

# MYETF MSCI MALAYSIA ISLAMIC DIVIDEND

## SEMI-ANNUAL REPORT

For the Financial Period from 1 January 2022 to 30 June 2022



**i-VCAP Management Sdn Bhd**  
**Company No.: 200701034939**

*(a wholly owned subsidiary of Kenanga Investors Berhad)*



# 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 (“MIMYDY40 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, MIMYDY40 Index, is a free-float adjusted, market capitalisation weighted index, maintained and published by MSCI Inc. It consists 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 to ensure the investability, Shariah-compliance and continuous representation of the dividend yielding opportunity set of the index are maintained.

## CORPORATE DIRECTORY

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

**Registered Office**

Level 17, Kenanga Tower  
237, Jalan Tun Razak  
50400 Kuala Lumpur, Malaysia.  
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Fax: 03-2172 3080  
E-mail: [ivcap@kenanga.com.my](mailto:ivcap@kenanga.com.my)  
Website: [www.ivcap.com.my](http://www.ivcap.com.my)

Luk Wai Hong, William (**Chairman**)

Imran Devindran Abdullah (**Independent Director**)

Ismitz Matthew De Alwis (**Non-Independent Director**)

Syed Umar Bin Abdul Rahman Alhadad (**Executive Director**)

**Company Secretary:** Norliza Abd Samad (MAICSA 7011089)

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

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

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

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

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

**Tax Adviser:** PricewaterhouseCoopers Taxation Services Sdn Bhd

Company No. 199801008604 (464731-M)

Level 15, 1 Sentral, Jalan Rakyat, Kuala Lumpur Sentral, 50706 Kuala Lumpur, Malaysia.  
Tel: 03-2173 1188 Fax: 03-2173 1288

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

Level 12, Menara Bumiputra-Commerce, No. 11, Jalan Raja Laut, 50350 Kuala Lumpur.  
Tel: 03-2635 8888 Fax: 03-2602 0119

**Participating Dealer:** RHB Investment Bank Berhad Company No. 197401002639 (19663-P)

Level 3A, Tower One, RHB Centre, Jalan Tun Razak, 50400 Kuala Lumpur.  
Tel: 03-2635 6666 Fax: 03-7710 0121

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

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

**Share Registrar:** Boardroom Share Registrars Sdn Bhd (formerly known as Symphony Share Registrars Sdn Bhd) Company 199601006647 (378993-D)

11th Floor, Menara Symphony, No. 5, Jalan Semangat (Jalan Professor Khoo Kay Kim),  
Seksyen 13, 46200 Petaling Jaya, Selangor Darul Ehsan, Malaysia.  
Tel: 03-7849 0777 Fax No: 03-7841 8151/8152

**Custodian: Deutsche Bank (Malaysia) Berhad** Company No. 199401026871 (312552-W)  
(Trustee's Delegate) (Please refer to page 52 for Trustee's Delegate information)

Level 18, Menara IMC, 8, Jalan Sultan Ismail, 50250 Kuala Lumpur.  
Tel: 03-2053 6788

**Index Licensor: MSCI Inc.**

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

**Fund Accountant: Deutsche Trustees Malaysia Berhad**  
Company No. 200701005591 (763590-H)

Level 20, Menara IMC, 8, Jalan Sultan Ismail, 50250 Kuala Lumpur.  
Tel: 03-2053 6788 Fax: 03-2031 8710

# 1. FUND INFORMATION

## 1.1 Fund Name

MyETF MSCI Malaysia Islamic Dividend (“**MyETF-MMID**” or “**the Fund**”)

## 1.2 Fund Category / Type

Shariah-Compliant Equity / Exchange-traded fund

## 1.3 Investment Objective

The Fund aims to provide investment results that closely correspond to the performance of the Benchmark Index regardless of its performance. 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.

## 1.4 Investment Strategy

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

## 1.5 Benchmark Index

MSCI Malaysia IMI Islamic High Dividend Yield 10/40 Index (“**MIMYDY40 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 and audit the Benchmark Index, the Parent Index as well as the MSCI Islamic Index Series Methodology on a regular basis to ensure compliance with Shariah.

## 1.6 Distribution Policy

Annual, subject to the discretion of the Manager.

## 1.7 Commencement Date & Listing Date

17 March 2014

### 1.8 Breakdown of unit holdings of the Fund as at 30 June 2022

<b>Size of holdings</b>	<b>No. of unit holders</b>	<b>No. of units held</b>
Less than 100	5	57
100 - 1,000	139	54,009
1,001 - 10,000	65	264,700
10,001 - 100,000	8	264,900
100,001 and above	9	19,016,334
<b>Total</b>	<b>226</b>	<b>19,600,000</b>



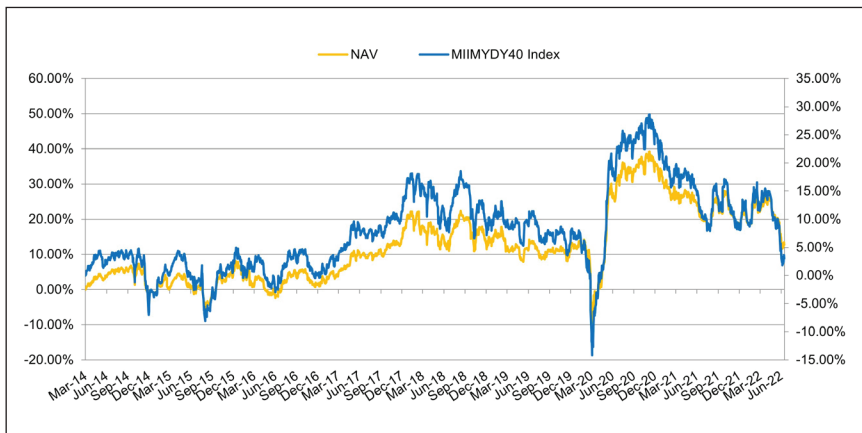
## 2. MANAGER'S REPORT

### 2.1 Explanation on whether the Fund has achieved its investment objective

For the financial period under review, the Fund achieved its investment objective to track closely the underlying benchmark index, i.e. MIMYDY40 Index. As at 30 June 2022, the 3-year rolling tracking errors between the NAV per unit of the Fund and the Benchmark Index on Price Return and Total Return basis were at 0.06% and 0.04% respectively, well within the 3% limit stipulated under the Fund's investment objective.

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

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



Source: Bloomberg, i-VCAP

### 2.3 Investment strategies and policies employed during the financial period under review

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

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

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

	Cumulative Returns <sup>(b)</sup>				
	YTD (%)	1-Year (%)	3-Year (%)	5-Year (%)	Since inception <sup>^</sup> (%)
MyETF-MMID-NAV Price Return <sup>(a)</sup>	-8.77	-6.48	-0.28	2.34	12.40
MIMYDY40-Price Return Index	-9.29	-7.43	-6.64	-4.83	2.68
MyETF-MMID-NAV Total Return <sup>(a)</sup>	-8.77	-6.48	4.50	12.46	31.97
MIMYDY40-Total Return Index	-7.75	-4.21	3.93	12.87	36.80

Sources: Bloomberg, i-VCAP

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

(b) Cumulative returns are up to 30 June 2022.

<sup>^</sup> Performance from inception date on 17 March 2014.

The Fund's NAV per unit decreased 8.77% to RM1.1277 from RM1.2361 in the first half of the year. The Fund started the year on a positive note and reached its high of RM1.2714 on 3 March 2022. The NAV trended lower in the second quarter and hit its low of RM1.1161 on 22 June 2022, before the Fund closed at RM1.1277 as of end-June 2022. Similarly, the Benchmark Index (MIMYDY40 Index) and Benchmark's Total Return Index (MIMYDY40 Total Return Index) decreased 9.29% and 7.75% respectively, tracking the performance of the weak domestic equity market. The difference between the performance of the Fund and its Benchmark Index can largely be attributed to the Fund's operational costs.

## 2.5 Review of the market

### Market review

Global economy and stock market struggled in the first half of 2022. The Russia-Ukraine war triggered global political instability, supply chain disruptions, and increased commodity prices. Countries around the world were being hit by decades-high inflations which caused hawkish interventions from central banks. The US Federal Reserve (Fed) raised interest rate by 50 basis point in May, followed by another aggressive 75 basis point hike in June, marks the largest upward step since 1994. Central bankers worldwide followed in the Fed's footsteps in lifting interest rates. The soaring inflation, tightening monetary policy and the war in Ukraine were arguably creating a perfect storm for recession which led to investors pulling trillions of dollars out from the equity markets. The S&P 500 was 20.9% down, registered its worst first half since 1970 while Nasdaq slumped 29.2%. Euro Stoxx 50 and MSCI AC Asia x Japan plunged 19.6% and 17.3% respectively. Back in Malaysia, the FBM KLCI declined 7.9% while FBM Emas Shariah Index dropped 14.3% in the first half of the year.

Despite ending 2021 on a high note, global equities started the new year with sell-offs in most major markets in January as concerns mount over persistently-high inflation and the ensuing monetary policy normalisation by central banks worldwide. In the first Federal Open Market Committee (FOMC) meeting in 2022, the Fed is clearly hawkish and is guiding that it will look to reduce its inflated balance sheet and hike interest rate. Investor sentiment turned cautious during the month, and aggressive profit taking was seen in selective sectors such as Technology. The tech-heavy Nasdaq lost 8.5% in January, to mark one of its worst months in more than a decade, whereas the S&P 500 was 6% lower from its record-high seen on the first trading day of the year. Locally, technology sector (KL Tech Index) recorded a huge decline of 15.3%, in tandem with the steep sell-off on Wall Street. FBMKLCI ended the month down 3.5%.

## 2.5 Review of the market (contd.)

### Market review (contd.)

February saw global markets fell on geopolitical conflict between Russia and Ukraine escalating throughout the month which ended in a full-scale invasion. Most major markets continued to see sell down for the month as risk-off sentiment prevailed. The Russian-Ukraine war has a far-reaching impact across global commodity market with Russia a key exporter of oil & gas, aluminium, palladium and fertilizer, while Ukraine ranks among the top exporters of wheat, barley, corn and sunflower oil. The US administration reacted to Russia's invasion of Ukraine with a measured package of sanctions on Russia. Europe was badly affected as Russia contributes to about 35-40% of Europe's gas supply. Wall Street's tech-heavy Nasdaq saw further correction in the month bringing the index performance lower by 12.1% YTD, whereas the S&P 500 is now 8.2% lower YTD. Locally, the spread of the more infectious Omicron variant led to a rise in Covid-19 cases with cases climbing quickly to 32,000, its highest ever on record towards the end of the month. Risk off prevailed, and profit taking continued in the Technology sectors, whilst commodities-related sectors, namely Metals, Oil & Gas and Plantation outperformed on the back of higher commodity prices. FBMKLCI ended the month up 6.35%.

Despite an initial sell-off on the Russia-Ukraine war, US equities recovered strongly towards the end of March. The S&P 500 and tech-heavy Nasdaq rose 3.6% and 3.4% respectively in the month The Fed raised interest rates by 25bps for the first time since 2018. Meanwhile, Russia's invasion of Ukraine continued despite intermittent peace talks, threatening the European economy as well impacting global commodity prices. Meanwhile, China rolled out its biggest Covid-19 lockdown to control the growing Omicron outbreak despite questions being raised about the economic toll of the nation's "zero-COVID" strategy. Locally, to ease the challenging economic environment, the Government announced reopening of borders on 1 April and a special EPF withdrawal of RM10,000 per member. During the month, the Government also announced the decision to raise the minimum wage to RM1,500/mth from 1 May from RM1,200/mth, which could lead to cost pressures for corporates.. FBMKLCI fell 1.3% for the month.

Global equities retraced in April in anticipation of aggressive Fed's tightening with a series of 50bps hikes for the next few months. US inflation surged to 8.5% YoY in March due to supply constraints and high commodity prices, pushing 10-year Treasury yield to 2.9%. The S&P 500 and Nasdaq was down 8.7% and 13.3%, while Dow dropped 4.9%. US GDP declined an annualized 1.4% QoQ in Q1, after growing 6.9% in the prior period. A ballooning trade deficit was partially responsible for the disappointment and consumer spending was not as robust as anticipated. Labor market however is still strong, as jobless claims dipped to 180,000 from 185,000 in the week ended 23 April. Locally, equity markets were supported by positive news flows. Government announced disbursement of RM151mil Wage Subsidy Programme 5.0 to sustain employment of workers. Inflation rate was maintained at 6-month low of 2.2% YoY while external trade hit new monthly high of RM236.6b, up 27.3% YoY driven by strong exports backed by demand for E&E, L&G, crude & refined petroleum and palm oil products. The FBMKLCI ended up 0.8% for the month.

In May, US equities ended flattish post rallying back from reaching new 52-weeks lows during the month as prolonged Chinese lockdown, ongoing war between Russia and Ukraine and inflation concerns continued to weigh on investor sentiment. The Fed also announced its second rate-hike for the year with an aggressive 50bps increase. US inflation jumped to 8.3% YoY in April which further fueled speculations that the economy is overheating. The Fed also announced it will begin shrinking its \$8.9 trillion balance sheet in June. Chinese equities rallied after Beijing unveiled a raft of support measures to cushion an economic slowdown triggered by the country's Covid-19 zero-tolerance approach. Locally, Malaysia announced a stronger-than-expected 1Q22 GDP growth of 5% YoY, compared to -0.5% in 1Q21 mainly supported by improving domestic demand as economic activity continued to normalise with the easing of Covid-19-driven containment measures. The markets were also negatively surprised by the Overnight Policy Rate (OPR) hike of 25bp to 2.00%, as well as the delay in plans to bring in foreign workers. FBMKLCI fell by 1.9% to close at 1,570 points.

## 2.5 Review of the market (contd.)

### Market review (contd.)

In June, US released the annual inflation rate of May 2022 which was accelerated to 8.6%, the highest since 1981 due to soaring energy costs from the prolong Russia-Ukraine war crisis which added more cost pressure along with labour shortages, and supply disruptions. The Fed hiked interest rate by 75bps, the biggest increase since 1994 to a range of 1.5% to 1.75% in June. The FOMC members indicated a much stronger path of rate hike ahead to tame the inflationary pressure. US equities slides to close its worst first half in 52 years with S&P 500 down by 20.6% YTD and 8.4% in June. The Dow Jones fell by 15.3% YTD, its worst first half performance since 1962 while Nasdaq fell 29.5% YTD, its worst first half record. Locally, inflation remains suppressed by the Government's decision to keep electricity and water tariff rates unchanged for the time being. Malaysia equities were not spared from the global sell-down as FBMKLCI fell by 8.02% in June to 1,444 points, the sharpest monthly decline since the start of the Covid-19 pandemic in March 2020.

The MIMYDY40 Index started well at the beginning of the year and reached its high of 2721.20 points in 03 March 2022 before it retraced in the 2Q2022 and hit its lowest level of 2,378.14 points on 22 June 2022. The index recorded a decline of 9.29% in 1H22.

**Chart: MIMYDY40 Index Performance in 1H22**



Sources: Bloomberg, i-VCAP

### Market outlook

With US entering late cycle dynamics and decelerating growth, rising inflation and monetary policy tightening would weigh on economic expansion. Key focus remains on the path of central bank monetary policy, easing of geopolitical tensions, China lockdowns, as well as corporate earnings.

Malaysia continues to benefit from economic reopening, with a post-lockdown cyclical rebound ongoing on the back of higher consumer spending. Meanwhile, China's policy stimulus to spur economic growth, maintaining stability of capital markets, could lend support to the regional economic recovery. However, Malaysia still remains geared to global growth and economic conditions given its high dependence on exports.

## **2.5 Review of the market (contd.)**

### **Market outlook (contd.)**

Given the prevailing external uncertainties, investors' focus are expected to position defensively with focus on companies that are resilient in earnings. Hence, for investors who may prefer a mixed bag of big and mid-cap stocks with competitive dividend payout, MyETF-MMID will provide such exposure.

## **2.6 Distributions**

For the financial period under review, the Fund did not declare any income distribution.

## **2.7 Details of any unit split exercise**

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

## **2.8 Significant changes in the state of affairs of the Fund during the financial period**

There were no significant changes in the state of affairs of the Fund during the financial period and up until the date of the manager's report, not otherwise disclosed in the financial statements.

## **2.9 Circumstances that materially affect any interests of the unit holders**

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

## **2.10 Rebates and soft commissions**

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

## **2.11 Cross-trade**

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

## **2.12 Securities financing transactions**

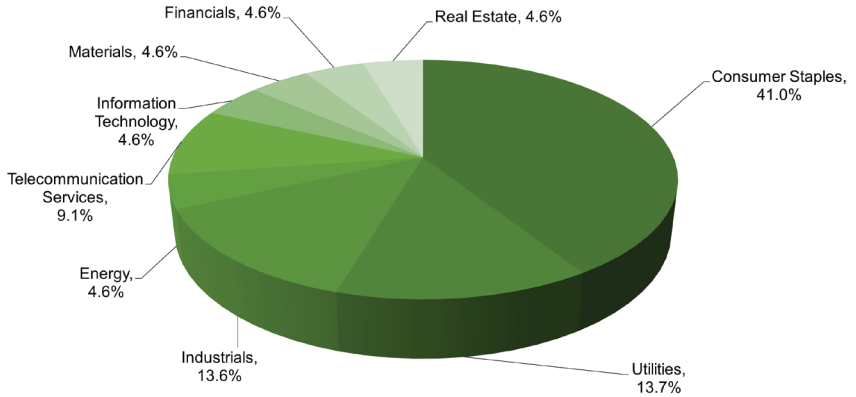
Securities financing transactions are transactions consisting of securities financing or repurchase. During the financial period under review, the Fund had not undertaken any securities financing transactions.

### 3. FUND PERFORMANCE

#### 3.1 Details of portfolio composition of the Fund as at 30 June 2022 is as follows:

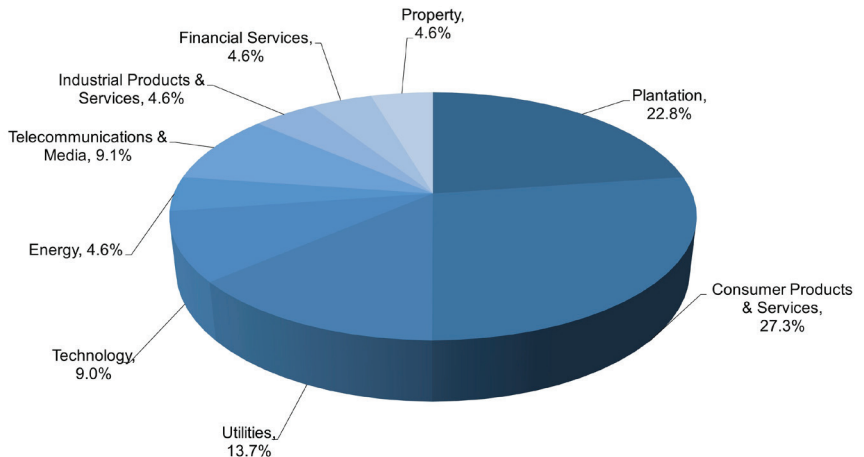
Based on Fund's quoted investments as at 30 June 2022, the sector allocation of MIMYDY40 Index based on MSCI and Bursa Securities sector classifications are as follows:

**Chart 1(a): Sector Classification – MSCI**



Source: MSCI

**Chart 1(b): Sector Classification - Bursa Malaysia**



Sources: Bursa Malaysia, MSCI

### 3.1 Details of portfolio composition of the Fund as at 30 June 2022 is as follows: (contd.)

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

In terms of sectoral weightings, notable changes to the Fund's sector composition as compared to end-December 2021 were the decrease in Telecommunication & Media from 14.29% to 8.72% and Health Care from 4.21% to 0%. On the other hand, Consumer Product & Services increased from 17.98% to 28.38% in line with the broad equity market in Malaysia. Meanwhile the weighting of other sectors have changed during the period.

**Table 1: List of Inclusions and Exclusions**

	<b>Stock Inclusions</b>	<b>Stock Exclusions</b>
1Q22	-	Time Dotcom Bhd
2Q22	PPB Group Bhd CTOS Digital Bhd Fraser & Neave Holdings Bhd	IHH Healthcare Bhd Westports Holdings Bhd -

Details of the Fund's latest top holdings and the key changes for the reporting year are as follows:

**Table 2: Top Ten Holdings of the Fund as at 30 June 2022**

	<b>Stock</b>	<b>% of NAV</b>
1.	PETRONAS Gas Bhd	9.53
2.	Sime Darby Bhd	9.34
3.	Maxis Berhad	8.72
4.	Kuala Lumpur Kepong Bhd	8.00
5.	Fraser & Neave Holdings Bhd	4.97
6.	QL Resources Bhd	4.95
7.	D&O Green Technologies Berhad	4.81
8.	Scientex Berhad	4.77
9.	Nestlé (M) Bhd	4.74
10.	Matrix Concepts Holdings Bhd	4.65
	<b>Total</b>	<b>64.48</b>

Sources: i-VCAP

### 3.1 Details of portfolio composition of the Fund as at 30 June 2022 is as follows: (contd.)

**Table 3: Fund's Sector Allocation**

	As at 30-Jun-22	As at 31-Dec-21	Change (%)
Consumer Products and Services	28.38%	17.98%	10.40%
Energy	4.38%	0.00%	4.38%
Financial Services	4.41%	4.57%	-0.16%
Health Care	0.00%	4.91%	-4.91%
Industrial Products and Services	4.77%	4.64%	0.13%
Plantation	20.70%	22.07%	-1.37%
Property	4.65%	4.52%	0.13%
Technology	8.94%	4.50%	4.44%
Telecommunications and Media	8.72%	14.29%	-5.57%
Transportation and Logistics	0.00%	4.21%	-4.21%
Utilities	14.00%	13.85%	0.15%
Cash and Others	1.05%	4.46%	-3.41%

Sources: Bursa Malaysia, i-VCAP

Details of the Fund's quoted Investments as at 30 June 2022 are as follows:

**Table 4: MyETF-MMID's Investment in Listed Equities**

	Quantity (Units)	Market Value (RM)	Market Value as a percentage of Net Asset Value (%)
<b><u>Consumer Products and Services</u></b>			
Sime Darby Bhd	969,500	2,065,035	9.34
Fraser & Neave Holdings Bhd	51,800	1,098,160	4.97
QL Resources Bhd	210,350	1,093,820	4.95
Nestlé (M) Bhd	7,900	1,047,540	4.74
PPB Group Bhd	61,000	967,460	4.38
		<b>6,272,015</b>	<b>28.38</b>
<b><u>Energy</u></b>			
Dialog Group Bhd	454,500	968,085	4.38
		<b>968,085</b>	<b>4.38</b>
<b><u>Financial Services</u></b>			
Syarikat Takaful Malaysia Keluarga Berhad	301,500	973,845	4.41
		<b>973,845</b>	<b>4.41</b>



### 3.1 Details of portfolio composition of the Fund as at 30 June 2022 is as follows: (contd.)

Details of the Fund's quoted Investments as at 30 June 2022 are as follows: (contd.)

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

	Quantity (Units)	Market Value (RM)	Market Value as a percentage of Net Asset Value (%)
<b><u>Industrial Products and Services</u></b>			
Scientex Berhad	304,800	1,054,608	4.77
		<b>1,054,608</b>	<b>4.77</b>
<b><u>Plantation</u></b>			
Kuala Lumpur Kepong Bhd	80,600	1,768,364	8.00
United Plantations Bhd	72,500	1,015,000	4.59
IOI Corporation Bhd	248,100	952,704	4.31
Genting Plantations Berhad	130,200	839,790	3.80
		<b>4,575,858</b>	<b>20.7</b>
<b><u>Property</u></b>			
Matrix Concepts Holdings Bhd	435,400	1,027,544	4.65
		<b>1,027,544</b>	<b>4.65</b>
<b><u>Technology</u></b>			
D&O Green Technologies Berhad	276,100	1,062,985	4.81
CTOS Digital Bhd	718,900	913,003	4.13
		<b>1,975,988</b>	<b>8.94</b>
<b><u>Telecommunications and Media</u></b>			
Maxis Berhad	584,100	1,927,530	8.72
		<b>1,927,530</b>	<b>8.72</b>
<b><u>Utilities</u></b>			
Petronas Gas Bhd	128,100	2,105,964	9.53
Mega First Corporation Bhd	283,100	988,019	4.47
		<b>3,093,983</b>	<b>14.00</b>
		<b>21,869,456</b>	<b>98.95</b>

Sources: Bursa Malaysia, i-VCAP

**3.2 Performance details of the Fund for the financial period ended 30 June 2022 is as follows:**

The key statistics and comparative performance of the Fund for the financial period ended 30 June 2022 are summarised as follows:

	<b>As at 30-Jun-22</b>	<b>As at 31-Dec-21</b>	<b>Change</b>
NAV per unit (RM)#	1.1277	1.2361	-8.77%
- Highest	1.2714 (03-Mar)	1.3436 (08-Jan)	
- Lowest (During the period)	1.1161 (22-Jun)	1.1723 (12-Aug)	
Price per unit (RM)#	1.1650	1.2450	-6.43%
- Highest	1.2850 (17-Feb)	1.6000 (10-May)	
- Lowest (During the period)	1.1350 (20-Jun)	1.2000 (20-Dec)	
Units in Circulation	19,600,000	27,200,000	-27.94%
Total NAV (RM)	22,103,223	33,621,662	-34.26%
Market Capitalisation (RM)	22,834,000	33,864,000	-32.57%
MIMYDY40 Index	2,404.36	2,650.47	-9.29%
MIMYDY40 Total Return Index	4,533.25	4,914.04	-7.75%
Tracking Error vs. MIMYDY40 Price Return Index (%)*	0.06	0.17	
Tracking Error vs. MIMYDY40 Total Return Index (%)*	0.04	0.19	
Management Expense Ratio (%)	0.47	0.79	

Sources: Bloomberg, i-VCAP

\* The 3-year rolling tracking error between the NAV per unit of the Fund and the Price Return and Total Return Benchmark Index. The calculation was independently sourced from Novagni Analytics and Advisory Sdn. Bhd.

### 3.3 Average total return for the Fund

	Average Returns <sup>(b)</sup>				
	YTD (%)	1-Year (%)	3-Year (%)	5-Year (%)	Since Inception (%)
MyETF- MMID - NAV Price Return <sup>(a)</sup>	-16.98	-6.48	-0.09	0.46	1.42
MIMYDY40 - Price Return Index	-18.82	-7.43	-2.21	-0.97	0.32
MyETF- MMID - NAV Total Return <sup>(a)</sup>	-16.98	-6.48	1.48	2.38	3.40
MIMYDY40 - Total Return Index	-15.71	-4.21	1.31	2.57	4.43

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.

### 3.4 Annual total return of the Fund

	YTD (%)	2021 (%)	2020 (%)	2019 (%)	2018 (%)
MyETF-MMID - NAV Price Return <sup>(a)</sup>	-16.98	-7.02	19.10	-2.59	-2.71
MIMYDY40 - Price Return Index	-18.82	-7.44	15.02	-3.13	-3.65
MyETF-MMID - NAV Total Return <sup>(a)</sup>	-16.98	-5.14	22.49	-0.17	-0.40
MIMYDY40 - Total Return Index	-15.71	-3.50	18.78	-0.06	-0.30

Sources: Bloomberg, i-VCAP

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

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

#### **4. TRUSTEE'S REPORT TO THE UNIT HOLDERS OF MYETF MSCI MALAYSIA ISLAMIC DIVIDEND ("FUND")**

We have acted as Trustee for MyETF MSCI Malaysia Islamic Dividend (the "Fund") for the financial period ended 30 June 2022. To the best of our knowledge, for the financial period under review, i-VCAP Management Sdn. Bhd. (the "Manager") has operated and managed the Fund in accordance with the following:-

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

For Deutsche Trustees Malaysia Berhad

**Soon Lai Ching**  
Senior Manager, Trustee Operations

**Gerard Ang**  
Chief Executive Officer

Kuala Lumpur

30 August 2022

## **5. SHARIAH ADVISER'S REPORT TO THE UNITHOLDERS OF MYETF MSCI MALAYSIA ISLAMIC DIVIDEND ("FUND")**

We hereby confirm the following:

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

Thank you.

For Amanie Advisors Sdn Bhd

Tan Sri Dr. Mohd Daud Bakar  
Executive Chairman

Date: 30 August 2022

## **6. STATEMENT BY THE MANAGER**

I, Syed Umar Bin Abdul Rahman Alhadad, being a director of i-VCAP Management Sdn. Bhd., do hereby state that, in the opinion of the Manager, the accompanying statement of financial position as at 30 June 2022 and the related statement of comprehensive income, statement of changes in net asset value and statement of cash flows for the financial period from 1 January 2022 to 30 June 2022 together with notes thereto, are drawn up in accordance with Malaysian Financial Reporting Standards and International Financial Reporting Standards so as to give a true and fair view of the financial position of MyETF MSCI Malaysia Islamic Dividend as at 30 June 2022 and of its financial performance and cash flows for the financial period 1 January 2022 to 30 June 2022 and comply with the requirements of the Deed.

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

SYED UMAR BIN ABDUL RAHMAN ALHADAD

Kuala Lumpur, Malaysia

30 August 2022

## 7. FINANCIAL STATEMENTS

### 7.1 STATEMENT OF COMPREHENSIVE INCOME FOR THE FINANCIAL PERIOD FROM 1 JANUARY 2022 TO 30 JUNE 2022 (unaudited)

	Note	1.1.2022 to 30.6.2022 RM	1.1.2021 to 30.6.2021 RM
<b>INVESTMENT INCOME</b>			
Dividend income		425,096	1,045,371
Profit income		1,531	2,462
Net loss from Shariah-compliant investments:			
- Financial assets at fair value through profit or loss ("FVTPL")	4	<u>(2,725,587)</u>	<u>(4,236,300)</u>
		<u>(2,298,960)</u>	<u>(3,188,467)</u>
<b>EXPENSES</b>			
Manager's fee	5	49,162	85,846
Trustee's fee	6	6,101	9,658
Index license fee	7	7,374	12,877
Auditors' remuneration		6,047	8,132
Tax agent's fee		4,860	4,860
Other expenses		43,789	16,382
Brokerage and other transaction costs		<u>37,866</u>	<u>74,893</u>
		<u>155,199</u>	<u>212,648</u>
<b>NET LOSS BEFORE TAX</b>		<b>(2,454,159)</b>	<b>(3,401,115)</b>
Income tax	8	<u>-</u>	<u>-</u>
<b>NET LOSS AFTER TAX, REPRESENTING TOTAL COMPREHENSIVE LOSS FOR THE FINANCIAL PERIOD</b>		<b><u>(2,454,159)</u></b>	<b><u>(3,401,115)</u></b>
Net loss after tax is made up as follows:			
Realised gain/(loss)		581,791	(1,079,742)
Unrealised loss	4	<u>(3,035,950)</u>	<u>(2,321,373)</u>
		<u>(2,454,159)</u>	<u>(3,401,115)</u>
Distribution for the period:			
Net distribution (RM)	9	<u>-</u>	<u>860,200</u>
Gross/Net distribution per unit (sen)	9	<u>-</u>	<u>2.53</u>

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

**7.2 STATEMENT OF FINANCIAL POSITION  
AS AT 30 JUNE 2022 (unaudited)**

	Note	30.6.2022 RM	30.6.2021 RM
<b>ASSETS</b>			
<b>INVESTMENTS</b>			
Financial assets at FVTPL	4	21,869,456	42,651,926
Short term Islamic deposits	10	<u>245,000</u>	<u>217,000</u>
		<u>22,114,456</u>	<u>42,868,926</u>
<b>OTHER ASSETS</b>			
Amount due from Manager		-	468,018
Other receivables	11	16,415	42,434
Prepayments		-	124
Cash at bank		<u>67,078</u>	<u>78,964</u>
		<u>83,493</u>	<u>589,540</u>
<b>TOTAL ASSETS</b>		<u>22,197,949</u>	<u>43,458,466</u>
<b>LIABILITIES</b>			
Amount due to Manager		7,419	-
Amount due to Trustee		986	1,609
Amount due to Index Provider		3,492	6,412
Other payables	12	<u>82,829</u>	<u>41,802</u>
<b>TOTAL LIABILITIES</b>		<u>94,726</u>	<u>49,823</u>
<b>EQUITY</b>			
Unit holders' contribution		13,947,520	33,758,040
Retained earnings		<u>8,155,703</u>	<u>9,650,603</u>
<b>NET ASSET VALUE ("NAV") ATTRIBUTABLE TO UNIT HOLDERS</b>	13	<u>22,103,223</u>	<u>43,408,643</u>
<b>TOTAL LIABILITIES AND EQUITY</b>		<u>22,197,949</u>	<u>43,458,466</u>
<b>NUMBER OF UNITS IN CIRCULATION</b>	13(a)	<u>19,600,000</u>	<u>36,000,000</u>
<b>NAV PER UNIT (RM)</b>		<u>1.1277</u>	<u>1.2058</u>

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



**7.3 STATEMENT OF CHANGES IN NET ASSET VALUE  
FOR THE FINANCIAL PERIOD FROM 1 JANUARY 2022 TO 30 JUNE 2022 (unaudited)**

	Note	Unit holders' contribution RM	Retained earnings RM	Total NAV RM
<b>1.1.2022 to 30.6.2022</b>				
At beginning of the financial period		23,011,800	10,609,862	33,621,662
Total comprehensive loss		-	(2,454,159)	(2,454,159)
Creation of units	13(a)	485,120	-	485,120
Cancellation of units	13(a)	<u>(9,549,400)</u>	-	<u>(9,549,400)</u>
At end of the financial period		<u>13,947,520</u>	<u>8,155,703</u>	<u>22,103,223</u>
<b>1.1.2021 to 30.6.2021</b>				
At beginning of the financial period		27,559,080	13,911,918	41,470,998
Total comprehensive loss		-	(3,401,115)	(3,401,115)
Creation of units	13(a)	6,198,960	-	6,198,960
Distribution	9	<u>-</u>	<u>(860,200)</u>	<u>(860,200)</u>
At end of the financial period		<u>33,758,040</u>	<u>9,650,603</u>	<u>43,408,643</u>

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

#### 7.4 STATEMENT OF CASH FLOWS

FOR THE FINANCIAL PERIOD FROM 1 JANUARY 2022 TO 30 JUNE 2022 *(unaudited)*

	1.1.2022 to 30.6.2022	1.1.2021 to 30.6.2021
	RM	RM
<b>CASH FLOWS FROM OPERATING AND INVESTING ACTIVITIES</b>		
Proceeds from sales of financial assets at FVTPL	16,063,247	20,709,042
Dividends received	479,256	1,090,521
Profit from short term Islamic deposits received	1,454	2,463
Tax agent's fee paid	(4,000)	-
Trustee's fee paid	(6,349)	(9,639)
Payment for other fees and expenses	(8,852)	(108,995)
Index license fee paid	(8,857)	(12,927)
Auditors' remuneration paid	(14,350)	-
Manager's fee paid	(52,707)	(85,681)
Purchase of financial assets at FVTPL	<u>(7,233,580)</u>	<u>(26,809,592)</u>
Net cash generated from/(used in) operating and investing activities	<u>9,215,262</u>	<u>(5,224,808)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Cash received from units created	485,120	6,248,320
Cash paid on units cancelled	(9,549,400)	-
Distribution paid	<u>-</u>	<u>(860,200)</u>
Net cash (used in)/generated from financing activities	<u>(9,064,280)</u>	<u>5,388,120</u>
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	150,982	163,312
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL PERIOD</b>	<u>161,096</u>	<u>132,652</u>
<b>CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL PERIOD</b>	<u>312,078</u>	<u>295,964</u>
Cash and cash equivalents comprise:		
Cash at bank	67,078	78,964
Short term Islamic deposits	<u>245,000</u>	<u>217,000</u>
	<u>312,078</u>	<u>295,964</u>

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

## **7.5 NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD FROM 1 JANUARY 2022 TO 30 JUNE 2022 (unaudited)**

### **1. THE FUND, THE MANAGER AND THEIR PRINCIPAL ACTIVITIES**

MyETF MSCI Malaysia Islamic Dividend (“the Fund”) was constituted pursuant to the executed Deed dated 23 December 2013 (collectively, together with deeds supplemental thereto, referred to as “the Deed”) between the Manager, i-VCAP Management Sdn. Bhd. and Deutsche Trustees Malaysia Berhad (“the Trustee”). The Fund commenced operations on 27 February 2014 and will continue to be in operation until terminated by the Trustee as provided under Part 26 of the Deed.

The Fund is an exchange-traded fund that is designed to provide investment results that closely correspond to the performance of the MSCI 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.

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

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

### **2. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES**

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

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

#### **a. Market risk**

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

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

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

### a. Market risk (contd.)

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

#### i. Interest rate risk

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

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

#### Interest rate risk exposure

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

	Up to 1 year RM	Non- exposure to interest rate movement RM	Total RM	Weighted average effective rate of return* %
<b>30.6.2022</b>				
<b>Assets</b>				
Financial assets at FVTPL	-	21,869,456	21,869,456	
Short term Islamic deposits	245,000	-	245,000	1.9
Other assets	-	83,493	83,493	
	<u>245,000</u>	<u>21,952,949</u>	<u>22,197,949</u>	
<b>Liabilities</b>				
Other liabilities	-	11,897	11,897	
<b>Total interest rate sensitivity gap</b>	<u>245,000</u>	<u>21,941,052</u>	<u>22,186,052</u>	

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

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

### a. Market risk (contd.)

#### i. Interest rate risk (contd.)

##### Interest rate risk exposure (contd.)

	Up to 1 year RM	Non- exposure to interest rate movement RM	Total RM	Weighted average effective rate of return* %
<b>30.6.2021</b>				
<b>Assets</b>				
Financial assets at FVTPL	-	42,651,926	42,651,926	
Short term Islamic deposits	217,000	-	217,000	1.5
Other assets	-	589,416	589,416	
	<u>217,000</u>	<u>43,241,342</u>	<u>43,458,342</u>	
<b>Liabilities</b>				
Other liabilities	-	8,021	8,021	
<b>Total interest rate sensitivity gap</b>	<u>217,000</u>	<u>43,233,321</u>	<u>43,450,321</u>	

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

#### ii. Price risk

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

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

### a. Market risk (contd.)

#### ii. Price risk (contd.)

##### Price risk sensitivity

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

	Changes in price Increase/(Decrease) Basis points	Effects on loss for the financial period Gain/(Loss) RM
<b>30.6.2022</b>		
Financial assets at FVTPL	<u>5/(5)</u>	<u>10,935/(10,935)</u>
<b>30.6.2021</b>		
Financial assets at FVTPL	<u>5/(5)</u>	<u>21,326/(21,326)</u>

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

##### Price risk concentration

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

	Fair value		Percentage of NAV	
	30.6.2022 RM	30.6.2021 RM	30.6.2022 %	30.6.2021 %
Financial assets at FVTPL	<u>21,869,456</u>	<u>42,651,926</u>	<u>98.9</u>	<u>98.3</u>

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

### a. Market risk (contd.)

#### ii. Price risk (contd.)

##### Price risk concentration (contd.)

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

	Fair value		Percentage of NAV	
	30.6.2022 RM	30.6.2021 RM	30.6.2022 %	30.6.2021 %
Consumer Products and Services	6,272,015	6,123,262	28.4	14.1
Plantation	4,575,858	9,564,138	20.7	22.0
Utilities	3,093,983	6,117,873	14.0	14.1
Technology	1,975,988	-	8.9	-
Telecommunications and Media	1,927,530	6,179,290	8.7	14.2
Industrial Products and Services	1,054,608	2,125,948	4.8	4.9
Property	1,027,544	2,112,628	4.6	4.9
Financial Services	973,845	2,085,390	4.4	4.8
Energy	968,085	2,075,020	4.4	4.8
Health Care	-	4,159,167	-	9.6
Transportation and Logistics	-	2,109,210	-	4.9
	<u>21,869,456</u>	<u>42,651,926</u>	<u>98.9</u>	<u>98.3</u>

### b. Credit risk

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

#### i. Credit risk exposure

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

#### ii. Financial assets that are either past due or impaired

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

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

### b. Credit risk (contd.)

#### iii. Credit quality of financial assets

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

#### Short term Islamic deposits

Rating	Percentage of total short term Islamic deposits		Percentage of NAV	
	30.6.2022	30.6.2021	30.6.2022	30.6.2021
	%	%	%	%
P1/MARC-1	100.0	100.0	1.1	0.5

### c. Liquidity risk

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

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



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

### c. Liquidity risk (contd.)

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

	Note	Up to 1 year	
		30.6.2022 RM	30.6.2021 RM
<b>Assets</b>			
Financial assets at FVTPL		21,869,456	42,651,926
Short term Islamic deposits		245,000	217,000
Other assets		83,493	589,416
	i.	<u>22,197,949</u>	<u>43,458,342</u>
<b>Liabilities</b>			
Other liabilities	ii.	<u>11,897</u>	<u>8,021</u>
Equity	iii.	<u>22,103,223</u>	<u>43,408,643</u>
Liquidity gap		<u>82,829</u>	<u>41,678</u>

#### i. Financial assets

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

#### ii. Financial liabilities

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

#### iii. Equity

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

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

### d. Shariah status reclassification risk

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

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

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

### e. Regulatory reportings

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

### 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### a. Basis of accounting

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

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

The accounting policies adopted are consistent with those of the previous financial period except for the adoption of the amended MFRS, which became effective for the Fund on 1 January 2022.

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

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

### 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTD.)

#### b. Standards and amendments issued but not yet effective

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

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

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

#### c. Financial instruments

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

##### i. Initial recognition

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

### 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTD.)

#### c. Financial instruments (contd.)

##### ii. Measurement categories of financial assets and liabilities

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

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

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

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

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

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

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

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

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

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

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

The details of these conditions are outlined below.

### 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTD.)

#### c. Financial instruments (contd.)

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

###### **Business model assessment**

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

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

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

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

###### **The SPPP test**

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

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

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

### 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTD.)

#### c. Financial instruments (contd.)

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

###### The SPPP test (contd.)

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

##### iv. Financial investments

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

#### d. Derecognition of financial assets

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

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

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

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

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

### 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTD.)

#### d. Derecognition of financial assets (contd.)

A transfer only qualifies for derecognition if either:

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

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

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

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

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

#### e. Offsetting of financial assets and liabilities

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

#### f. Impairment of financial assets

##### i. Overview of the expected credit loss ("ECL") principles

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

##### ii. Write-offs

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



### **3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTD.)**

#### **g. Income**

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

Profit income is recognised using effective yield method.

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

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

#### **h. Cash and cash equivalents**

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

#### **i. Income tax**

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

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

#### **j. Unrealised reserves**

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

#### **k. Unit holders' contribution – NAV attributable to unit holders**

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

#### **l. Functional and presentation currency**

The financial statements of the Fund are measured using the currency of the primary economic environment in which the Fund operates ("the functional currency"). The financial statements are presented in Ringgit Malaysia ("RM"), which is also the Fund's functional currency.

#### **m. Distributions**

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

### 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTD.)

#### n. Significant accounting judgments and estimates

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

##### i. Critical judgments made in applying accounting policies

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

##### ii. Key sources of estimation uncertainty

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

### 4. FINANCIAL ASSETS AT FVTPL

	<b>30.6.2022</b>	<b>30.6.2021</b>
	<b>RM</b>	<b>RM</b>
Financial assets held for trading, at FVTPL:		
Listed Shariah-compliant equity securities	<u>21,869,456</u>	<u>42,651,926</u>
	<b>1.1.2022 to</b>	<b>1.1.2021 to</b>
	<b>30.6.2022</b>	<b>30.6.2021</b>
	<b>RM</b>	<b>RM</b>
Net loss on financial assets at FVTPL comprised:		
Realised gain/(loss) on disposals	310,363	(1,914,927)
Unrealised changes in fair values	<u>(3,035,950)</u>	<u>(2,321,373)</u>
	<u>(2,725,587)</u>	<u>(4,236,300)</u>

#### 4. FINANCIAL ASSETS AT FVTPL (CONTD.)

Details of financial assets at FVTPL as at 30 June 2022:

	Quantity	Aggregate cost RM	Fair value RM	Percentage of NAV %
<b>Listed Shariah-compliant equity securities</b>				
<b>Consumer Products and Services</b>				
Fraser & Neave Holdings Berhad	51,800	1,060,496	1,098,160	5.0
Nestlé (Malaysia) Berhad	7,900	1,058,621	1,047,540	4.7
PPB Group Berhad	61,000	1,025,432	967,460	4.4
QL Resources Berhad	210,350	973,301	1,093,820	5.0
Sime Darby Berhad	969,500	2,180,109	2,065,035	9.3
		<u>6,297,959</u>	<u>6,272,015</u>	<u>28.4</u>
<b>Plantation</b>				
Genting Plantations Berhad	130,200	1,026,984	839,790	3.8
IOI Corporation Berhad	248,100	1,008,925	952,704	4.3
Kuala Lumpur Kepong Berhad	80,600	1,927,025	1,768,364	8.0
United Plantations Berhad	72,500	1,008,620	1,015,000	4.6
		<u>4,971,554</u>	<u>4,575,858</u>	<u>20.7</u>
<b>Utilities</b>				
Mega First Corporation Berhad	283,100	1,011,289	988,019	4.5
Petronas Gas Berhad	128,100	2,238,325	2,105,964	9.5
		<u>3,249,614</u>	<u>3,093,983</u>	<u>14.0</u>
<b>Technology</b>				
CTOS Digital Berhad	718,900	1,038,364	913,003	4.1
D & O Green Technologies Berhad	276,100	1,458,753	1,062,985	4.8
		<u>2,497,117</u>	<u>1,975,988</u>	<u>8.9</u>

#### 4. FINANCIAL ASSETS AT FVTPL (CONTD.)

Details of financial assets at FVTPL as at 30 June 2022: (contd.)

	Quantity	Aggregate cost RM	Fair value RM	Percentage of NAV %
<b>Listed Shariah-compliant equity securities (contd.)</b>				
<b>Telecommunications and Media</b>				
Maxis Berhad	584,100	<u>3,016,628</u>	<u>1,927,530</u>	<u>8.7</u>
<b>Industrial Products and Services</b>				
Scientex Berhad	304,800	<u>1,020,888</u>	<u>1,054,608</u>	<u>4.8</u>
<b>Property</b>				
Matrix Concepts Holdings Berhad	435,400	<u>888,818</u>	<u>1,027,544</u>	<u>4.6</u>
<b>Financial Services</b>				
Syarikat Takaful Malaysia Keluarga Berhad	301,500	<u>1,301,537</u>	<u>973,845</u>	<u>4.4</u>
<b>Energy</b>				
Dialog Group Berhad	454,500	<u>1,278,832</u>	<u>968,085</u>	<u>4.4</u>
<b>Total financial assets at FVTPL</b>		<u>24,522,947</u>	<u>21,869,456</u>	<u>98.9</u>
<b>Unrealised loss on financial assets at FVTPL</b>			<u>(2,653,491)</u>	

#### 5. MANAGER'S FEE

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

The Manager is currently charging Manager's fee of 0.4% per annum of the NAV of the Fund (financial period from 1 January 2021 to 30 June 2021: 0.4% per annum).

## 6. TRUSTEE'S FEE

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

The Trustee's fee is currently calculated at 0.045% per annum of the NAV of the Fund (financial period from 1 January 2021 to 30 June 2021: 0.045% per annum).

## 7. INDEX LICENSE FEE

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

The index license fee is currently calculated at 0.06% per annum of the NAV of the Fund (financial period from 1 January 2021 to 30 June 2021: 0.06% per annum).

## 8. INCOME TAX

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

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

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

	<b>1.1.2022 to 30.6.2022</b>	<b>1.1.2021 to 30.6.2021</b>
	<b>RM</b>	<b>RM</b>
Net loss before tax	<u>(2,454,159)</u>	<u>(3,401,115)</u>
Tax at Malaysian statutory tax rate of 24% (financial period from 1 January 2021 to 30 June 2021: 24%)	(588,998)	(816,268)
Tax effect of:		
Income not subject to tax	(176,878)	(251,480)
Loss not deductible for tax purposes	728,628	1,016,712
Expenses not deductible for tax purposes	23,849	28,422
Restriction on tax deductible expenses for exchange-traded funds	<u>13,399</u>	<u>22,614</u>
Income tax for the financial period	<u>-</u>	<u>-</u>

## 9. DISTRIBUTION

In the previous financial period, distribution on 12 March 2021 to unit holders was derived from the following source:

	1.1.2022 to 30.6.2022	1.1.2021 to 30.6.2021
	RM	RM
Undistributed income brought forward	-	1,281,785
Less: Expenses	-	<u>(421,585)</u>
Distribution for the financial period	<u>-</u>	<u>860,200</u>
Gross/Net distribution per unit (sen)	<u>-</u>	<u>2.53</u>

The income distribution included an amount of RM1,281,785 from prior financial years' realised gain.

## 10. SHORT TERM ISLAMIC DEPOSITS

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

## 11. OTHER RECEIVABLES

	30.6.2022	30.6.2021
	RM	RM
Dividends receivable	16,328	42,416
Profit receivable from short term Islamic deposits	<u>87</u>	<u>18</u>
	<u>16,415</u>	<u>42,434</u>

## 12. OTHER PAYABLES

	30.6.2022	30.6.2021
	RM	RM
Accrual for auditors' remuneration	8,097	8,118
Accrual for tax agent's fees	15,291	16,391
Sundry payables	<u>59,441</u>	<u>17,293</u>
	<u>82,829</u>	<u>41,802</u>

### 13. NET ASSET VALUE ATTRIBUTABLE TO UNIT HOLDERS

NAV attributable to unit holders is represented by:

	Note	30.6.2022 RM	30.6.2021 RM
Unit holders' contribution	(a)	<u>13,947,520</u>	<u>33,758,040</u>
<u>Retained earnings:</u>			
Realised reserves		10,809,194	11,064,565
Unrealised deficits		<u>(2,653,491)</u>	<u>(1,413,962)</u>
		<u>8,155,703</u>	<u>9,650,603</u>
		<u>22,103,223</u>	<u>43,408,643</u>

#### (a) Unit holders' contribution

	1.1.2022 to 30.6.2022		1.1.2021 to 30.6.2021	
	No. of units	RM	No. of units	RM
At beginning of the financial period	27,200,000	23,011,800	31,200,000	27,559,080
Add: Creation of units	400,000	485,120	4,800,000	6,198,960
Less: Cancellation of units	<u>(8,000,000)</u>	<u>(9,549,400)</u>	-	-
At end of the financial period	<u>19,600,000</u>	<u>13,947,520</u>	<u>36,000,000</u>	<u>33,758,040</u>

The Manager, i-VCAP Management Sdn. Bhd., and other parties related to the Manager did not hold any units in the Fund, either legally or beneficially, as at 30 June 2022 (30 June 2021: nil).

### 14. SHARIAH INFORMATION OF THE FUND

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

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

## 15. PORTFOLIO TURNOVER RATIO (“PTR”)

PTR for the the financial period from 1 January 2022 to 30 June 2022 is 0.47 times (financial period from 1 January 2021 to 30 June 2021: 0.55 times).

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

## 16. MANAGEMENT EXPENSE RATIO (“MER”)

MER for the financial period from 1 January 2022 to 30 June 2022 is 0.47% per annum (financial period from 1 January 2021 to 30 June 2021: 0.32% per annum).

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

## 17. TRANSACTIONS WITH LICENSED FINANCIAL INSTITUTIONS

	Transaction value RM	Percentage of total %	Brokerage, stamp duty and clearing fee RM	Percentage of total %
BIMB Securities Sdn Bhd	12,720,019	54.6	15,373	54.7
CIMB Group Holdings Berhad	4,382,272	18.8	5,299	18.9
Maybank Investment Bank Berhad	3,358,208	14.4	4,030	14.3
RHB Investment Bank Berhad	<u>2,837,404</u>	<u>12.2</u>	<u>3,405</u>	<u>12.1</u>
	<u>23,297,903</u>	<u>100.0</u>	<u>28,107</u>	<u>100.0</u>

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



## 18. SEGMENTAL REPORTING

### a. Business segments

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

	<b>Listed Shariah- compliant investment securities RM</b>	<b>Other Shariah- compliant investments RM</b>	<b>Total RM</b>
<b>1.1.2022 to 30.6.2022</b>			
<b>Revenue</b>			
Segment (loss)/income	(2,300,491)	1,531	
Segment expenses	<u>(37,866)</u>	<u>-</u>	
Net segment (loss)/income representing segment results	<u>(2,338,357)</u>	<u>1,531</u>	(2,336,826)
Unallocated expenditure			<u>(117,333)</u>
Loss before tax			(2,454,159)
Income tax			<u>-</u>
Net loss after tax			<u>(2,454,159)</u>
<b>30.6.2022</b>			
<b>Assets</b>			
Financial assets at FVTPL	21,869,456	-	
Short term Islamic deposits	-	245,000	
Other segment assets	<u>16,328</u>	<u>87</u>	
Total segment assets	<u>21,885,784</u>	<u>245,087</u>	22,130,871
Unallocated assets			<u>67,078</u>
			<u>22,197,949</u>
<b>Liabilities</b>			
Unallocated liabilities			<u>94,726</u>

## 18. SEGMENTAL REPORTING (CONTD.)

### a. Business segments (contd.)

	Listed Shariah- compliant investment securities  RM	Other Shariah- compliant investments  RM	Total  RM
<b>1.1.2021 to 30.6.2021</b>			
<b>Revenue</b>			
Segment (loss)/income	(3,190,929)	2,462	
Segment expenses	<u>(74,893)</u>	<u>-</u>	
Net segment (loss)/income representing segment results	<u>(3,265,822)</u>	<u>2,462</u>	(3,263,360)
Unallocated expenditure			<u>(137,755)</u>
Loss before tax			(3,401,115)
Income tax			<u>-</u>
Net loss after tax			<u>(3,401,115)</u>
<b>30.6.2021</b>			
<b>Assets</b>			
Financial assets at FVTPL	42,651,926	-	
Short term Islamic deposits	-	217,000	
Other segment assets	<u>42,416</u>	<u>18</u>	
Total segment assets	<u>42,694,342</u>	<u>217,018</u>	42,911,360
Unallocated assets			<u>547,106</u>
			<u>43,458,466</u>
<b>Liabilities</b>			
Unallocated liabilities			<u>49,823</u>

### b. Geographical segments

As all of the Fund's investments are located in Malaysia, disclosure by geographical segments is not relevant.

## 19. FINANCIAL INSTRUMENTS

### a. Classification of financial instruments

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

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

	<b>Financial assets at FVTPL RM</b>	<b>Financial assets at amortised cost RM</b>	<b>Other financial liabilities RM</b>	<b>Total RM</b>
<b>30.6.2022</b>				
<b>Assets</b>				
Listed Shariah-compliant equity securities	21,869,456	-	-	21,869,456
Short term Islamic deposits	-	245,000	-	245,000
Other receivables	-	16,415	-	16,415
Cash at bank	-	67,078	-	67,078
	<u>21,869,456</u>	<u>328,493</u>	<u>-</u>	<u>22,197,949</u>
<b>Liabilities</b>				
Amount due to Manager	-	-	7,419	7,419
Amount due to Trustee	-	-	986	986
Amount due to Index Provider	-	-	3,492	3,492
	<u>-</u>	<u>-</u>	<u>11,897</u>	<u>11,897</u>

## 19. FINANCIAL INSTRUMENTS (CONTD.)

### a. Classification of financial instruments (contd.)

	Financial assets at FVTPL RM	Financial assets at amortised cost RM	Other financial liabilities RM	Total RM
<b>30.6.2021</b>				
<b>Assets</b>				
Listed Shariah-compliant equity securities	42,651,926	-	-	42,651,926
Short term Islamic deposits	-	217,000	-	217,000
Amount due from Manager	-	42,434	-	42,434
Other receivables	-	78,964	-	78,964
Cash at bank	-	806,416	-	806,416
	<u>42,651,926</u>	<u>1,144,814</u>	<u>-</u>	<u>43,458,342</u>
<b>Liabilities</b>				
Amount due to Trustee	-	-	1,609	1,609
Amount due to Index Provider	-	-	6,412	6,412
	<u>-</u>	<u>-</u>	<u>8,021</u>	<u>8,021</u>

## 19. FINANCIAL INSTRUMENTS (CONTD.)

### b. Financial instruments that are carried at fair value

The Fund's financial assets at FVTPL are carried at fair value.

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

	Level 1 RM	Level 2 RM	Level 3 RM	Total RM
<b>Investments:</b>				
<b>30.6.2022</b>				
Listed Shariah-compliant equity securities	<u>21,869,456</u>	<u>-</u>	<u>-</u>	<u>21,869,456</u>
<b>30.6.2021</b>				
Listed Shariah-compliant equity securities	<u>42,651,926</u>	<u>-</u>	<u>-</u>	<u>42,651,926</u>

Level 1: Listed prices in active market

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

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

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

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

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

## 20. CAPITAL MANAGEMENT

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

The Fund's objectives for managing capital are:

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

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

## 8. SHARIAH ADVISER'S PROFILE

**Shariah Adviser** : Amanie Advisors Sdn Bhd ("Amanie")  
Incorporated in Kuala Lumpur, Malaysia in 2005 (Co. No. 200501007003 (684050-H)) under the Companies Act, 1965

**Corporate Information** : 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 Tan Sri Dr Mohd Daud Bakar and En Abdul Aziz Bin Abd Jalal.

**Experience as Adviser** : The company is led by Tan Sri Dr. Mohd Daud Bakar and teamed by an active and established panel of consultants covering every aspect related to the Islamic banking and finance industry, both in Malaysia and the global market. Currently, the team comprises of eight (8) full-time consultants who represent dynamic and experienced professionals with a mixture of corporate finance, accounting, product development, Shariah law and education. As at 30 April 2021, Amanie has acquired over sixteen (16) years of experience in the advisory role in capital market including unit trust funds and funds management with more than 100 funds which Amanie acts as Shariah adviser.

**Designated Person** : The designated person responsible for Shariah advisory matters of the Fund is Tan Sri Dr. Mohd Daud Bakar as the Chairman. Another consultant is:  
(1) Puan Suhaida Mahpot

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

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

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

**Tan Sri Dr. Mohd Daud Bakar**

Shariah Adviser / Executive Chairman

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

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

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

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

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

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

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



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

### **Suhaida Mahpot**

Chief Executive Officer

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

One of the sukuk advised by her has been awarded as Best Securitisation Sukuk at The Asset Triple A Islamic Finance Award (2017). Apart from sukuk advisory, her 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.

## **9. TRUSTEE'S DELEGATE**

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



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