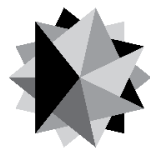


# TradePlus

## NYSE® FANG+™ Daily (2x) Leveraged Tracker

Annual Report  
30 September 2021

Out **think.** Out **perform.**



**AFFIN HWANG**  
CAPITAL

**MANAGER**  
Affin Hwang Asset Management Berhad  
199701014290 (429786-T)

**TRUSTEE**  
CIMB Commerce Trustee Berhad (313031-A)

# TRADEPLUS NYSE® FANG+™ DAILY (2X) LEVERAGED TRACKER

## Annual Report and Audited Financial Statements For the Financial Year Ending 30 September 2021

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<b>Contents</b>	<b>Page</b>
GENERAL INFORMATION.....	III
FUND INFORMATION.....	IV
FUND PERFORMANCE DATA.....	V
MANAGER'S REPORT.....	VI
THE MANAGER.....	XI
TRUSTEE'S REPORT.....	XX
FINANCIAL STATEMENT	
DIRECTORY OF SALES OFFICE	

## GENERAL INFORMATION

### MANAGER

Affin Hwang Asset Management Berhad  
199701014290 (429786-T)  
*Registered Office:*  
27<sup>th</sup> Floor, Menara Boustead,  
69 Jalan Raja Chulan  
50200 Kuala Lumpur  
Tel. No.: 03 – 2142 3700  
Fax No.: 03 – 2142 3799

### *Business Office:*

Ground Floor, Menara Boustead,  
69 Jalan Raja Chulan  
50200 Kuala Lumpur  
Tel. No.: 03 – 2116 6000  
Fax No.: 03 – 2116 6100  
Toll Free No.: 1-800-88-7080  
E-mail: [customercare@affinhwangam.com](mailto:customercare@affinhwangam.com)  
Website: [www.affinhwangam.com](http://www.affinhwangam.com)

### MANAGER'S DELEGATE

(fund valuation & accounting function)  
CIMB Commerce Trustee Berhad (313031-A)  
*Registered Office:*  
Level 13, Menara CIMB, Jalan Stesen Sentral 2  
Kuala Lumpur Sentral,  
50470 Kuala Lumpur  
Tel. No.: 03 – 2261 8888  
Fax No.: 03 – 2261 9886

### TRUSTEE

CIMB Commerce Trustee Berhad (313031-A)  
*Registered Office:*  
Level 13, Menara CIMB, Jalan Stesen Sentral 2  
Kuala Lumpur Sentral,  
50470 Kuala Lumpur  
Tel. No.: 03 – 2261 8888  
Fax No.: 03 – 2261 9886

### TRUSTEE'S DELEGATE

(Custodian Services)  
CIMB Bank Berhad (13491-P)  
*Registered Office:*  
Level 13, Menara CIMB, Jalan Stesen Sentral 2  
Kuala Lumpur Sentral, 50470 Kuala Lumpur  
Tel. No.: 03 – 2261 8888  
Fax No.: 03 – 2261 0099

### *Business Office:*

Level 21, Menara CIMB, Jalan Stesen Sentral 2  
Kuala Lumpur Sentral, 50470 Kuala Lumpur  
Tel. No.: 03 – 2261 8888  
Fax No.: 03 – 2261 9892

### COMPANY SECRETARY

Raja Shahrul Nizam Raja Yahya (LS0009904)  
27<sup>th</sup> Floor Menara Boustead,  
69 Jalan Raja Chulan  
50200 Kuala Lumpur

### REGISTRAR

Affin Hwang Asset Management Berhad  
199701014290 (429786-T)  
27<sup>th</sup> Floor, Menara Boustead,  
69 Jalan Raja Chulan  
50200 Kuala Lumpur  
Tel. No.: 03 – 2142 3700  
Fax No.: 03 – 2142 3799

## FUND INFORMATION

Fund Name	TradePlus NYSE® FANG+™ Daily (2x) Leveraged Tracker
Fund Type	Leveraged exchange-traded fund
Fund Category	Futures-based exchange-traded fund
Investment Objective	The Fund aims to provide investment results that closely correspond to the daily performance of the Benchmark
Benchmark	NYSE® FANG+™ Daily 2x Leveraged Index
Distribution Policy	The Fund may distribute income on an incidental basis

## BREAKDOWN OF UNITHOLDERS BY SIZE AS AT 30 SEPTEMBER 2021

Size of holdings (units)	No. of unitholders	No. of units held	% of units held
1 - 99	0	0	0
100 - 1,000	11	6,000	4.80
1,001 - 10,000	3	11,800	9.44
10,001 - 100,000	2	107,200	85.76
100,001 - < 5% *	0	0	0
>= 5% *	0	0	0
<b>Total</b>	<b>16</b>	<b>125,000</b>	<b>100.00</b>

5% \* - 5% Issued Shares or Paid-up Capital of the stock

## FUND PERFORMANCE DATA

Category	As at 30 Sep 2021 (%)	As at 30 Sep 2020 (%)
Portfolio composition		
Collective investment schemes – local	50.00	46.99
Quoted derivative - futures	-8.94	9.20
Cash and Cash Equivalent	58.94	43.81
<b>Total</b>	<b>100.00</b>	<b>100.00</b>
Total NAV (MYR 'million)	1.777	1.916
NAV per Unit (MYR)	14.2197	9.3005
Unit in Circulation (million)	0.125	0.206
Highest NAV per unit	16.5298	10.2449
Lowest NAV per unit	8.8843	2.7163
Return of the Fund (%) <sup>iii</sup>	52.89	132.51
- Capital Growth (%) <sup>i</sup>	52.89	132.51
- Income Distribution (%) <sup>ii</sup>	Nil	Nil
Gross Distribution per Unit (sen)	Nil	Nil
Net Distribution per Unit (sen)	Nil	Nil
Management Expense Ratio (%) <sup>1</sup>	1.36	1.59
Portfolio Turnover Ratio (times) <sup>2</sup>	13.23	10.46
Tracking Error	7.17	17.40

### **Basis of calculation and assumption made in calculating the returns:-**

The performance figures are a comparison of the growth/decline in NAV for the stipulated period taking into account all the distribution payable (if any) during the stipulated period.

An illustration of the above would be as follow:-

Capital return	=	NAV per Unit end / NAV per Unit begin – 1
Income return	=	Income distribution per Unit / NAV per Unit ex-date
Total return	=	(1+Capital return) x (1+Income return) – 1

<sup>1</sup>The Fund's MER was lower than previous year due to higher average NAV of the Fund for the financial year.

<sup>2</sup>The Fund's PTR was higher than previous year due to higher trading activities for the financial year.

## MANAGER'S REPORT

### Income Distribution / Unit Split

No income distribution or unit split were declared for the financial period ended 30 September 2021.

### Performance Review

For the period 1 October 2020 to 30 September 2021, the Fund registered a 52.89% return compared to the benchmark return of 47.89%. The Fund thus outperformed the Benchmark by 5.00%. The Net Asset Value ("NAV") of the Fund as at 30 September 2021 was MYR1,777,457.99 (MYR14.2197 per unit) while the NAV as at 30 September 2020 was MYR1,915,901.69 (MYR9.3005 per unit).

Since commencement, the Fund has registered a return of 255.49% compared to the benchmark return of 345.68%, underperforming by 90.19%. The Fund has met its investment objective.

Table 1: Performance of the Fund

	<b>1 Year (1/10/20 - 30/9/21)</b>	<b>Since Commencement (26/11/19 - 30/9/21)</b>
<b>Fund</b>	<b>52.89%</b>	<b>255.49%</b>
<b>Benchmark</b>	<b>47.89%</b>	<b>345.68%</b>
<b>Underlying Index</b>	<b>29.65%</b>	<b>142.87%</b>
<b>Outperformance VS Benchmark</b>	<b>5.00%</b>	<b>(90.19%)</b>

Source of Benchmark: Bloomberg

Table 2: Average Total Return

	<b>1 Year (1/10/20 - 30/9/21)</b>	<b>Since Commencement (26/11/19 - 30/9/21)</b>
<b>Fund</b>	<b>52.89%</b>	<b>98.54%</b>
<b>Benchmark</b>	<b>47.89%</b>	<b>124.36%</b>
<b>Underlying Index</b>	<b>29.65%</b>	<b>61.58%</b>
<b>Outperformance VS Benchmark</b>	<b>5.00%</b>	<b>(25.82%)</b>

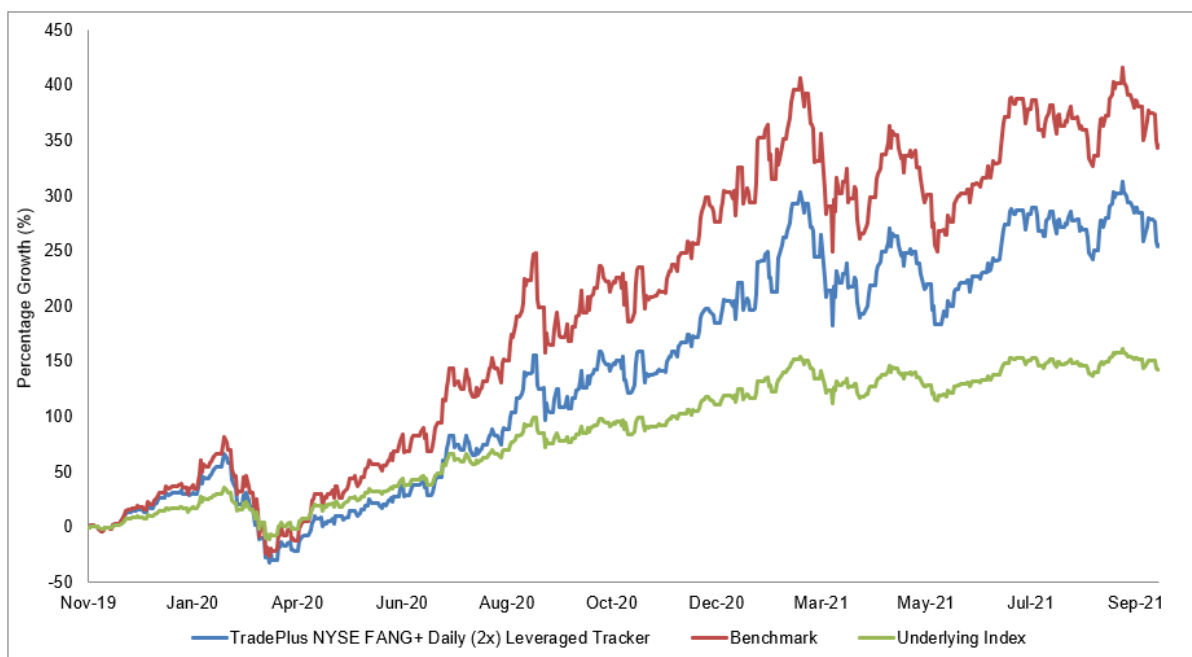
Source of Benchmark: Bloomberg

Table 3: Annual Total Return

	<b>FYE 2021 (1/10/20 - 30/9/21)</b>	<b>FYE 2020 (26/11/19 - 30/9/20)</b>
<b>Fund</b>	<b>52.89%</b>	<b>132.51%</b>
<b>Benchmark</b>	<b>47.89%</b>	<b>201.37%</b>
<b>Underlying Index</b>	<b>29.65%</b>	<b>87.32%</b>
<b>Outperformance VS Benchmark</b>	<b>5.00%</b>	<b>(68.86%)</b>

Source of Benchmark: Bloomberg

Figure 1: Movement of the Fund versus the Benchmark since commencement.



*"This information is prepared by Affin Hwang Asset Management Berhad (AFFINHWANGAM) for information purposes only. Past earnings or the fund's distribution record is not a guarantee or reflection of the fund's future earnings/future distributions. Investors are advised that unit prices, distributions payable and investment returns may go down as well as up. Source of Benchmark is from Bloomberg."*

Benchmark: NYSE® FANG+™ Daily 2x Leveraged Index

Underlying Index: NYSE® FANG+™ Index

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

### **Asset Allocation**

As at 30 September 2021, the ETF's asset allocation stood at 50.00% in local collective investment schemes, -8.94% in quoted derivatives while the remaining was held in cash and cash equivalent. This provided the ETF with an exposure of 198.19% into the NYSE® FANG+™ Index.

### **Strategies Employed**

The Manager continues to adopt the full replication strategy. The Manager invested into quoted derivatives or futures to provide investment results that closely correspond to the performance of the Benchmark. As at 30 September 2021, the Fund's AUM stood at RM1.777 million, with quoted derivatives or futures amounting to -8.94% of the Fund's NAV.

While the Fund's AUM remain relatively small, the Manager has decided to absorb fees such as the Management Fees, and Licensing Fees incurred by the Fund to minimise the Fund's tracking error.

### **Market Review**

Global equities started 2021 on a strong note as policy easing, and global vaccine rollouts went underway. At the start of January, US markets saw strong optimism. The storming of the US Capitol in early January had little effect over the broader market. However, a black swan event at the end of the month saw retail investors selectively targeting underperforming stocks (e.g. GME and AMC) that resulted in a short squeeze and pushing their share prices to new highs.

US equity markets ended the month of February with modest gains though sentiment was tested as surging bond yields and inflation fears took precedence. Whilst equities and bonds tend to move in opposite directions, the reality is that equity outperformance in the past year has largely come from growth-centric

stocks and “stay at home” trades, which were facing short-term squeezes on their profit margins from rising rates. Another factor is the shift from growth to value, with value stocks performing better over the period.

Global equities endured a mixed session in March as US-China tensions boiled over dampening sentiment. With recovery still in a fragile state, global central banks including the Fed are expected to keep monetary policy accommodative to nurse the economy through the pandemic. Meanwhile, rising bond yields continue to unsettle markets. Banks are enjoying higher trading fees and lower provision costs as the economy gradually regains its footing.

Global markets shrugged off inflation fears to climb higher in June as investors start to buy-in to the Fed’s dovish testimony. The S&P 500 and Nasdaq index rose, buoyed by stimulus optimism after early indication of bipartisan support of the proposed US\$1.2 trillion infrastructure bill in the US Congress. US Fed Chair, Jerome Powell testified in the House of Representatives to reiterate the central bank’s view that inflation is transitory and that the FOMC will not rush to hike rates. The yield on the 10-year Treasury note tumbled as the Fed affirmed that it would not pre-emptively hike rates before signs of a recovery.

In Asia, the MSCI Asia ex-Japan index was marginally weaker in June as sentiment was dampened on geopolitical tensions and consolidation seen in China’s economy. The Group of Seven (“G7”) nations and North Atlantic Treaty Organisation (“NATO”) held its annual summit with political leaders from US and Europe vowing to toughen its stance on China.

China had also reported weaker than expected retail sales and industrial production data. Industrial production grew 8.8% y-o-y in May, which came below consensus expectations of 9.2%. Weaker upstream production as well as a power shortage in the Yunan province which is an aluminium production hub led to lower factory output. May retail sales which rose 12.4% y-o-y also fell market expectations of 14.0%. However, weaker economic data could push back any chance of further tightening in China as policymakers look to sustain growth.

Asia was dragged by the weakness in the Chinese market in July. Once again, China saw regulators cracking down on businesses, this time targeting the education sector. Authorities had banned the provision of holiday and weekend tutoring, and further said that they will no longer approve the establishment of new tuition centres. Instead, tutoring companies are being asked to register as non-profit institutions.

In Asia, the MSCI Asia ex-Japan index reversed course by climbing slightly higher. Regulatory noise still dominated headlines in China amidst calls for more oversight in the electric vehicle (EV) industry. The Fed is currently adopting a wait-and-see approach to the Delta variants impact and its implication on job data, highlighting that inflation is transitory and it was more harmful to react amidst the temporary surge in inflation.

The local equity market’s performance was muted relative to regional peers. In the February result season, the tech sector was largely reporting earnings that beat expectations on the back of robust demand. Meanwhile, Finance Minister clarified in an interview that the government is not looking to impose capital gains tax on stocks. The government was mulling new taxes to widen its revenue base once the economy is on a more stable footing.

The Malaysian bond market saw an unwinding of “rate cut” bets at the end of January following BNM’s announcement to keep interest rates unchanged at 1.75% highlighting that recovery of the local economy was underway. The shorter-end of the MGS curve saw yields rise whilst longer-tenured papers remained resilient that month.

Yields trended higher in tandem with US treasury movement in the quarter. Undoubtedly, the performance of the local bond market has been subpar since the start of the year; especially given the volatility in US Treasury yields, as well as the lack of support from EPF due to its ongoing commitment to the i-Sinar and i-Lestari programme. However, demand was seen returning in March, as more investors – including insurance players and asset managers – are seen nibbling into the market given the more attractive yield levels.

Fiscal deficit is expected to breach above the government’s target of 6.0%. With the unveiled PEMULIH stimulus package, we could see the debt ceiling be raised to 65.0% from 60.0%. This could translate to more government bond supplies, which may put further pressure on Malaysia’s sovereign rating.

On the monetary policy side, Bank Negara Malaysia (“BNM”) kept Overnight Policy Rates (“OPR”) at 1.75% in its monetary policy meeting in July. The central bank remained slightly optimistic on Malaysia’s growth outlook on the back of various support measures in place, vaccine rollouts, as well as stronger export numbers.



Political risks abated slightly with the appointment of Datuk Seri Ismail Sabri Yaakob as the 9th Prime Minister after securing the majority support of 114 MPs. The next Parliament sitting is slated in September which Datuk Seri Ismail Sabri will face a test of majority support through a vote of confidence. With political stability expected until the next General Election (GE) due by 2023, the local market could see further support on the back of continued vaccination roll-outs. The gradual reopening of more economic sectors also point to economic growth improving in the coming quarters.

During its quarterly GDP briefing, BNM said that Malaysia's GDP grew 16.1% y-o-y in the 2Q'21, although it contracted 2% on a q-o-q basis. The central bank also revised its full-year GDP growth forecast for Malaysia to between 3% and 4%, from the previous forecast of between 6% and 7.5% for 2021.

Prime Minister Datuk Seri Ismail Sabri Yaakob unveiled his cabinet line-up with familiar faces at the helm. Foreigners turned net buyers in the last week of August with net inflows rising to the tune of RM960 million which is the strongest weekly inflow since 2019.

On a separate note, Bank Negara Malaysia is slated to hold its next Monetary Policy Committee meeting on 9 September 2021. Despite recently revising its 2021 GDP forecast to a lowered range of 3.0-4.0%, we expect the central bank to keep rates unchanged at 1.75% amid several supportive drivers including: (i) healthy vaccination rollouts, (ii) robust external demand, and (iii) gradual reopening of sectors and economies.

### **Investment Outlook**

Global markets have rallied sharply from their lowest, supported by fiscal and monetary stimulus. The economy is still recovering, albeit at a slow pace, as consumers' confidence return. Recovery plays will be the most obvious theme for the year of improving macroeconomic conditions and the inevitable rollout of vaccines has everyone looking to the future and letting go of 2020's miseries. We have already seen the rotation from growth to value take place in the start of 2021.

Earnings momentum will continue in 2021 with earnings growth projected to rise in Asia ex-Japan. Key sectors leading the recovery include the energy, consumer discretionary and industrials. Though, this is tempered by moderately higher valuations which has crept up above historical averages. Liquidity conditions remain positive and with earnings visibility from Asian companies that are riding along a China-led economic recovery, Asia continues to be an ocean of growth potential as the region continues to grow. Selected Chinese consumer names which are less likely to be pressured by regulatory headwinds were deemed more favourable.

Back home, economic recovery continues to progress as international borders slowly start to reopen. On COVID-19 developments, over 90% of Malaysia's adult population has been vaccinated. From a bottom-up perspective, the domestic focus will be on the recovery beneficiaries and exporters in the technology and EMS segment which have strong earnings visibility in the near term as well increasing demand. Weights in politically sensitive stocks have also been trimmed as the situation remains fluid.

ESG funds have also been gathering plenty of interest and we will expect this investor shift to ESG-focused funds to be more commonplace across the industry. The Biden administration's foray into building stronger climate change initiatives also signals a shift for the investment industry as this will generate more opportunities across asset classes. The wider implications of this on the economy will take time to materialise, but will continue to be observed.

### **State of Affairs of the Fund**

There is neither any significant change to the state of affairs of the Fund nor any circumstances that materially affect any interests of the unit holders during the period under review.

### **Soft Commissions received from Brokers**

As per the requirements of the Securities Commission's Guidelines on Exchange-Traded Funds and Guidelines on Compliance Function for Fund Management Companies, soft commissions received from brokers/dealers may be retained by the management company only if the –

- (i) goods and services provided are of demonstrable benefit to Unit holders of the Fund; and
- (ii) goods and services are in the form of research and advisory services that assists in the decision making process.

During the financial period under review, the management company had received on behalf of the Fund, soft commissions in the form of research materials, data and quotation services, investment-related publications, market data feed and industry benchmarking agencies which are of demonstrable benefit to Unitholders of the Fund.

**Cross Trade**

No cross trade transactions have been carried out during the reported period.

## THE MANAGER

### Board of Directors

Name	Dato' Teng Chee Wai
Designation	Managing Director
Age	55
Gender	Male
Nationality	Malaysian
Qualification	Bachelor of Science, National University of Singapore Post-Graduate Diploma in Actuarial Studies, City University in London.
Working Experience and Occupation	<p><b><u>Current</u></b></p> <ul style="list-style-type: none"> <li>• Founder &amp; Managing Director of AHAM</li> </ul> <p><b><u>Past</u></b></p> <ul style="list-style-type: none"> <li>• Assistant General Manager (Investment), Overseas Assurance Corporation</li> <li>• Investment Manager, NTUC Income, Singapore</li> </ul>
Date appointed to the Board	23 December 2004
Details of membership of any Board Committee in AHAM	None
Details of other Directorship in public companies and listed issuers	<ul style="list-style-type: none"> <li>• Director of Affin Hwang Trustee Berhad</li> <li>• Chairman of Bintang Capital Partners Berhad</li> </ul>
Conflict of interests with the Fund	None
List of convictions for offences within the past 5 years and particulars of any public sanction or penalty imposed by the relevant regulatory bodies other than traffic offences	None
Number of board meetings attended in the financial year	12/12

Name	Raja Tan Sri Dato' Seri Aman bin Raja Haji Ahmad
Designation	Chairman, Non - Independent Non - Executive Director
Age	76
Gender	Male
Nationality	Malaysian
Qualification	Raja Tan Sri Dato' Seri Aman graduated from Universiti Malaya. He is a Fellow of the Institute of Chartered Accountants in England and Wales, member of the Malaysian Institute of Certified Public Accountants and the Malaysian Institute of Accountants as well as a Fellow of the Institute of Bankers Malaysia.
Working Experience and Occupation	<p>Raja Tan Sri Dato' Seri Aman held various positions in the Maybank Group from 1974 to 1985 prior to joining Affin Bank Berhad as an Executive Director. In 1992, he joined Perbadanan Usahawan Nasional Berhad as its CEO before he was re-appointed as the CEO of Affin Bank Berhad in 1995.</p> <p>Raja Tan Sri Dato' Seri Aman had served as a</p>

	<p>member of the National Pension Fund's ("KWAP") Investment Panel and he is currently the Chairman of Lembaga Tabung Angkatan Tentera's (LTAT) Investment Committee. He had also served as a member of the Malaysian Government's Working Group Policy of the Special Task Force to Facilitate Business (PEMUDAH) for a period of ten (10) years from 2007 to 2017.</p> <p>He was previously served as Director of Affin Hwang Investment Bank Berhad.</p>
Date appointed to the Board	19 February 2019
Details of membership of any Board Committee in AHAM	None
Details of other Directorship in public companies and listed issuers	<ul style="list-style-type: none"> <li>• Chairman of Ahmad Zaki Resources Berhad</li> <li>• Director of Tomei Consolidated Berhad</li> </ul>
Conflict of interests with the Fund	None
List of convictions for offences within the past 5 years and particulars of any public sanction or penalty imposed by the relevant regulatory bodies other than traffic offences	None
Number of board meetings attended in the financial year	12/12

Name	ELEANOR SEET OON HUI (XUE ENHUI ELEANOR)
Designation	Non-Independent Non-Executive Director
Age	46
Gender	Female
Nationality	Singaporean
Qualification	Bachelor of Economics, University of New South Wales, Sydney
Working Experience and Occupation	<p><b>Present:</b></p> <ul style="list-style-type: none"> <li>• Representative director</li> <li>• President and Director of Nikko Asset Management Asia Limited</li> <li>• Head of Asia ex-Japan of Nikko Asset Management (Nikko AM)</li> </ul> <p><b>Past:</b></p> <ul style="list-style-type: none"> <li>• Director, AxJ Intermediaries, BlackRock/ BGI</li> <li>• Director, SE Asia, AllianceBernstein</li> </ul> <p><b>Other Appointments:</b></p> <ul style="list-style-type: none"> <li>• Serves as Vice-Chairman on the Executive Committee of the Investment Management Association of Singapore (IMAS)</li> </ul>
Date appointed to the Board	30 March 2018
Details of membership of any Board Committee in AHAM	<ul style="list-style-type: none"> <li>• Member of Board Audit Committee</li> <li>• Member of Board Compliance and Risk Management Committee</li> </ul>
Details of other Directorship in public companies and listed issuers	None
Conflict of interests with the Fund	None
List of convictions for offences within the past 5 years and particulars of any public sanction or penalty imposed by the relevant regulatory bodies	None

other than traffic offences	
Number of board meetings attended in the financial year	12/12

Name	Faizal Sham Bin Abu Mansor
Designation	Independent Non-Executive Director
Age	51
Gender	Male
Nationality	Malaysian
Qualification	Encik Faizal graduated with a Bachelor of Science in Accounting from Rutgers University, New Jersey, USA. He later went on to obtain his Master in Business Administration from Ohio University, Athens, USA. Faizal also has a Diploma in Aviation Studies from the International Air Transport Association. He is a Fellow of the Chartered Accountants Australia & New Zealand and a former Member of the Malaysian Institute of Accountants.
Working Experience and Occupation	<p>Encik Faizal Sham started his career with the Securities Commission before gaining experience within the financial services industry through his tenure at Bank of Tokyo-Mitsubishi (M) Berhad, and Arab-Malaysian Merchant Bank Berhad which is now known as AmlInvestment Bank Berhad.</p> <p>He left Malaysia in 1998 to work in Australia for Polyaire Holdings Pty Ltd, a manufacturer and distributor of air-conditioning components before returning to rejoin AmlInvestment Bank Berhad in 2003 where he provided financial advisory services to some of the largest corporates in the country.</p> <p>He then moved on to become the Chief Financial Officer of WWE Holdings Berhad and later established his career at Malaysia Airports Holdings Berhad where he had helped restructure the company, drive its financial performance and raise its profile with the investor community and international business expansion.</p> <p>Prior to his appointment as Director of the Company, Encik Faizal Sham was the Chief Executive Officer of Astro Productions, and Head of Astro Awani within Astro Malaysia Holdings Berhad.</p> <p>Encik Faizal was also served as a Senior Director, Finance &amp; Procurement at MARA Corporation Sdn Bhd, an investment holding company of Majlis Amanah Rakyat (MARA).</p> <p>He is presently an Independent Non Executive Director of Solution Group Berhad</p>
Date appointed to the Board	5 July 2019
Details of membership of any Board Committee in AHAM	<ul style="list-style-type: none"> <li>• Chairman of Board Audit Committee</li> <li>• Member of Board Compliance and Risk Management Committee</li> </ul>
Details of other Directorship in public companies and listed issuers	None
Conflict of interests with the Fund	None
List of convictions for offences within the past 5 years and particulars of any public sanction or penalty imposed by the relevant regulatory bodies other than traffic offences	None
Number of board meetings attended in the financial year	12/12

Name	Major General Dato' Zulkiflee bin Mazlan (R)
Designation	Independent Non-Executive Director
Age	67
Gender	Male
Nationality	Malaysian
Qualification	<ul style="list-style-type: none"> <li>• Graduated from the Royal Military Academy at Sandhurst</li> <li>• Bachelor of Law (Hons) from Institute Technology of Mara</li> <li>• Master Degree in National Security Strategy from National Defense University, Fort McNair, Washington DC</li> </ul>
Working Experience and Occupation	<p><b>Present:</b> Major. Gen Dato' Zulkiflee is the Chairman of Koperasi Angkatan Tentera Malaysia and he also sits on the Board of Great Eastern Takaful Berhad.</p> <p><b>Past:</b> Major General Dato' Zulkiflee had a distinguished career in the Malaysian Armed Forces. He also held numerous commands and staff appointments at the Ministry of Defence. He had served as Director General of Jabatan Hal Ehwal Veteran. He was the Chief Executive Officer of Yayasan Veteran Angkatan Tentera Malaysia and also served on the Board of Perbadanan Hal Ehwal Bekas Tentera. He was previously served as the Chairman of Affin Hwang Investment Berhad and Affin Hwang Trustee Berhad.</p>
Date appointed to the Board	1 September 2019
Details of membership of any Board Committee in AHAM	<ul style="list-style-type: none"> <li>• Chairman of Board Compliance and Risk Management Committee</li> <li>• Member of Board Audit Committee</li> </ul>
Details of other Directorship in public companies and listed issuers	<ul style="list-style-type: none"> <li>• Director of Great Eastern Takaful Berhad</li> </ul>
Conflict of interests with the Fund	None
List of convictions for offences within the past 5 years and particulars of any public sanction or penalty imposed by the relevant regulatory bodies other than traffic offences	None
Number of board meetings attended in the financial year	12/12

Name	Puan Mona Suraya bt Kamaruddin
Designation	Non-Independent Non-Executive Director
Age	55
Gender	Female
Nationality	Malaysian
Qualification	<ul style="list-style-type: none"> <li>• Emile Woolf College - CIMA (stage 3)</li> <li>• University College of Wales Aberystwyth- BSc (Economic) in Accounting (Hons)</li> </ul>
Working Experience and Occupation	<p><b>Present:</b> Chief Executive Officer of Affin Hwang Investment Bank Berhad</p> <p><b>Past:</b></p>

	<ul style="list-style-type: none"> <li>• Managing Director, Head of Equities, Nomura Securities Malaysia Sdn Bhd (“NSM”)</li> <li>• Vice-President, Institutional Sales, JP Morgan Securities Malaysia</li> <li>• Senior Manager, Institutional Sales, Arab-Malaysian Securities Malaysia</li> <li>• Head of Research, MGI Securities Sdn Bhd</li> <li>• Senior Investment Analyst, Crosby Securities, KL</li> <li>• Senior Investment Analyst, Standard Chartered Securities</li> <li>• Investment Analyst, Arab-Malaysian Securities Sdn Bhd</li> </ul>
Date appointed to the Board	12 Oct 2020
Details of membership of any Board Committee in AHAM	<ul style="list-style-type: none"> <li>• Member of Board Audit Committee</li> <li>• Member of Board Compliance and Risk Management Committee</li> </ul>
Details of other Directorship in public companies and listed issuers	NIL
Conflict of interests with the Fund	None
List of convictions for offences within the past 5 years and particulars of any public sanction or penalty imposed by the relevant regulatory bodies other than traffic offences	None
Number of board meetings attended in the financial year	10/10

## Director's Training

The Board acknowledges the importance of continuing education for its Directors. During the Financial Year Ended 2021, the Board members had attended various training programmes, workshops, seminars, briefings and/or conferences on various subjects in accordance to the respective Director's own training needs. These trainings include:

### TENG CHEE WAI

Organiser	Name of Programme
FMTCS Sdn Bhd	Environment, Social and Governance (ESG): Values- Based Investing.
FMTCS Sdn Bhd	Alternative Investments: A 21 <sup>st</sup> Century Perspective.
Affin Hwang Asset Management Berhad ("AHAM")	Corporate Liability on Corruption under the MACC Act 2009.
Affin Bank Berhad ("ABB")	AFFIN Semi Annual Board Training – Demystifying Digital Transformation.
ABB / Asian Banking School	Blockchain, Cryptocurrencies and The Rise of Alternative Fundraising Channels.
AHAM	AML/CFT & TFS: Evolving Challenges & Expectations in Regulatory Compliance.

### RAJA TAN SIR DATO' SERI AMAN BIN RAJA HAJI AHMAD

Organiser	Name of Programme
Ahmad Zaki Resources Berhad	Covid-19: Micro Outlook 2nd Half 2021.
Affin Hwang Asset Management Berhad ("AHAM")	Corporate Liability on Corruption under the MACC Act 2009.
AHAM	AML/CFT & TFS: Evolving Challenges & Expectations in Regulatory Compliance.

### ELEANOR SEET OON HUI (XUE ENHUI ELEANOR)

Organiser	Name of Programme
Nikko AM	NikkoAM FOREWORD™ 2020 Virtual Conference – Rising Above the Noise.
The Institute of Banking & Finance Singapore ("IBF")	Emerging stronger from COVID-19: Co-Creating Opportunities for Our Workforce.
Money Authority of Singapore ("MAS")	Industry Engagement Session for Asset Managers.
Bloomberg Women's Buy-Side Network ("BWBN")	Sustainable Infrastructure: The Next Big Thing?
Bloomberg	Attitudes Towards Sustainable and Responsible Investment in Asia.
Ernst & Young ("EY")	2020 Global Alternative Fund Symposium – Singapore.
HSBC	Digital Thought Leadership C-Suite Roundtable for Institutional Investors.



The Asset	Digitalization: The Future of Investing.
Stewardship Asia	Stewardship & Sustainability: Moving from Intent to Impact.
IMAS	IMAS Fintech Jam 2020.
Milken Institute	2020 Milken Institute Asia Summit.
MAS	Leading Together - A SkillsFuture LDI Event.
MAS	The 13th Financial Sector Tripartite Committee (FSTC) .
IMAS   Bloomberg	IMAS-Bloomberg Investment Conference 2021: "The Future of Capital".
IMAS   Bloomberg	IMAS Digital Summit 2021.
IMAS   Bloomberg	IMAS-Bloomberg C-Suite Power Tea with PRI CEO, Fiona Reynolds.
Trans-tasman Business Circle	Act +Invitation Dialogue Session with Nimish Shah: Chief Digital Officer, Bank of Singapore.
NUS Business School	The Stewardship Edge Programme.
Bloomberg	Bloomberg In-conversation: Biden Administration on US-China Relations.
Milken	Milken S&P virtual roundtable - The Art & Science of Workplace Well-Being: What is a Leader's Role?
MAS IBF	MAS-IBF Growing Timber Webinar Series: A Tech-Enabled Financial Sector – Is Our Workforce Ready?
MAS BIS	MAS-BIS Conference on "Macro-Financial Stability Policy in a Globalised World".
MAS BIS	MAS-BIS Conference: Panel Small Open Economies & Concluding Remarks.
Affin Bank Berhad ("ABB")	Affin Semi-Annual Board Training   Demystifying Digital Transformation.
Affin Hwang Asset Management Berhad ("AHAM")	Directors' Training Program: Corporate Liability Under Section 17A of the MACC Act 2009.
IMAS	Sustainable Investment & MAS Guidelines on Environmental Risk Management Module.
ABB / Asian Banking School	Blockchain, Cryptocurrencies and the Rise of Alternative Fundraising Channels.
MAS IBF	MAS-IBF Growing Timber Webinar Series: Powering Our International Financial Centre with a Globalised Singaporean Workforce.
AHAM	AML/CFT & TFS: Evolving Challenges & Expectations in Regulatory Compliance.
Institute of Policy Studies ("IPS")	IPS Corporate Associates Breakfast Dialogue on "Virtually Unlimited Singapore".

#### FAIZAL SHAM BIN ABU MANSOR

Organiser	Name of Programme
Affin Hwang Asset Management Berhad ("AHAM")	Corporate Liability on Corruption under the MACC Act 2009.

Affin Bank Berhad (“ABB”)	AFFIN Semi Annual Board Training – Demystifying Digital Transformation.
ABB / Asian Banking School	Blockchain, Cryptocurrencies and The Rise of Alternative Fundraising Channels.
AHAM	AML/CFT & TFS: Evolving Challenges & Expectations in Regulatory Compliance.

#### MAJOR GENERAL DATO’ ZULKIFLEE BIN MAZLAN (R)

Organiser	Name of Programme
Financial Institutions Directors’ Education (“FIDE”)	Climate Action: The Board’s Leadership in Greening the Financial Sector.
Affin Hwang Investment Bank Berhad	Talk on Directors and Officers (D&O) and Comprehensive Crime and Professional Indemnity (CCPI) Insurance.
Affin Hwang Asset Management Berhad (“AHAM”)	Corporate Liability on Corruption under the MACC Act 2009.
Affin Bank Berhad	AFFIN Semi Annual Board Training – Demystifying Digital Transformation.
AHAM	AML/CFT & TFS: Evolving Challenges & Expectations in Regulatory Compliance.

#### PUAN MONA SURAYA BT KAMARUDDIN

Organiser	Name of Programme
The Iclif Leadership & Governance Centre	Mandatory Accreditation Programme.
Securities Industries Development Corporation	CMDP – Fund Management.
Malaysian Investment Banking Association	Updates on Foreign Exchange (FE) Policies: FE Notices & Its Application.
CNBC Asia Pacific	Media & Communication Skills Coaching.
Affin Bank Berhad (“ABB”)	Affin Directors’ Training – Recovery and Resolution Planning by Messrs PwC.
Robert Walters	Infinite Mindset in Today’s Business.
ABB	AFFIN Semi Annual Board Training – Demystifying Digital Transformation.
The Iclif Leadership & Governance Centre	Implementing Amendments in the Malaysian Code of Corporate Governance.
The Iclif Leadership & Governance Centre	Corporate Governance Regulatory Updates for the Capital Markets.
Affin Hwang Asset Management Berhad (“AHAM”)	Corporate Liability on Corruption under the MACC Act 2009.
ABB / Asian Banking School	Blockchain, Cryptocurrencies and The Rise of Alternative Fundraising Channels.
AHAM	AML/CFT & TFS: Evolving Challenges & Expectations in Regulatory Compliance.

During the Financial Year Ended 2021, there were no public sanction or penalty that was imposed on the management company by the relevant regulatory bodies.

### **The Custodian (Trustee's Delegate)**

CIMB Commerce Trustee Berhad has delegated its custodian function to CIMB Bank Berhad (CIMB Bank). CIMB Bank's ultimate holding company is CIMB Group Holdings Berhad, a listed company on Bursa Malaysia. CIMB Bank provides full-fledged custodial services, typically clearing, settlement and safekeeping of all types of investment assets and classes, to a cross section of investors and intermediaries client base, both locally and overseas.

For the local Ringgit assets, they are held through its wholly owned nominee subsidiary "CIMB Group Nominees (Tempatan) Sdn Bhd". For foreign non-Ringgit assets, CIMB Bank appoints global custodian as its agent bank to clear, settle and safekeep on its behalf and to its order.

All investments are automatically registered in the name of the custodian to the order of the Trustee. CIMB Bank acts only in accordance with instruction from the Trustee.

## **TRUSTEE'S REPORT TO THE UNITHOLDERS OF TRADEPLUS NYSE® FANG+™ DAILY (2X) LEVERAGED TRACKER**

We, **CIMB Commerce Trustee Berhad** being the trustee for **TradePlus NYSE® FANG+™ Daily (2x) Leveraged Tracker** ("the Fund"), are of the opinion that **Affin Hwang Asset Management Berhad** ("the Manager"), acting in the capacity as the Manager of the Fund, has fulfilled its duties in the following manner for the financial year ended 30 September 2021.

- a) The Fund has been managed in accordance with the limitations imposed on the investment powers of the Manager under the Deed, the Securities Commission Malaysia's Guidelines on Exchange-traded Funds, the Capital Markets and Services Act 2007 (as amended from time to time) and other applicable laws;
- b) Valuation and pricing for the Fund has been carried out in accordance with the Deed and relevant regulatory requirements; and
- c) Creation and cancellation of units have been carried out in accordance with the Deed and relevant regulatory requirements.

For and on behalf of  
**CIMB Commerce Trustee Berhad**

**Lee Kooi Yoke**  
Chief Executive Officer

Kuala Lumpur, Malaysia  
15 November 2021

**TRADEPLUS NYSE® FANG+™ DAILY (2X) LEVERAGED TRACKER**

**FINANCIAL STATEMENTS**

**FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2021**

# **TRADEPLUS NYSE® FANG+™ DAILY (2X) LEVERAGED TRACKER**

## **FINANCIAL STATEMENTS**

**FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2021**

<b>CONTENTS</b>	<b>PAGE(S)</b>
STATEMENT OF COMPREHENSIVE INCOME	1
STATEMENT OF FINANCIAL POSITION	2
STATEMENT OF CHANGES IN EQUITY	3
STATEMENT OF CASH FLOWS	4
SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES	5 - 11
NOTES TO THE FINANCIAL STATEMENTS	12 - 30
STATEMENT BY THE MANAGER	31
INDEPENDENT AUDITORS' REPORT	32 - 36

## TRADEPLUS NYSE® FANG+™ DAILY (2X) LEVERAGED TRACKER

### STATEMENT OF COMPREHENSIVE INCOME FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2021

	<u>Note</u>	Financial year ended 30.9.2021 RM	Financial period from 26.11.2019 (date of launch) to 30.9.2020 RM
<b>INVESTMENT INCOME</b>			
Dividend income		15,713	626
Interest income from financial assets at amortised cost		-	12,099
Net gain/(loss) on foreign currency exchange		2,288	(30)
Net gain on futures at fair value through profit or loss	10	1,126,958	1,134,134
Net gain/(loss) on financial assets at fair value through profit or loss	9	5,403	(178)
		<u>1,150,362</u>	<u>1,146,651</u>
<b>EXPENSES</b>			
Management fee	4	(24,492)	(11,275)
Trustee fee	5	(980)	(451)
Tax agent's fee		(4,100)	(3,500)
Transaction cost		(3,653)	(613)
Other expenses		(3,675)	(5,769)
		<u>(36,900)</u>	<u>(21,608)</u>
<b>NET PROFIT BEFORE TAXATION</b>		1,113,462	1,125,043
Taxation	8	-	-
<b>NET PROFIT AFTER TAXATION AND TOTAL COMPREHENSIVE INCOME FOR THE FINANCIAL YEAR/ PERIOD</b>		<u>1,113,462</u>	<u>1,125,043</u>
Net profit after taxation is made up of the following:			
Realised amount		1,448,535	947,710
Unrealised amount		(335,073)	177,333
		<u>1,113,462</u>	<u>1,125,043</u>

The accompanying summary of significant accounting policies and notes to the financial statements form an integral part of these financial statements.

## TRADEPLUS NYSE® FANG+™ DAILY (2X) LEVERAGED TRACKER

### STATEMENT OF FINANCIAL POSITION AS AT 30 SEPTEMBER 2021

	<u>Note</u>	<u>2021</u> RM	<u>2020</u> RM
<b>ASSETS</b>			
Cash and cash equivalents		434,136	357,847
Margin account	11	620,399	488,257
Amount due from Manager			
- management fee rebate receivable		211	59
Financial assets at fair value through profit or loss	9	888,700	900,389
Quoted futures at fair value through profit or loss	10	-	176,205
<b>TOTAL ASSETS</b>		<u>1,943,446</u>	<u>1,922,757</u>
<b>LIABILITIES</b>			
Quoted futures at fair value through profit or loss	10	158,823	-
Amount due to Manager			
- management fee		1,601	1,303
Amount due to Trustee		64	52
Tax agent's fee		3,500	3,500
Other payables and accruals		2,000	2,000
<b>TOTAL LIABILITIES</b>		<u>165,988</u>	<u>6,855</u>
<b>NET ASSET VALUE OF THE FUND</b>		<u>1,777,458</u>	<u>1,915,902</u>
<b>EQUITY</b>			
Unitholders' capital		916,133	790,859
Retained earnings		861,325	1,125,043
<b>NET ASSETS ATTRIBUTABLE TO UNITHOLDERS</b>		<u>1,777,458</u>	<u>1,915,902</u>
<b>NUMBER OF UNITS IN CIRCULATION</b>	12	<u>125,000</u>	<u>206,000</u>
<b>NET ASSET VALUE PER UNIT (RM)</b>		<u>14.2197</u>	<u>9.3005</u>

The accompanying summary of significant accounting policies and notes to the financial statements form an integral part of these financial statements.



## TRADEPLUS NYSE® FANG+™ DAILY (2X) LEVERAGED TRACKER

### STATEMENT OF CHANGES IN EQUITY FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2021

	Unitholder's <u>capital</u> RM	Retained <u>earnings</u> RM	<u>Total</u> RM
Balance as at 1 October 2020	790,859	1,125,043	1,915,902
Total comprehensive income for the financial year	-	1,113,462	1,113,462
Movements in unitholders' capital:			
Creation of units arising from applications	1,101,175	-	1,101,175
Cancellation of units	(975,901)	(1,377,180)	(2,353,081)
Balance as at 30 September 2021	<u>916,133</u>	<u>861,325</u>	<u>1,777,458</u>
Balance as at 26 November 2019 (date of launch)	-	-	-
Total comprehensive income for the financial period	-	1,125,043	1,125,043
Movements in unitholders' capital:			
Creation of units arising from applications	2,796,656	-	2,796,656
Cancellation of units	(2,005,797)	-	(2,005,797)
Balance as at 30 September 2020	<u>790,859</u>	<u>1,125,043</u>	<u>1,915,902</u>

The accompanying summary of significant accounting policies and notes to the financial statements form an integral part of these financial statements.

## TRADEPLUS NYSE® FANG+™ DAILY (2X) LEVERAGED TRACKER

### STATEMENT OF CASH FLOWS FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2021

	Financial year ended 30.9.2021 RM	Financial period from 26.11.2019 (date of launch) to 30.9.2020 RM
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Proceeds from sales of investments	2,100,000	-
Purchase of investments	(2,085,713)	(901,239)
Payment to margin account	(132,142)	(488,257)
Interest income received	-	12,099
Dividend income received	15,713	626
Rebate of management fee received	2,653	-
Realised gain on quoted futures	1,461,986	957,929
Management fee paid	(24,194)	(9,972)
Trustee fee paid	(968)	(399)
Payment for other fees and expenses	(11,428)	(3,769)
Net gain/(loss) on realised foreign exchange	3,215	(1,395)
Net cash flows generated from/(used in) operating activities	<u>1,329,122</u>	<u>(434,377)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITY</b>		
Proceeds from creation of units	1,101,175	2,796,656
Payment for cancellation of units	(2,353,081)	(2,005,797)
Net cash flows (used in)/generated from financing activities	<u>(1,251,906)</u>	<u>790,859</u>
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	77,216	356,482
<b>EFFECTS OF FOREIGN CURRENCY EXCHANGE</b>	(927)	1,365
<b>CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE FINANCIAL YEAR/ DATE OF LAUNCH</b>	<u>357,847</u>	<u>-</u>
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL YEAR/PERIOD</b>	<u><u>434,136</u></u>	<u><u>357,847</u></u>

Cash and cash equivalents as at 30 September 2021 and 30 September 2020 comprise of bank balances.

The accompanying summary of significant accounting policies and notes to the financial statements form an integral part of these financial statements.

## **TRADEPLUS NYSE® FANG+™ DAILY (2X) LEVERAGED TRACKER**

### **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2021**

The following accounting policies have been used in dealing with items which are considered material in relation to the financial statements.

#### **A BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS**

The financial statements have been prepared under the historical cost convention, except as disclosed in the summary of significant accounting policies and comply with Malaysian Financial Reporting Standards, International Financial Reporting Standards (“MFRS”).

The preparation of financial statements in conformity with MFRS 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 revenue and expenses during the reported financial year/period. It also requires the Manager to exercise their judgment in the process of applying the Fund’s accounting policies. Although these estimates and judgment are based on the Manager’s best knowledge of current events and actions, actual results may differ.

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

(a) Standards, amendments to published standards and interpretations that are effective:

- The Conceptual Framework for Financial Reporting (Revised 2018)
- Amendments to MFRS 101 and MFRS 108 ‘Definition of Material’

The adoption of the above standards, amendments to standards or interpretations did not have a material effect on the financial statements of the Fund.

(b) Standards and amendments that have been issued but not yet effective:

- Amendments to MFRS 3 ‘Reference to Conceptual Framework’ (effective 1 January 2022) replace the reference to Framework for Preparation and Presentation of Financial Statements with 2018 Conceptual Framework.
- Annual Improvements to MFRSs 2018 – 2020 Cycle (effective for annual periods beginning on or after 1 January 2022).
- Amendments to MFRS 137 ‘onerous contracts—cost of fulfilling a contract’ (effective 1 January 2022) clarify that direct costs of fulfilling a contract include both the incremental cost of fulfilling the contract as well as an allocation of other costs directly related to fulfilling contracts.
- Amendments to MFRS 101 ‘Classification of liabilities as current or non-current (effective 1 January 2023) clarify that a liability is classified as non-current if an entity has a substantive right at the end of the reporting period to defer settlement for at least 12 months after the reporting period. A liability is classified as current if a condition is breached at or before the reporting date and a waiver is obtained after the reporting date.

The adoption of the above standards, amendments to standards or interpretations is not expected to have a material effect on the financial statements of the Fund.

## TRADEPLUS NYSE® FANG+™ DAILY (2X) LEVERAGED TRACKER

### SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2021 (CONTINUED)

#### **B INCOME RECOGNITION**

##### Dividend income

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 on the ex-dividend date, when the right to receive the dividend has been established.

##### Interest income

Interest income from short-term deposits with licensed financial institutions is recognised based on effective interest rate method on an accrual basis.

Interest income is calculated by applying the effective interest 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 interest rate is applied to the net carrying amount of the financial asset (after deduction of the loss allowance).

##### Realised gains and losses on sale of investments

For collective investment schemes ("CIS"), realised gains and losses on sale of investments are accounted for as the difference between the net disposal proceeds and the carrying amount of investments, determined on a weighted average cost basis.

##### Realised gains and losses on sale of futures

Realised gain or loss on futures are measured by the net settlement amount as per the future contracts.

#### **C TRANSACTION COSTS**

Transaction costs are costs incurred in relation to any particular transaction or dealing relating to the Fund, all stamp duty and other duties, taxes, government charges, brokerage fees, bank charges, transfer fees, registration fees, transaction levies, foreign exchange costs and other duties and charges whether in connection with the Fund's assets or the creation, issue, transfer, cancellation or redemption of units or the acquisition or disposal of Fund's assets or otherwise which may have become or may be payable in respect of, and whether prior to, upon or after the occasion of, such transaction or dealing. Transaction costs, when incurred, are immediately recognised in the statement of comprehensive income as expenses.

#### **D TAXATION**

Current tax expense is determined according to the Malaysian tax laws at the current rate based upon the taxable profits earned during the financial year/period.

Tax on investment income from foreign investments is based on the tax regime of the respective countries that the Fund invests in.

## **TRADEPLUS NYSE® FANG+™ DAILY (2X) LEVERAGED TRACKER**

### **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2021 (CONTINUED)**

#### **E 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.

#### **F FOREIGN CURRENCY TRANSLATION**

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 re-measured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the statement of comprehensive income except when deferred in comprehensive income as qualifying cash flow hedges.

#### **G FINANCIAL ASSETS AND FINANCIAL LIABILITIES**

##### **(i) Classification**

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

- those to be measured at fair value 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 to make decisions. The Fund has not taken the option to irrevocably designate any equity securities as fair value through other comprehensive income.

The contractual cash flows of the Fund’s debt securities are solely principal and interest (“SPPI”). However, these securities are neither held for the purpose of collecting contractual cash flows nor held both for collecting contractual cash flows and for sale. The collection of contractual cash flows is only incidental to achieving the Fund’s business model’s objective. Consequently, all investments are measured at fair value through profit or loss.

Investments in CIS have contractual cash flows that do not represent SPPI, and therefore are classified as fair value through profit or loss.

The Fund classifies margin account, amount due from Manager and cash and cash equivalents as financial assets at amortised cost as these financial assets are held to collect contractual cash flows that represent SPPI.

The Fund classifies amount due to Manager, amount due to Trustee, tax agent’s fee and other payables and accruals as financial liabilities measured.

## TRADEPLUS NYSE® FANG+™ DAILY (2X) LEVERAGED TRACKER

### SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2021 (CONTINUED)

#### G FINANCIAL ASSETS AND FINANCIAL LIABILITIES (CONTINUED)

##### (ii) Recognition and measurement

Regular purchases and sales of financial assets are recognised on the trade-date – the date on which the Fund commits to purchase or sell the asset. Investments are initially recognised at fair value. Transaction costs 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.

Gains or losses arising from changes in the fair value of the “financial assets at fair value through profit or loss” category including the effects of currency transactions are presented in the statement of comprehensive income within “net gain/(loss) on financial assets at fair value through profit or loss” in the year/period which they arise.

Investment in CIS are valued at the last published net asset value (“NAV”) per unit at the date of the statement of financial position.

Valuation of derivatives - futures will be “marked to market” at the close of each valuation day to the extent possible as quoted in respective stock exchanges. Foreign exchange gains and losses on the derivative financial instruments are recognised in profit or loss when settled or at the date of the statement of financial position at which time they are included in the measurement of the derivative financial instruments.

Deposits with licensed financial institutions are stated at cost plus accrued interest calculated on the effective interest method over the period from the date of placement to the date of maturity of the deposits.

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

##### (iii) Impairment

The Fund’s financial assets measured at amortised cost are subject to expected credit losses. The Fund measures credit risk and expected credit losses using probability of default, exposure at default and loss given default. Management considers both historical analysis and forward-looking information in determining any expected credit loss. Management consider 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.

## TRADEPLUS NYSE® FANG+™ DAILY (2X) LEVERAGED TRACKER

### SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2021 (CONTINUED)

#### G FINANCIAL ASSETS AND FINANCIAL LIABILITIES (CONTINUED)

##### (iii) Impairment (continued)

###### 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.

###### Definition of default and credit-impaired financial assets

The Fund defines a financial as default, which is truly aligned with the definition of credit-impaired, when it meets one or more of the following criteria:

###### Quantitative criteria:

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

###### Qualitative criteria:

The debtor meets unlikelihood to pay criteria, which indicates the debtor is in significant financial difficulty. The Fund considers the following instances:

- the debtor is in breach of financial covenants
- concessions have been made by the lender relating to the debtor's financial difficulty
- it is becoming probable that the debtor will enter bankruptcy or other financial reorganisation
- the debtor is insolvent

Financial instruments that are credit-impaired are assessed on individual basis.

###### Write-off

The Fund write 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 bad debt recoveries. There are no write-offs/recoveries during the financial year/period.

#### H CASH AND CASH EQUIVALENTS

For the purpose of statement of cash flows, cash and cash equivalents comprise cash and bank balances which are subject to an insignificant risk of change in value.

## **TRADEPLUS NYSE® FANG+™ DAILY (2X) LEVERAGED TRACKER**

### **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2021 (CONTINUED)**

#### **I UNITHOLDERS' CAPITAL**

The unitholders' 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 Fund to repurchase; and
- the total expected cash flows from the units over its life are based substantially on the profit or loss of the Fund.

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

Units are created and cancelled at the Participating Dealers' option 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 unitholders with the total number of outstanding units.

#### **J DERIVATIVE FINANCIAL INSTRUMENTS**

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. The method of recognising the resulting gain or loss depends on whether the derivative is designated as a hedging instrument, and the nature of the item being hedged. Derivatives that do not qualify for hedge accounting are classified as financial assets/liabilities at fair value through profit or loss.

The Fund's derivative financial instruments comprise futures. Futures are contractual obligations to buy or sell financial instruments on a future date at a specified price established in an organised market. The futures contracts are collateralised by cash or marketable securities.

The fair value of the Fund's futures is obtained from the relevant stock exchanges where the futures are listed on the financial year/period end date.

#### **K 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 strategic asset allocation committee of the Manager that makes strategic decisions.



## **TRADEPLUS NYSE® FANG+™ DAILY (2X) LEVERAGED TRACKER**

### **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2021 (CONTINUED)**

#### **L CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS IN APPLYING ACCOUNTING POLICIES**

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

Estimates and judgments 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.

However, the Manager is of the opinion that there are no accounting policies which require significant judgment to be exercised.

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 Securities Commission's ("SC") Guidelines on Exchange-Traded Funds.

#### **M REALISED AND UNREALISED PORTIONS OF PROFIT OR LOSS AFTER TAX**

The analysis of realised and unrealised profit or loss after tax as presented on the statement of comprehensive income is prepared in accordance with SC's Guidelines on Exchange-Traded Funds.

# TRADEPLUS NYSE® FANG+™ DAILY (2X) LEVERAGED TRACKER

## NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2021

### 1 INFORMATION ON THE FUND

The Exchange-Traded Fund was constituted under the name TradePlus NYSE® FANG+™ Daily (2x) Leveraged Tracker (the “Fund”) pursuant to the execution of a Deed dated 4 September 2019 (the “Deed”) entered into between Affin Hwang Asset Management Berhad (the “Manager”) and CIMB Commerce Trustee Berhad (the “Trustee”).

The Fund commenced operations on 26 November 2019 and will continue its operations until terminated by the Trustee as provided under Section 26 of the Deed.

The Fund is listed on the main market of Bursa Malaysia and its aims to provide investment results that closely correspond to the daily performance of the NYSE® FANG+™ Daily 2x Leveraged Index (the “Benchmark Index”).

The Fund is a passively managed fund. To achieve the investment objective of the Fund, the Manager will use a futures-based replication strategy. Under the futures-based replication strategy, the Manager will directly invest in the nearest quarter futures contracts of the NYSE FANG+ Index (the “Underlying Index”) subject to the futures roll on a quarterly basis in order to obtain the required exposure of up to 200% of its Net Asset Value to the Underlying Index.

The Fund seek to rebalance its position daily at or around the close of trading of the Underlying Index, by increasing exposure in response to the Underlying Index’s daily gains or reducing exposure in response to the Underlying Index’s daily losses, so that its daily leveraged exposure ratio to the Underlying Index is consistent with the Leveraged Fund’s investment objective and Benchmark.

A maximum of 30% of the Fund’s net assets value is to be committed as margin for investments in the futures contracts, 10% of the Fund’s NAV is to be invested in debentures with a remaining tenure above 365 days and the remaining balance of the Fund’s NAV is to be invested in debentures with a remaining tenure of 365 days and below, money market instruments, money market collective investment schemes and/or deposits.

The Manager is a company incorporated in Malaysia. The principal activities of the Manager are establishment and management of unit trust funds, exchange-traded funds and private retirement schemes as well as providing fund management services to private clients.

The financial statements were authorised for issue by the Manager on 15 November 2021.

## TRADEPLUS NYSE® FANG+™ DAILY (2X) LEVERAGED TRACKER

### NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2021 (CONTINUED)

#### 2 FINANCIAL INSTRUMENTS, RISK MANAGEMENT OBJECTIVES AND POLICIES

Financial instruments are as follows:

	<u>Note</u>	At amortised cost RM	At fair value through profit or loss RM	<u>Total RM</u>
<u>2021</u>				
<u>Financial assets</u>				
Cash and cash equivalents		434,136	-	434,136
Margin account	11	620,399	-	620,399
Amount due from Manager				
- management fee rebate receivable		211	-	211
Collective investment scheme	9	-	888,700	888,700
		<u>1,054,746</u>	<u>888,700</u>	<u>1,943,446</u>
<u>Financial liabilities</u>				
Amount due to Manager				
- management fee		1,601	-	1,601
Amount due to Trustee		64	-	64
Tax agent's fee		3,500	-	3,500
Other payables and accruals		2,000	-	2,000
Quoted futures	10	-	158,823	158,823
		<u>7,165</u>	<u>158,823</u>	<u>165,988</u>
<u>2020</u>				
<u>Financial assets</u>				
Margin account	11	488,257	-	488,257
Cash and cash equivalents		357,847	-	357,847
Amount due from Manager				
- management fee rebate receivable		59	-	59
Collective investment scheme	9	-	900,389	900,389
Quoted futures	10	-	176,205	176,205
		<u>846,163</u>	<u>1,076,594</u>	<u>1,922,757</u>

## TRADEPLUS NYSE® FANG+™ DAILY (2X) LEVERAGED TRACKER

### NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2021 (CONTINUED)

#### 2 FINANCIAL INSTRUMENTS, RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

Financial instruments are as follows: (continued)

	<u>Note</u>	At amortised <u>cost</u> RM	At fair value through <u>profit or loss</u> RM	<u>Total</u> RM
<u>2020</u> (continued)				
<u>Financial liabilities</u>				
Amount due to Manager				
- management fee		1,303	-	1,303
Amount due to Trustee		52	-	52
Tax agent's fee		3,500	-	3,500
Other payables and accruals		2,000	-	2,000
		<u>6,855</u>	<u>-</u>	<u>6,855</u>

The Fund is exposed to a variety of risks which include market risk (price risk, interest rate risk and currency risk), credit risk, liquidity risk and capital risk.

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

#### Market risk

##### (a) Price risk

Price risk arises mainly from the uncertainty about future prices of investments. It represents the potential loss the Fund might suffer through holding market positions in the face of price movements. The Manager manages the risk of unfavourable changes in prices by continuous monitoring of the performance and risk profile of the investment portfolio.

The Fund is exposed to price risk arising from its exposure into futures contracts linked to the movement of its referenced Underlying Index. The price of the Underlying Index may fluctuate and movement is uncertain. The Fund is structured as an index tracking fund with the Benchmark Index that is linked to the Underlying Index. The Underlying Index comprises of a diversified list of equity securities in its constituents. As such the Fund is able to mitigate the price risk through the diversification that it has through the diversification of the Underlying Index, which the future contracts the Fund enters into replicates.

The Fund is also exposed to price risk arising from the uncertainty about future prices of investments. It represents the potential loss the Fund might suffer through holding market positions in the face of price movements. The Manager manages the risk of unfavourable changes in prices by continuous monitoring of the performance and risk profile of the investment portfolio.

## TRADEPLUS NYSE® FANG+™ DAILY (2X) LEVERAGED TRACKER

### NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2021 (CONTINUED)

#### 2 FINANCIAL INSTRUMENTS, RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

##### Market risk (continued)

##### (a) Price risk (continued)

The table below summarises the sensitivity of the Fund's profit or loss, and NAV to movements in prices of its Benchmark Index. The analysis is based on the assumption that the Benchmark Index fluctuates by 51.15% (2020: 76.09%), which is the 12-month standard deviation of the Underlying Index as at 30 September 2021. If all other variables are held constant, and that the fair value of the investments move in the same quantum with the fluctuation of the Underlying Index, this would represent Management's best estimates of a reasonable possible shift in the futures contracts. However, it must be noted that there may be instances where the price of the futures contracts/Benchmark Index may deviate from the movement of the Underlying Index.

<u>% Change in Benchmark Index</u>	Benchmark <u>Index</u> RM	<u>Market value</u> RM	Impact on profit/(loss) after <u>tax/NAV</u> RM
<u>2021</u>			
-51.15%	57,487	(77,585)	(81,241)
0%	117,686	(158,823)	-
+51.15%	177,885	(204,061)	81,241
<u>2020</u>			
-76.09%	18,892	42,131	(134,074)
0%	79,015	176,205	-
+76.09%	139,137	310,279	134,074

The Fund's collective investment scheme exposure to price risk was as follows:

	<u>2021</u> RM	<u>2020</u> RM
<b>Quoted investment</b>		
Collective investment schemes - local	888,700	900,389

## TRADEPLUS NYSE® FANG+™ DAILY (2X) LEVERAGED TRACKER

### NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2021 (CONTINUED)

#### 2 FINANCIAL INSTRUMENTS, RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

##### Market risk (continued)

##### (a) Price risk (continued)

The following table summarises the sensitivity of the Fund's profit after taxation and net asset value to price risk movements. The analysis is based on the assumptions that the market price increased by 5% and decreased by 5% with all other variables held constant. This represents management's best estimate of a reasonable possible shift in the quoted securities, having regard to the historical volatility of the prices.

<u>% Change in price</u>	<u>Market value</u> RM	<u>Impact on profit after tax/NAV</u> RM
<u>2021</u>		
-5%	844,265	(44,435)
0%	888,700	-
+5%	933,135	44,435
	<u>                    </u>	<u>                    </u>
<u>2020</u>		
-5%	855,370	(45,019)
0%	900,389	-
+5%	945,408	45,019
	<u>                    </u>	<u>                    </u>

##### (b) Interest rate risk

Interest rate risk arises from the effects of fluctuations in the prevailing levels of market interest rates on the fair value of financial assets and liabilities and future cash flows.

The Fund's exposure to the interest rate risk is mainly confined to short-term placement with a financial institution. The Manager overcomes this exposure by way of maintaining deposits on short-term basis.

The Fund's is not exposed to any interest rate risk as it does not hold any deposits with licensed financial institution as at 30 September 2021 and 30 September 2020.

## TRADEPLUS NYSE® FANG+™ DAILY (2X) LEVERAGED TRACKER

### NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2021 (CONTINUED)

#### 2 FINANCIAL INSTRUMENTS, RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

##### Market risk (continued)

##### (c) Currency risk

Currency risk is associated with investments denominated in foreign currencies. When the foreign currencies fluctuate in an unfavourable movement against Ringgit Malaysia, the investments will face currency losses in addition to the capital gain/(loss). The Manager will evaluate the likely directions of the 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.

The following table sets out the foreign currency risk concentrations and counterparties of the Fund:

	Cash and cash <u>equivalent</u> RM	Quoted futures RM	<u>Total</u> RM
<u>2021</u>			
<u>Financial assets</u>			
United States Dollar	376,611	-	376,611
<u>Financial liabilities</u>			
United States Dollar	-	158,823	158,823
<u>2020</u>			
<u>Financial assets</u>			
United States Dollar	290,850	176,205	467,055

## TRADEPLUS NYSE® FANG+™ DAILY (2X) LEVERAGED TRACKER

### NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2021 (CONTINUED)

#### 2 FINANCIAL INSTRUMENTS, RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

##### Market risk (continued)

##### (c) Currency risk (continued)

The table below summarises the sensitivity of the Fund's profit after tax and net asset value to changes in foreign exchange movements. The analysis is based on the assumption that the foreign exchange rate changes based on each currency's respective historical volatility, with all other variables held constant. This represents management's best estimate of a reasonable possible shift in the foreign exchange rate, having regard to historical volatility of this rate. Any increase/(decrease) in foreign exchange rate will result in a corresponding increase/(decrease) in the net assets attributable to unitholders by each currency's respective historical volatility. Disclosures below are shown in absolute terms, changes and impacts could be positive or negative.

	Change in rate %	Impact on profit after tax/ NAV RM
<u>2021</u>		
United States Dollar	+/- 3.54	<u>+/- 7,710</u>
<u>2020</u>		
United States Dollar	+/- 6.12	<u>+/- 28,579</u>

##### Credit risk

Credit risk refers to the ability of an issuer or counterparty to make timely payments of interest, principals and proceeds from realisation of investment. The Manager manages the credit risk by undertaking credit evaluation to minimise such risk.

Credit risk arising from cash and bank balances is managed by ensuring that they are held by parties with credit rating of AA or higher.

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.



## TRADEPLUS NYSE® FANG+™ DAILY (2X) LEVERAGED TRACKER

### NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2021 (CONTINUED)

#### 2 FINANCIAL INSTRUMENTS, RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

##### Credit risk (continued)

The following table sets out the credit risk concentrations of the Fund:

	<u>Quoted futures</u> RM	<u>Margin account</u> RM	<u>Cash and cash equivalents</u> RM	<u>Amount due from Manager</u> RM	<u>Total</u> RM
<u>2021</u>					
Financial services					
- AAA	-	620,399	434,136	-	1,054,535
Others					
- NR	-	-	-	211	211
	<u>-</u>	<u>620,399</u>	<u>434,136</u>	<u>211</u>	<u>1,054,746</u>
	<u><u>-</u></u>	<u><u>620,399</u></u>	<u><u>434,136</u></u>	<u><u>211</u></u>	<u><u>1,054,746</u></u>
<u>2020</u>					
Financial services					
- AAA	176,205	488,257	357,847	-	1,022,309
Others					
- NR	-	-	-	59	59
	<u>176,205</u>	<u>488,257</u>	<u>357,847</u>	<u>59</u>	<u>1,022,368</u>
	<u><u>176,205</u></u>	<u><u>488,257</u></u>	<u><u>357,847</u></u>	<u><u>59</u></u>	<u><u>1,022,368</u></u>

##### Liquidity risk

Liquidity risk is the risk that the Fund will encounter difficulty in meeting its financial obligations. This includes scenarios such as the need to efficiently top-up its margin account to a level required by its brokers, or meeting redemption applications made by unitholders of the Fund. The Manager manages this risk by maintaining sufficient level of liquid assets to meet anticipated payment and cancellations of units by unitholders. Liquid assets comprise cash.

## TRADEPLUS NYSE® FANG+™ DAILY (2X) LEVERAGED TRACKER

### NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2021 (CONTINUED)

#### 2 FINANCIAL INSTRUMENTS, RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

##### Liquidity risk (continued)

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

The amounts in the table below are the contractual undiscounted cash flows.

	<u>Within one month</u> RM	<u>Between one month to one-year</u> RM	<u>Total</u> RM
<u>2021</u>			
Amount due to Manager			
- management fee	1,601	-	1,601
Amount due to Trustee	64	-	64
Tax agent's fee	-	3,500	3,500
Other payables and accruals	-	2,000	2,000
Quoted futures	-	158,823	158,823
	<u>1,665</u>	<u>164,323</u>	<u>165,988</u>
<u>2020</u>			
Amount due to Manager			
- management fee	1,303	-	1,303
Amount due to Trustee	52	-	52
Tax agent's fee	-	3,500	3,500
Other payables and accruals	-	2,000	2,000
	<u>1,355</u>	<u>5,500</u>	<u>6,855</u>

##### Capital risk

The capital of the Fund is represented by equity consisting of unitholders' capital and accumulated losses. The amount of equity can change significantly on a daily basis as the Fund is subject to daily subscriptions and redemptions at the discretion unitholders. The Fund's objective when managing capital is to safeguard the Fund's ability to continue as a going concern in order to provide returns for unitholders and benefits for other stakeholders and to maintain a strong capital base to support the development of the investment activities of the Fund.

## TRADEPLUS NYSE® FANG+™ DAILY (2X) LEVERAGED TRACKER

### NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2021 (CONTINUED)

#### 3 FAIR VALUE ESTIMATION

Financial instruments comprise financial assets and financial liabilities. Fair value is defined as 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 financial year/period end date. The Fund utilises the current bid price for financial assets which falls within the bid-ask spread.

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

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

##### (i) Fair value hierarchy

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

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

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

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

## TRADEPLUS NYSE® FANG+™ DAILY (2X) LEVERAGED TRACKER

### NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2021 (CONTINUED)

#### 3 FAIR VALUE ESTIMATION

(i) Fair value hierarchy (continued)

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

	<u>Level 1</u> RM	<u>Level 2</u> RM	<u>Level 3</u> RM	<u>Total</u> RM
<u>2021</u>				
Financial assets at fair value through profit or loss				
- collective investment schemes	888,700	-	-	888,700
	<u>                    </u>	<u>                    </u>	<u>                    </u>	<u>                    </u>
Financial liabilities at fair value through profit or loss				
- quoted futures	158,823	-	-	158,823
	<u>                    </u>	<u>                    </u>	<u>                    </u>	<u>                    </u>
<u>2020</u>				
Financial assets at fair value through profit or loss				
- quoted futures	176,205	-	-	176,205
- collective investment scheme	900,389	-	-	900,389
	<u>                    </u>	<u>                    </u>	<u>                    </u>	<u>                    </u>
	<u>1,076,594</u>	<u>                    </u>	<u>                    </u>	<u>1,076,594</u>

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

- (ii) The carrying value of the margin account, cash and cash equivalents, amount due from Manager and all current liabilities except for quoted futures are a reasonable approximation of the fair values due to their short-term nature.

#### 4 MANAGEMENT FEE

In accordance with the Deed, the Manager is entitled to a management fee at a rate up to 3.00% per annum of the NAV of the Fund, calculated and accrued daily using the Fund's functional currency.

For the financial year ended 30 September 2021, the management fee is recognised at a rate of 1.00% (2020: 1.00%) per annum on the NAV of the Fund, calculated on a daily basis as stated in the Prospectus.

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

## TRADEPLUS NYSE® FANG+™ DAILY (2X) LEVERAGED TRACKER

### NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2021 (CONTINUED)

#### 5 TRUSTEE FEE

In accordance with the Deed, the Trustee is entitled to an annual fee, at a rate up to 0.10% per annum (excluding foreign sub-custodian fees and charges) of the NAV of the Fund calculated and accrued daily using the Fund's functional currency.

For the financial year ended 30 September 2021, the Trustee fee is recognised at a rate of 0.04% (2020: 0.04%) per annum on the NAV of the Fund, calculated on a daily basis as stated in the Prospectus.

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

#### 6 INDEX LICENSE FEE

License fee is payable to ICE Data Indices, the Benchmark Index provider. The license fee is recognised at minimum of USD19,000 (2020: USD19,000) per annum.

The Index License Fee was borne by the Manager for the financial year ended 30 September 2021 and for the financial period from 26 November 2019 (date of launch) to 30 September 2020.

#### 7 AUDITORS' REMUNERATION

Auditors' remuneration of the Fund is recognised at RM20,000 (2020: RM20,000).

The auditors' remuneration was borne by the Manager for the financial year ended 30 September 2021 and for the financial period from 26 November 2019 (date of launch) to 30 September 2020.

#### 8 TAXATION

	Financial year ended <u>30.9.2021</u> RM	Financial period from 26.11.2019 (date of launch) to <u>30.9.2020</u> RM
Current taxation	-	-

## TRADEPLUS NYSE® FANG+™ DAILY (2X) LEVERAGED TRACKER

### NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2021 (CONTINUED)

#### 8 TAXATION (CONTINUED)

The numerical reconciliation between net profit before taxation multiplied by the Malaysian statutory tax rate and tax expense of the Fund is as follows:

	Financial year ended <u>30.9.2021</u> RM	Financial period from 26.11.2019 (date of launch) to <u>30.9.2020</u> RM
Net profit before taxation	1,113,462	1,125,043
Tax at Malaysian statutory tax rate of 24% (2020: 24%)	267,231	270,010
Tax effects of:		
Investment income not subject to tax	(275,414)	(275,182)
Expenses not deductible for tax purposes	2,978	1,861
Restriction on tax deductible expenses for Exchange Traded Fund	5,205	3,311
	<u>-</u>	<u>-</u>

#### 9 FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	<u>2021</u> RM	<u>2020</u> RM
Financial assets at fair value through profit or loss:		
- collective investment schemes - local	888,700	900,389
	<u>888,700</u>	<u>900,389</u>
		Financial period from 26.11.2019 (date of launch) to <u>30.9.2020</u> RM
Net gain/(loss) on financial assets at fair value through profit or loss:		
- realised gain on sale of investments	1,716	-
- unrealised gain/(loss) on changes in fair value	882	(237)
- management fee rebate on collective investment scheme #	2,805	59
	<u>5,403</u>	<u>(178)</u>

## TRADEPLUS NYSE® FANG+™ DAILY (2X) LEVERAGED TRACKER

### NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2021 (CONTINUED)

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

# In arriving at the fair value of collective investment schemes, the management fee initially paid to the Manager of collective investment schemes has been considered as part of its net asset value. In order to prevent the double charging of management fee, management fee charged on the Fund's investment in a collective investment schemes has been refunded to the Fund. Accordingly, any rebate of management fee received from the Manager of collective investment schemes is reflected as an increase in the net asset value of the collective investment schemes.

(a) Collective investment schemes - local

(i) Collective investment schemes – local as at 30 September 2021 are as follows:

	<u>Quantity</u>	<u>Aggregate cost RM</u>	<u>Fair value RM</u>	<u>Percentage of NAV %</u>
Affin Hwang Aiiman Money Market Fund	569,824	305,600	306,166	17.22
Affin Hwang Enhanced Deposit Fund	235,238	275,547	275,605	15.51
Affin Hwang Select Cash Fund	290,735	306,908	306,929	17.27
Total collective investment schemes - local	<u>1,095,797</u>	<u>888,055</u>	<u>888,700</u>	<u>50.00</u>
Accumulated unrealised gain on collective investment schemes - local		<u>645</u>		
Total collective investment schemes - local		<u>888,700</u>		

(ii) Collective investment schemes – local as at 30 September 2020 are as follows:

	<u>Quantity</u>	<u>Aggregate cost RM</u>	<u>Fair value RM</u>	<u>Percentage of NAV %</u>
Affin Hwang Aiiman Money Market Fund	561,502	300,168	300,123	15.67
Affin Hwang Enhanced Deposit Fund	256,244	300,230	300,113	15.66
Affin Hwang Select Cash Fund	284,911	300,228	300,153	15.67
Total collective investment schemes - local	<u>1,102,657</u>	<u>900,626</u>	<u>900,389</u>	<u>47.00</u>
Accumulated unrealised loss on collective investment schemes - local		<u>(237)</u>		
Total collective investment schemes - local		<u>900,389</u>		

## TRADEPLUS NYSE® FANG+™ DAILY (2X) LEVERAGED TRACKER

### NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2021 (CONTINUED)

#### 10 QUOTED FUTURES AT FAIR VALUE THROUGH PROFIT OR LOSS

The Fund invests in quoted derivative – futures. Futures are contractual obligations to buy or sell financial instruments on a future date at specified price established in an organised market. The futures contracts are collateralised by cash. The Fund's investment in quoted derivative – futures are set out below:

	<u>2021</u> RM	<u>2020</u> RM
Financial (liabilities)/assets at fair value through profit or loss:		
- quoted derivative - futures	(158,823)	176,205
	<u>                    </u>	<u>                    </u>
		Financial period from 26.11.2019 (date of launch) to <u>30.9.2021</u> <u>30.9.2020</u> RM RM
Net gain on financial assets at fair value through profit or loss:		
- realised gain on settlement of futures contracts	1,461,986	957,929
- unrealised (loss)/gain on changes in fair value	(335,028)	176,205
	<u>1,126,958</u>	<u>1,134,134</u>

As at the date of statement of financial position, there are 24 (2020: 34) futures contracts outstanding. The notional principal amount of the outstanding futures contracts amounted to RM3,654,281 (2020: RM3,629,754). As the Fund has not adopted hedge accounting during the financial period, changes in fair value of futures are recognised immediately in the statement of comprehensive income.

#### 11 MARGIN ACCOUNT

Margin account represent margin deposits held in respect of open exchange-traded futures contracts.



## TRADEPLUS NYSE® FANG+™ DAILY (2X) LEVERAGED TRACKER

### NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2021 (CONTINUED)

#### 12 NUMBER OF UNITS IN CIRCULATION

	<u>2021</u>	<u>2020</u>
	No. of units	No. of units
At the beginning of the financial year/date of launch	206,000	-
Creation of units arising from applications	88,000	587,000
Cancellation of units	(169,000)	(381,000)
At the end of the financial year/period	<u>125,000</u>	<u>206,000</u>

#### 13 TRANSACTIONS WITH TRADERS/BROKERS

- (i) Details of transactions with traders/brokers for the financial year ended 30 September 2021 are as follows:

<u>Name of traders</u>	<u>Value of trade</u> RM	<u>Percentage of total trade</u> %	<u>Brokerage fees</u> RM	<u>Percentage of total brokerage</u> %
CGS-CIMB Securities Sdn Bhd	60,018,004	92.57	3,653	100.00
Affin Hwang Asset Management Bhd#	4,170,000	6.43	-	-
Affin Hwang Investment Bank Bhd#	649,352	1.00	-	-
	<u>64,837,356</u>	<u>100.00</u>	<u>3,653</u>	<u>100.00</u>

- (ii) Details of transactions with traders/brokers for the financial period from 26 November 2019 (date of launch) to 30 September 2020 are as follows:

<u>Name of traders</u>	<u>Value of trade</u> RM	<u>Percentage of total trade</u> %	<u>Brokerage fees</u> RM	<u>Percentage of total brokerage</u> %
CGS-CIMB Securities Sdn Bhd	26,812,668	96.75	613	100.00
Affin Hwang Asset Management Bhd#	900,000	3.25	-	-
	<u>27,712,668</u>	<u>100.00</u>	<u>613</u>	<u>100.00</u>

## TRADEPLUS NYSE® FANG+™ DAILY (2X) LEVERAGED TRACKER

### NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2021 (CONTINUED)

#### 13 TRANSACTIONS WITH TRADERS/BROKERS (CONTINUED)

# Included in transactions with brokers are trades in the stockbroking industry with Affin Hwang Asset Management Bhd and Affin Hwang Investment Bank Bhd, a company related to the Manager amounting RM4,819,352 (2020: RM900,000). The Manager is of the opinion that all transactions with the related company has been entered into in the normal course of business at agreed terms between the related parties.

#### 14 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>Relationships</u>
Lembaga Tabung Angkatan Tentera (“LTAT”)	Ultimate holding corporate body of the Manager
Affin Bank Berhad (“ABB”)	Penultimate holding company of the Manager
Affin Hwang Investment Bank Berhad	Holding company of the Manager
Affin Hwang Asset Management Berhad	The Manager and the Parent of the Fund
Subsidiaries and associated companies of ABB as disclosed in its financial statements	Subsidiary and associated companies of the penultimate holding company of the Manager as disclosed in its financial statements
Directors of Affin Hwang Asset Management Berhad	Directors of the Manager

The units held by the Manager and parties related to the Manager as at the end of the financial year/period are as follows:

	<u>As at 30.9.2021</u>		<u>As at 30.9.2020</u>	
	<u>No. of units</u>	<u>RM</u>	<u>No. of units</u>	<u>RM</u>
<u>The Manager and the Parent of the Fund :</u>				
Affin Hwang Asset Management Bhd (The units are held beneficially)	<u>110,000</u>	<u>1,564,167</u>	<u>142,200</u>	<u>1,322,531</u>

## TRADEPLUS NYSE® FANG+™ DAILY (2X) LEVERAGED TRACKER

### NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2021 (CONTINUED)

#### 15 MANAGEMENT EXPENSE RATIO (“MER”)

	Financial period ended <u>30.9.2021</u> %	Financial period from 26.11.2019 (date of launch) to <u>30.9.2020</u> %
MER	<u>1.36</u>	<u>1.59</u>

MER is derived from the following calculation:

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

- A = Management fee, excluding management fee rebates
- B = Trustee fee
- C = Tax agent's fee
- D = Other expenses, excluding sales and service tax on transaction costs
- E = Average NAV of Fund calculated on a daily basis

The average NAV of the Fund for the financial period calculated on a daily basis is RM2,451,740 (2020: RM1,324,355).

#### 16 PORTFOLIO TURNOVER RATIO (“PTR”)

	Financial period ended <u>30.9.2021</u>	Financial period from 26.11.2019 (date of launch) to <u>30.9.2020</u>
PTR (times)	<u>13.23</u>	<u>10.46</u>

PTR is derived from the following calculation:

$$\frac{(\text{Total acquisitions for the financial year/period} + \text{total disposals for the financial year/period}) \div 2}{\text{Average NAV of the Fund for the financial year/period calculated on a daily basis}}$$

where: total acquisitions for the financial year/period = RM32,387,919 (2020: RM14,666,326)  
and total disposals for the financial year/period = RM32,463,436 (2020: RM13,046,342)

## **TRADEPLUS NYSE® FANG+™ DAILY (2X) LEVERAGED TRACKER**

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2021 (CONTINUED)**

#### **17 SEGMENT INFORMATION**

The strategic asset allocation committee of the Investment Manager makes the strategic resource allocations on behalf of the Fund. The Fund has determined the operating segments based on the reports reviewed by the Manager that are used to make strategic decisions.

The committee is responsible for the Fund's entire portfolio and considers the business to have a single operating segment. The committee's asset allocation decisions are based on a single, integrated investment strategy and the Fund's performance is evaluated on an overall basis.

The reportable operating segment derives its income by investing into quoted derivatives to meet its investment objective, as stipulated within its investment strategy. The Fund's returns are achieved through the movement in the value of its investments, which comprised from its exposure into futures contracts, collective investment schemes and deposits with licensed financial institutions.

The Fund has a diversified unitholder population. However, as at 30 September 2021, there were 2 (2020: 2) unitholders who held more than 10% of the Fund's NAV. The unitholders' holdings were 71.20% and 14.56% (2020: 64.17% and 11.89%).

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

The internal reporting provided to the committee for the Fund's assets, liabilities and performance is prepared on a consistent basis with the measurement and recognition principles of MFRS.

#### **18 SIGNIFICANT EVENT DURING THE FINANCIAL YEAR/PERIOD**

The worsening macro-economic outlook as a result of Covid-19, both domestically and globally, may result in the deterioration of the Fund's Net Asset Value/unit in future periods.

The Manager is monitoring the situation closely and will be actively managing the portfolio to achieve the Fund's objective.

## **TRADEPLUS NYSE® FANG+™ DAILY (2X) LEVERAGED TRACKER**

### **STATEMENT BY THE MANAGER**

I, Dato' Teng Chee Wai, for and on behalf of the board of directors of the Manager, **Affin Hwang Asset Management Berhad**, do hereby state that in the opinion as the Manager, the financial statements set out on pages 1 to 30 are drawn up in accordance with the provisions of the Deed and give a true and fair view of the financial position of the Fund as at 30 September 2021 and of its financial performance, changes in equity and cash flows for the financial year ended 30 September 2021 in accordance with the Malaysian Financial Reporting Standards, International Financial Reporting Standards.

For and on behalf of the Manager,  
**AFFIN HWANG ASSET MANAGEMENT BERHAD**

**DATO' TENG CHEE WAI**  
**EXECUTIVE DIRECTOR/MANAGING DIRECTOR**

Kuala Lumpur  
15 November 2021

# INDEPENDENT AUDITORS' REPORT TO THE UNITHOLDERS OF TRADEPLUS NYSE® FANG+™ DAILY (2X) LEVERAGED TRACKER

## REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

### Our Opinion

In our opinion, the financial statements of Tradeplus NYSE® FANG+™ Daily (2x) Leveraged Tracker give a true and fair view of the financial position of the Fund as at 30 September 2021 and of its financial performance and its cash flows for the financial year ended 30 September 2021 in accordance with Malaysian Financial Reporting Standards and International Financial Reporting Standards.

### What we have audited

We have audited the financial statements of the Fund, which comprise the statement of financial position as at 30 September 2021, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the financial year ended 30 September 2021, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 1 to 30.

### Basis for opinion

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

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

### *Independence and other ethical responsibilities*

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

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*PricewaterhouseCoopers PLT (LLP0014401-LCA & AF 1146), Chartered Accountants, Level 10, 1 Sentral, Jalan Rakyat, Kuala Lumpur Sentral, P.O. Box 10192, 50706 Kuala Lumpur, Malaysia  
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INDEPENDENT AUDITORS' REPORT TO THE UNITHOLDERS OF  
TRADEPLUS NYSE® FANG+™ DAILY (2X) LEVERAGED TRACKER (CONTINUED)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONTINUED)

Our audit approach

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

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

Key audit matters

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

Key audit matters	How our audit addressed the key audit matters
<p><b>Valuation and existence of financial assets and derivatives at fair value through profit or loss</b></p> <p>Refer to Note G, Note 3, Note 9 and Note 10 to the financial statements.</p> <p>The investment portfolio at the period-end comprised collective investment schemes valued at RM888,700 and quoted derivatives - futures valued at RM(158,823).</p> <p>We focused on the valuation and existence of investments because investments represent the most significant element of the net asset recognised in the financial statements.</p>	<p>We have tested the valuation of the collective investment schemes and quoted futures as at year-end by agreeing the price used in the valuation to independent third party sources.</p> <p>We have tested the existence of the investment portfolio by agreeing the investment holdings to independent custodian confirmations.</p>

**INDEPENDENT AUDITORS' REPORT TO THE UNITHOLDERS OF  
TRADEPLUS NYSE® FANG+™ DAILY (2X) LEVERAGED TRACKER (CONTINUED)**

**REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONTINUED)**

Information other than the financial statements and auditors' report thereon

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

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

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

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

Responsibilities of the Manager for the financial statements

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

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

Auditors' responsibilities for the audit of the financial statements

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



INDEPENDENT AUDITORS' REPORT TO THE UNITHOLDERS OF  
TRADEPLUS NYSE® FANG+™ DAILY (2X) LEVERAGED TRACKER (CONTINUED)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONTINUED)

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

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

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

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

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

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

INDEPENDENT AUDITORS' REPORT TO THE UNITHOLDERS OF  
TRADEPLUS NYSE® FANG+™ DAILY (2X) LEVERAGED TRACKER (CONTINUED)

OTHER MATTERS

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

PRICEWATERHOUSECOOPERS PLT  
LLP0014401-LCA & AF 1146  
Chartered Accountants

LEE TZE WOON KELVIN  
03482/01/2022 J  
Chartered Accountant

Kuala Lumpur  
15 November 2021

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