more than a certain percentage of its NAV. Under such restriction, the risk exposure to the securities of any single issuer is diversified and managed based on internal/external ratings.

(e) Regulatory risk

Any changes in national policies and regulations may have effects on the capital market and the NAV of the Fund.

(f) Management risk

Poor management of the Fund may cause considerable losses to the Fund that in turn may affect the NAV of the Fund.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD FROM 1 JANUARY 2021 TO 30 JUNE 2021

18. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT’D.)

(g) Non-compliance risk

This is the risk of the Manager, the Trustee or the Fund not complying with internal policies, the Deed of the Fund, securities law or guidelines issued by the regulators. Non-compliance risk may adversely affect the investments of the Fund when the Fund is forced to rectify the non-compliance.

19. CAPITAL MANAGEMENT

The primary objective of the Fund’s capital management is to ensure that it maximises unit holders’ value by expanding its fund size to benefit from economies of scale and achieving growth in NAV from the performance of its investments.

The Fund manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Fund may issue new or bonus units, make distribution payment, or return capital to unit holders by way of redemption of units.

No changes were made in the objective, policies or processes during the financial period/year ended 30 June 2021 and 31 December 2020.

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STATEMENT BY THE MANAGER

I, Goh Wee Peng, being the Director of and on behalf of the Board of Directors of AmFunds Management Berhad (the “Manager”), do hereby state that in the opinion of the Manager, the accompanying financial statements are drawn up in accordance with Malaysian Financial Reporting Standards so as to give a true and fair view of the financial position of FTSE Bursa Malaysia KLCI etf (“FBM KLCI etf”) (the “Fund”) as at 30 June 2021 and the comprehensive income, the changes in equity and cash flows for the financial period then ended.

For and on behalf of the Manager

GOH WEE PENG

Executive Director

Kuala Lumpur, Malaysia

19 August 2021

DIRECTORY

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Please call 2032 2888 between 8.45 a.m. to 5.45 p.m. (Monday to Thursday),
Friday (8.45 a.m. to 5.00 p.m.)*