

MyETF MSCI SEA ISLAMIC DIVIDEND

UNAUDITED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2020

	<u>Note</u>	<u>30 June 2020</u> RM	<u>Audited</u> <u>31 December 2019</u> RM
ASSETS			
Cash and cash equivalents	6	305,325	537,751
Financial assets at fair value through profit or loss	4	42,071,530	72,195,478
Dividends receivable	5	210,377	128,346
TOTAL ASSETS		<u>42,587,232</u>	<u>72,861,575</u>
LIABILITIES			
Amount due to Manager		24,433	41,363
Amount due to Trustee		1,692	2,864
Auditors' remuneration		8,130	16,350
Tax agent's fee		8,649	9,750
Shariah adviser's fee		395	413
Payables	7	38,138	65,036
TOTAL LIABILITIES		<u>81,437</u>	<u>135,776</u>
NET ASSET VALUE OF THE FUND		<u>42,505,795</u>	<u>72,725,799</u>
EQUITY			
Unit holders' capital		58,971,900	79,460,800
Accumulated losses		(16,466,105)	(6,735,001)
NET ASSETS ATTRIBUTABLE TO UNIT HOLDERS	9	<u>42,505,795</u>	<u>72,725,799</u>
NUMBER OF UNITS IN CIRCULATION	9	<u>61,000,000</u>	<u>88,000,000</u>
NET ASSET VALUE PER UNIT (RM)		<u>0.6968</u>	<u>0.8264</u>

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

MyETF MSCI SEA ISLAMIC DIVIDEND

UNAUDITED STATEMENT OF COMPREHENSIVE INCOME FOR THE FINANCIAL PERIOD FROM 1 JANUARY 2020 TO 30 JUNE 2020

	Note	01.01.2020 to 30.06.2020 RM	01.01.2019 to 30.06.2019 RM
INVESTMENT INCOME			
Gross dividend income		1,276,875	1,482,953
Profit from short term Shariah-compliant deposits		7,296	15,865
Net (loss)/gain on financial assets at fair value through profit and loss	4	(9,188,937)	4,420,456
Net foreign exchange (loss)/gain		(435)	350
		<u>(7,905,201)</u>	<u>5,919,624</u>
EXPENSES			
Management fee	12	(158,335)	(230,148)
Trustee's fee	13	(10,962)	(15,933)
License fee	14	(14,616)	(21,245)
Transaction cost		(63,943)	(60,417)
Auditors' remuneration		(8,130)	(7,640)
Tax agent's fee		(4,848)	(2,222)
Shariah adviser's fee		(3,232)	(3,188)
Purification of non Shariah-compliant income		(6,741)	(5,156)
Other expenses	15	(28,365)	(17,268)
		<u>(299,172)</u>	<u>(363,217)</u>
(LOSS)/PROFIT BEFORE TAXATION		<u>(8,204,373)</u>	<u>5,556,407</u>
Taxation	16	(181,331)	(193,200)
(LOSS)/PROFIT AFTER TAXATION AND TOTAL COMPREHENSIVE (LOSS)/INCOME FOR THE FINANCIAL PERIOD		<u><u>(8,385,704)</u></u>	<u><u>5,363,207</u></u>
Profit after taxation is made up as follows:			
Realised amount		(3,018,814)	123,383
Unrealised amount		(5,366,890)	5,239,824
		<u><u>(8,385,704)</u></u>	<u><u>5,363,207</u></u>

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

MyETF MSCI SEA ISLAMIC DIVIDEND

UNAUDITED STATEMENT OF CHANGES IN EQUITY FOR THE FINANCIAL PERIOD FROM 1 JANUARY 2020 TO 30 JUNE 2020

	Note	Unit holders' capital RM	Accumulated losses RM	Total RM
Balance as at 1 January 2020		79,460,800	(6,735,001)	72,725,799
Total comprehensive loss for the financial period		-	(8,385,704)	(8,385,704)
Distribution for the financial year ended 31 December 2019	17	-	(1,345,400)	(1,345,400)
Cancellation of units		(20,488,900)	-	(20,488,900)
Balance as at 30 June 2020		<u>58,971,900</u>	<u>(16,466,105)</u>	<u>42,505,795</u>
Balance as at 1 January 2018		79,460,800	(8,618,335)	70,842,465
Total comprehensive income for the financial period		-	5,363,207	5,363,207
Distribution for the financial year ended 31 December 2018	17	-	(1,751,200)	(1,751,200)
Balance as at 1 July 2019		<u>79,460,800</u>	<u>(5,006,328)</u>	<u>74,454,472</u>

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

MyETF MSCI SEA ISLAMIC DIVIDEND

UNAUDITED STATEMENT OF CASH FLOWS FOR THE FINANCIAL PERIOD FROM 1 JANUARY 2020 TO 30 JUNE 2020

	<u>Note</u>	01.01.2020 to 30.06.2020 RM	01.01.2019 to 30.06.2019 RM
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash used in purchase of investments		(16,387,311)	(15,438,291)
Proceeds from sales of investments		37,592,833	16,629,062
Dividends received		632,196	1,260,736
Profit from short-term Shariah-compliant deposits		7,413	15,865
Management fee paid		(175,266)	(233,355)
Trustee fee paid		(12,133)	(16,154)
License fee paid		(19,305)	(21,921)
Payment for other fees and expenses		(36,553)	(46,398)
Net cash generated from operating activities		<u>21,601,874</u>	<u>2,149,544</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Payments for cancellation of units	21	(20,488,900)	-
Payment of income distribution	17	(1,345,400)	(1,751,200)
Net cash used in financing activities		<u>(21,834,300)</u>	<u>(1,751,200)</u>
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS			
		(232,426)	398,344
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE FINANCIAL PERIOD			
		<u>537,751</u>	<u>217,109</u>
CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL PERIOD			
	6	<u>305,325</u>	<u>615,453</u>

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

MyETF MSCI SEA ISLAMIC DIVIDEND

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2020

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

A BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS

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

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

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

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

Material uncertainty relating to going concern

On 16 December 2019, the Board of Directors of Valuecap, the immediate holding company of the Manager, has resolved to explore various strategic options with regard to the Manager, including divesting or winding up the Manager and the possibility of transferring the Fund to another licensed fund management company.

Any decisions made on the Fund will be subject to the necessary regulatory approval.

Therefore, there exists a material uncertainty which may cast significant doubt on the Fund's ability to continue as a going concern. The Manager of the Fund still considers it appropriate to adopt the going concern basis in preparing the financial statements because as at the date of this report, the decision on whether to divest or wind up the Manager and the possibility of transferring the Fund to another licensed fund management company has not yet been finalised.

(a) Standards and amendments to existing standards effective 1 January 2020:

There are no standards, amendments to standards or interpretations that are effective for annual periods beginning on 1 January 2020 that have a material effect on the financial statements of the Fund.

(b) New standards, amendments and interpretations effective after 1 January 2020 and have not been early adopted:

A number of new standards, amendments to standards and interpretations are effective for annual periods beginning after 1 January 2020, and have not been early adopted in preparing these financial statements. None of these are expected to have a material effect on the financial statements of the Fund.

MyETF MSCI SEA ISLAMIC DIVIDEND

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2020 (CONTINUED)

B INCOME FROM SHARIAH-COMPLIANT FINANCIAL INSTRUMENTS

Profit income

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

Profit income is calculated by applying the effective profit rate to the gross carrying amount of a financial asset except for financial assets that subsequently become credit-impaired. For credit-impaired financial assets the effective profit rate is applied to the net carrying amount of the financial asset (after deduction of the loss allowance).

Dividend income

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

C NON SHARIAH-COMPLIANT INCOME

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

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

D TAXATION

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

Tax on income from foreign quoted securities is based on the tax regime of the respective countries that the Fund invests in. Such withholding taxes are not "income tax" in nature and are recognised, measured based on the requirements of MFRS 137. They are presented within other expenses line in the statement of comprehensive income.

E CASH AND CASH EQUIVALENTS

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

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2020 (CONTINUED)

F FINANCIAL ASSETS AND LIABILITIES

(i) Classification

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

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

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

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

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

(ii) Recognition and measurement

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

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

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

Financial liabilities are derecognised when it is extinguished, i.e. when the obligation specified in the contract is discharged or cancelled or expired.

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

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2020 (CONTINUED)

F FINANCIAL ASSETS AND LIABILITIES (CONTINUED)

(ii) Recognition and measurement (continued)

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

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

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

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

(iii) Impairment of financial assets

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

Significant increase in credit risk

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

Definition of default and credit-impaired financial assets

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

Write-off

The Fund writes off financial assets, in whole or in part, when it has exhausted all practical recovery efforts and has concluded there is no reasonable expectation of recovery. The assessment of no reasonable expectation of recovery is based on unavailability of debtor's sources of income or assets to generate sufficient future cash flows to repay the amount.

The Fund may write-off financial assets that are still subject to enforcement activity. Subsequent recoveries of amounts previously written off will result in impairment gains. There are no write-offs/recoveries during the financial year.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2020 (CONTINUED)

G AMOUNT DUE FROM/TO STOCKBROKERS

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

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

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

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

H UNIT HOLDERS' CAPITAL

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

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

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

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

I FOREIGN CURRENCY

(i) Functional and presentation currency

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

MyETF MSCI SEA ISLAMIC DIVIDEND

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2020 (CONTINUED)

I FOREIGN CURRENCY (CONTINUED)

(ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are remeasured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at financial year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in statement of comprehensive income.

Foreign exchange gains and losses that relate to cash and cash equivalents are presented in profit or loss on a net basis within the net loss on foreign exchange.

J SEGMENT REPORTING

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

K DISTRIBUTION

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

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

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

L TRANSACTION COST

Transaction costs are costs incurred to acquire or dispose financial assets or liabilities at fair value through profit or loss. They include fees and commissions paid to agents, advisors, brokers and dealers. Transaction costs, when incurred, are immediately recognised in the statement of comprehensive income as expenses.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2020 (CONTINUED)

M CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS IN APPLYING ACCOUNTING POLICIES

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

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

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

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

MyETF MSCI SEA ISLAMIC DIVIDEND

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD FROM 1 JANUARY 2020 TO 30 JUNE 2020

1 INFORMATION ON THE FUND

The exchange-traded fund was constituted under the name MyETF MSCI SEA Islamic Dividend (the "Fund") pursuant to the execution of a trust deed dated 6 February 2015 and supplemental deed dated 9 December 2016, 19 June 2017, 8 February 2019 and 13 September 2019 (the "Deed") entered into between *i*-VCAP Management Sdn. Bhd. (the "Manager") and Deutsche Trustees Malaysia Berhad (the "Trustee").

The Fund was launched on 8 April 2015 and commenced operations on 29 April 2015. The Fund will continue its operations until terminated in accordance with Part 26 of the Deed.

The Fund is an exchange-traded fund that is designed to provide investment results that closely correspond to the performance of the MSCI AC ASEAN IMI Islamic High Dividend Yield 10/40 Index ("Benchmark Index") regardless of its performance. The Benchmark Index is a free-float adjusted, market capitalisation weighted, price return index representing securities of 30 leading Shariah-compliant companies listed in the stock exchanges in South East Asia countries as determined by MSCI Inc. All investments will be subjected to the SC Guidelines on Exchange-Traded Funds, the Deed and the objective of the Fund.

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

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

Material uncertainty relating to going concern

On 16 December 2019, the Board of Directors of Valuecap Sdn Bhd, the immediate holding company of the Manager, has resolved to explore various strategic options with regard to the Manager, including divesting or winding up the Manager and the possibility of transferring the Fund to another licensed fund management company.

Any decisions made on the Fund will be subject to the necessary regulatory approval.

Therefore, there exists a material uncertainty which may cast significant doubt on the Fund's ability to continue as a going concern. The Manager of the Fund still considers it appropriate to adopt the going concern basis in preparing the financial statements because as at the date of this report, the decision on whether to divest or wind up the Manager and the possibility of transferring the Fund to another licensed fund management company has not yet been finalised.

MyETF MSCI SEA ISLAMIC DIVIDEND

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD FROM 1 JANUARY 2020 TO 30 JUNE 2020 (CONTINUED)

2 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

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

	Note	Amortised cost RM	Financial assets at fair value through profit or loss RM	Total RM
30 June 2020				
Cash and cash equivalents	6	305,325	-	305,325
Financial assets at fair value through profit or loss	4	-	42,071,530	42,071,530
Dividends receivable	5	210,377	-	210,377
Total		515,702	42,071,530	42,587,232
31 December 2019				
Cash and cash equivalents	6	537,751	-	537,751
Financial assets at fair value through profit or loss	4	-	72,195,478	72,195,478
Dividends receivable		128,346	-	128,346
Total		666,097	72,195,478	72,861,575

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

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

Market risk

(i) Price risk

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

At 30 June, the fair value of equities exposed to price risk was as follows:

	30 June 2020 RM	31 December 2019 RM
Financial assets at fair value through profit or loss	<u>42,071,530</u>	<u>72,195,478</u>

MyETF MSCI SEA ISLAMIC DIVIDEND

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD FROM 1 JANUARY 2020 TO 30 JUNE 2020 (CONTINUED)

2 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

Market risk (continued)

(i) Price risk (continued)

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

% Change in benchmark index	Benchmark index	Market value RM	Impact to profit after tax/NAV RM
<u>30 June 2020</u>			
-10%	1,649.38	37,998,119	(4,073,411)
0%	1,832.64	42,071,530	-
10%	2,015.90	46,144,941	4,073,411
<u>31 December 2019</u>			
-10%	1,836.15	64,975,930	(6,374,265)
0%	2,040.17	72,195,478	-
10%	2,244.19	79,415,026	6,374,265

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

(ii) Currency risk

Currency risk is associated with investments that are quoted and/or priced in foreign currency denomination. Foreign currency risk is the risk that the value of financial instruments will fluctuate due to changes in foreign exchange rates. The Manager will evaluate the likely directions of a foreign currency versus Ringgit Malaysia based on considerations of economic fundamentals such as interest rate differentials, balance of payments position, debt levels, and technical chart considerations.

MyETF MSCI SEA ISLAMIC DIVIDEND

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD FROM 1 JANUARY 2020 TO 30 JUNE 2020 (CONTINUED)

2 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

Market risk (continued)

(ii) Currency risk (continued)

The following table sets out the foreign currency risk concentrations arising from the denomination of the Fund's financial instruments in foreign currency:

	Financial assets at fair value through profit or loss
	RM
<u>30 June 2020</u>	
THB	14,648,021
IDR	10,156,363
SGD	6,865,495
PHP	1,505,078
	<u>33,174,957</u>
<u>31 December 2019</u>	
THB	16,738,787
IDR	19,962,036
SGD	14,927,141
PHP	5,051,435
	<u>56,679,399</u>

The table below summarises the sensitivity of the Fund's profit or loss and NAV to changes in foreign exchange movements for the Fund. The analysis is based on the assumption that the foreign exchange rates fluctuate according to the respective standard deviation of the daily fluctuations of the exchange rate of the currencies, with all other variables remaining constant. This represents management's best estimate of a reasonable shift in the foreign exchange rate, having regards to historical volatility of the rate. Disclosures below are shown in absolute terms; changes and impacts could be positive or negative.

	Change in foreign exchange rate	Impact to profit or loss/NAV
	%	RM
<u>30 June 2020</u>		
THB	+/- 5.57	+/- 815,293
IDR	+/- 7.95	+/- 807,660
SGD	+/- 3.53	+/- 242,537
PHP	+/- 4.44	+/- 66,878
<u>31 December 2019</u>		
THB	+/- 5.04	+/- 843,635
IDR	+/- 4.05	+/- 808,462
PHP	+/- 4.40	+/- 222,263
SGD	+/- 2.51	+/- 374,671

MyETF MSCI SEA ISLAMIC DIVIDEND

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD FROM 1 JANUARY 2020 TO 30 JUNE 2020 (CONTINUED)

2 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

Profit rate risk

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

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

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

Credit/Default risk

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

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

The settlement terms of the amount due from stockbrokers are governed by the relevant rules and regulations of the respective stock exchanges.

The maximum exposure to credit risk before any credit enhancements as at the end of the financial year is the carrying amount of the financial assets as set out below:

	<u>Cash and cash equivalents</u> RM	<u>Dividends receivable</u> RM	<u>Total</u> RM
<u>30 June 2020</u>			
Financial institutions			
– AAA	305,325	-	305,325
Others	-	210,377	210,377
	<u>305,325</u>	<u>210,377</u>	<u>515,702</u>
<u>31 December 2019</u>			
Financial institutions			
– AAA	511,957	-	511,957
– AA1	25,794		25,794
Others	-	128,346	128,346
	<u>537,751</u>	<u>128,346</u>	<u>666,097</u>

MyETF MSCI SEA ISLAMIC DIVIDEND

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD FROM 1 JANUARY 2020 TO 30 JUNE 2020 (CONTINUED)

3 CAPITAL AND LIQUIDITY RISK MANAGEMENT

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

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

<u>30 June 2020</u>	<u>Within one month</u> RM	<u>One month to one year</u> RM	<u>Total</u> RM
Amount due to Manager	24,433	-	24,433
Amount due to Trustee	1,692	-	1,692
Auditors' remuneration	-	8,130	8,130
Tax agent's fee	-	8,649	8,649
Shariah adviser's fee	-	395	395
Payables	-	38,138	38,138
	<u>26,125</u>	<u>55,312</u>	<u>81,437</u>
<u>31 December 2019</u>			
Amount due to Manager	41,363	-	41,363
Amount due to Trustee	2,864	-	2,864
Auditors' remuneration	-	16,350	16,350
Tax agent's fee	-	9,750	9,750
Shariah adviser's fee	-	413	413
Payables	-	65,036	65,036
	<u>44,227</u>	<u>91,549</u>	<u>135,776</u>

4 FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	<u>30 June 2020</u>	<u>31 December 2019</u>
Designated at fair value through profit or loss at inception		
- Shariah-compliant quoted securities – local	8,896,573	15,516,079
- Shariah-compliant quoted securities – foreign	33,174,957	56,679,399
	<u>42,071,530</u>	<u>72,195,478</u>
	<u>01.01.2020 to 30.06.2020</u>	<u>01.01.2019 to 30.06.2019</u>
Net (loss)/gain on financial assets at fair value through profit or loss		
- Realised loss	(3,822,482)	(819,018)
- Unrealised (loss)/gain	(5,366,455)	5,239,474
	<u>(9,188,937)</u>	<u>4,420,456</u>

MyETF MSCI SEA ISLAMIC DIVIDEND

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD FROM 1 JANUARY 2020 TO 30 JUNE 2020 (CONTINUED)

5 DIVIDENDS RECEIVABLE

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

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

6 CASH AND CASH EQUIVALENTS

	<u>30 June 2020</u>	<u>31 December 2019</u>
	RM	RM
Shariah-compliant deposits with a licensed bank	258,523	511,957
Cash at bank – From Shariah-compliant income	21,921	4,996
Cash at bank – From non Shariah-compliant income	24,881	20,798
	<u>305,325</u>	<u>537,751</u>

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

	<u>30 June 2020</u>	<u>31 December 2019</u>
	%pa	%pa
Shariah-compliant deposits with a licensed bank	<u>1.85</u>	<u>2.90</u>

As at the end of the financial period ended 30 June 2020, the Shariah-compliant deposit with a licensed bank of the Fund have a weighted average maturity period of 2 days (31 December 2019: 3 days) and are denominated in Ringgit Malaysia.

7 PAYABLES

	<u>30 June 2020</u>	<u>31 December 2019</u>
	RM	RM
Amount due to index licensor	13,257	25,557
Amount due to beneficial organisations (Note 8)	24,881	20,798
Other payables	-	18,681
	<u>38,138</u>	<u>65,036</u>

MyETF MSCI SEA ISLAMIC DIVIDEND

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD FROM 1 JANUARY 2020 TO 30 JUNE 2020 (CONTINUED)

8 AMOUNT DUE TO BENEFICIAL ORGANISATIONS

Amount due to beneficial organisations is the non Shariah-compliant income portion of dividends received and receivable as at 30 June 2020. It comprises the following amounts:

	<u>30 June 2020</u>	<u>31 December 2019</u>
	RM	RM
Cash at bank – non Shariah-compliant income	<u>24,881</u>	<u>7,607</u>

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

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

Net asset value attributable to unit holders is represented by:

	Note	<u>30 June 2020</u>	<u>31 December 2019</u>
		RM	RM
Unit holders' contribution	(a)	58,971,900	79,460,800
Accumulated losses		(16,466,105)	(6,735,001)
		<u>42,505,795</u>	<u>72,725,799</u>

(a) UNIT HOLDERS' CONTRIBUTION/UNITS IN CIRCULATION

	<u>30 June 2020</u>		<u>31 December 2019</u>	
	No. of Units	RM	No. of Units	RM
At beginning of the period/year	88,000,000	79,460,800	88,000,000	79,460,800
Cancellation during the period/year	<u>(27,000,000)</u>	<u>(20,488,900)</u>	<u>-</u>	<u>-</u>
At the end of the period/year	<u>61,000,000</u>	<u>58,971,900</u>	<u>88,000,000</u>	<u>79,460,800</u>

MyETF MSCI SEA ISLAMIC DIVIDEND

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD FROM 1 JANUARY 2020 TO 30 JUNE 2020 (CONTINUED)

10 TRANSACTIONS WITH BROKERS

Details of transactions with the brokers for the period ended 30 June 2020 are as follows:

<u>Name of brokers</u>	<u>Value</u>	<u>Percentage</u>	<u>Brokerage</u>	<u>Percentage</u>
	<u>of trade</u>	<u>of total</u>	<u>fees</u>	<u>of total</u>
	<u>RM</u>	<u>%</u>	<u>RM</u>	<u>%</u>
Kim Eng Securities (Thailand) Public Company Limited	18,233,405	46.47	21,880	46.22
Maybank Kim Eng Securities Pte Ltd	7,745,041	19.74	9,294	19.64
RHB Investment Bank Berhad	7,057,462	17.99	8,728	18.44
Kim Eng Securities (Singapore) Limited	5,661,049	14.43	6,793	14.34
Maybank Investment Bank Berhad	536,880	1.37	645	1.36
	<u>39,233,837</u>	<u>100.00</u>	<u>47,340</u>	<u>100.00</u>

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

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

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

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

	<u>30 June 2020</u>		<u>31 December 2019</u>	
	<u>No. of Units</u>	<u>RM</u>	<u>No. of Units</u>	<u>RM</u>
The Manager	-	-	-	-
Valuecap	-	-	26,765,600	22,119,092
Shareholders of Valuecap	55,531,200	38,694,140	55,531,200	45,890,984
	<u>55,531,200</u>	<u>38,694,140</u>	<u>82,296,800</u>	<u>68,010,076</u>

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

MyETF MSCI SEA ISLAMIC DIVIDEND

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD FROM 1 JANUARY 2020 TO 30 JUNE 2020 (CONTINUED)

12 MANAGEMENT FEE

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

For the financial period ended 30 June 2020, the management fee was recognised at a rate of 0.65% (2019: 0.65%) per annum on the NAV of the Fund, calculated on daily basis.

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

13 TRUSTEE'S FEE

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

For the financial period ended 30 June 2020, the Trustee's fee was recognised at a rate of 0.045% (2019: 0.045%) per annum on the NAV of the Fund, subject to a minimum of RM12,000 per annum, inclusive of local custodian fee, calculated on a daily basis.

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

14 LICENSE FEE

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

For the financial period ended 30 June 2020, the License Fee was recognised at a rate of 0.06% (2019: 0.06%) per annum of the Net Asset Value ("NAV") of the Fund, calculated on a daily basis.

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

15 OTHER EXPENSES

	01.01.2020 to 30.06.2020	01.01.2019 to 30.06.2019
	RM	RM
GST expense	-	-
Other expenses	28,365	17,268
	<u>28,365</u>	<u>17,268</u>

MyETF MSCI SEA ISLAMIC DIVIDEND

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD FROM 1 JANUARY 2020 TO 30 JUNE 2020 (CONTINUED)

16 TAXATION

	01.01.2020 to 30.06.2020	01.01.2019 to 30.06.2019
	RM	RM
Tax charged for the financial period:		
- Current taxation	<u>181,331</u>	<u>193,200</u>

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

	01.01.2020 to 30.06.2020	01.01.2019 to 30.06.2019
	RM	RM
(Loss)/profit before taxation	<u>(8,204,373)</u>	<u>5,556,407</u>
Tax at Malaysian statutory rate of 24%	(1,969,050)	1,333,538
Tax effect of:		
Investment income not subject to tax	1,897,248	(1,420,709)
Restriction on tax deductible expenses for exchange-traded funds	40,304	54,811
Expenses not deductible for tax purposes	31,498	32,360
Withholding tax	<u>181,331</u>	<u>193,200</u>
	<u>181,331</u>	<u>193,200</u>

17 INCOME DISTRIBUTION

Distribution to unit holders is from the following sources:

	2020	2019
Undistributed net exempt income brought forward	1,345,400	1,751,200
Exempt dividend income	-	-
Profits from money market placements	<u>-</u>	<u>-</u>
	1,345,400	1,751,200
Less: Expenses		
Exempt non Shariah-compliant income	-	-
Fund related expenses	<u>-</u>	<u>-</u>
Total amount of income distribution	<u>1,345,400</u>	<u>1,751,200</u>

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

<u>Distribution date (ex-date)</u>	<u>Cum-distribution</u>	<u>Distribution per unit</u>	<u>Ex-distribution</u>
<u>2020</u>			
10 March 2020	0.6830	0.0217	0.6613
<u>2019</u>			
11 March 2019	0.8229	0.0199	0.8030

MyETF MSCI SEA ISLAMIC DIVIDEND

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD FROM 1 JANUARY 2020 TO 30 JUNE 2020 (CONTINUED)

17 INCOME DISTRIBUTION (CONTINUED)

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

Distribution date (ex-date)	Cum-distribution	Total distribution amount	Ex-distribution
2020			
10 March 2020	42,345,347	1,345,400	40,999,947
2019			
11 March 2019	72,413,367	1,751,200	70,662,167

Included in the above is an amount of RM1,345,400 distributed from previous financial year's undistributed net realised exempt income.

The first and final income distribution for the financial year ended 31 December 2019 of 2.17 sen per unit was declared on 25 February 2020 based on the financial position of the Fund as at 31 December 2019 with the ex-date of 10 March 2020 and entitlement date of 12 March 2020. The total amount of income distributed was RM1,345,400 based on 62,000,000 of the Fund's units in circulation, which was paid out to unit holders on 9 April 2020.

18 MANAGEMENT EXPENSE RATIO ("MER")

	30 June 2020	30 June 2019
	%	%
MER	0.48	0.42

MER is derived from the following calculation:

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

- A = Management fee
- B = Trustee's fee
- C = Licensing fee
- D = Auditors' remuneration
- E = Tax agent's fee
- F = Shariah adviser's fee
- G = Other expenses
- H = Average net asset value of Fund calculated on daily basis

The average net asset value of the Fund for the financial period calculated on daily basis is RM48,984,167 (30 June 2019: RM72,196,478).

MyETF MSCI SEA ISLAMIC DIVIDEND

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD FROM 1 JANUARY 2020 TO 30 JUNE 2020 (CONTINUED)

19 PORTFOLIO TURNOVER RATIO ("PTR")

	<u>30 June 2020</u>	<u>30 June 2019</u>
PTR (times)	<u>0.59</u>	<u>0.21</u>

PTR is derived from the following calculation:

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

where: total acquisition for the financial period = RM18,278,446 (30 June 2019: RM88,151,370)
total disposal for the financial period = RM39,303,653 (30 June 2019: RM58,957,108)

20 SEGMENT REPORTING

The internal reporting provided to the CEO for the Fund's assets, liabilities and performance is prepared on a consistent basis with the measurement and recognition principles of MFRS. The CEO is responsible for the performance of the fund and considers the business to have a single operating segment located in Malaysia. Asset allocation decisions are based on a single, integrated investment strategy and the Fund's performance is evaluated on an overall basis.

The investment objective of the Fund is to provide investment results that, before expenses, closely correspond to the performance of the MSCI AC ASEAN IMI Islamic High Dividend Yield 10/40 Index, regardless of its performance. The reportable operating segment derives its income by seeking investments to achieve targeted returns commensurate with an acceptable level of risk within the portfolio. These returns consist of dividend income earned from investments and gains on the appreciation in the value of investments which is derived up to 30 Shariah-compliant companies listed on the stock exchanges in South East Asia countries. The constituent securities of the Benchmark Index are listed on Bursa Securities, Singapore Exchange, The Stock Exchange of Thailand, Indonesia Stock Exchange and The Philippine Stock Exchange Inc.

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

The Fund has a diversified shareholder population. However, as at 30 June 2020, there were 2 unit holders (31 December 2019: 3 unit holders) who each held more than 10% of the Fund's net asset value. Their holdings were 47.16% and 43.88% respectively (31 December 2019: 32.69%, 30.42% and 30.42%).

MyETF MSCI SEA ISLAMIC DIVIDEND

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD FROM 1 JANUARY 2020 TO 30 JUNE 2020 (CONTINUED)

21 NON CASH TRANSACTIONS

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

	<u>30 June 2020</u>	<u>30 June 2019</u>
Cancellation		
- Fair value of benchmark index shares	-	-
- Cash component	20,488,900	-
	<u>20,488,900</u>	<u>-</u>

22 FAIR VALUES OF FINANCIAL INSTRUMENTS

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

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

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

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

(i) Fair value hierarchy

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

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

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

MyETF MSCI SEA ISLAMIC DIVIDEND

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD FROM 1 JANUARY 2020 TO 30 JUNE 2020 (CONTINUED)

22 FAIR VALUES OF FINANCIAL INSTRUMENTS (CONTINUED)

(i) Fair value hierarchy (continued)

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

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

	<u>Level 1</u> RM	<u>Level 2</u> RM	<u>Level 3</u> RM	<u>Total</u> RM
Financial assets at fair value through profit and loss				
- Quoted Shares	42,071,530	-	-	42,071,530

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

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