

# **ANNUAL REPORT** **2018**



**MYETF THOMSON REUTERS  
ASIA PACIFIC EX-JAPAN  
ISLAMIC AGRIBUSINESS**

**[WWW.MYETF.COM.MY](http://WWW.MYETF.COM.MY)**

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## INTRODUCTION

MyETF Thomson Reuters Asia Pacific ex-Japan Islamic Agribusiness or MyETF-AGRI is the world's first agribusiness Islamic exchange traded fund ("ETF"). MyETF-AGRI comprises a diversified basket of 30 Shariah-compliant agribusiness stocks listed on stock exchanges in 10 leading Asia-Pacific countries namely Australia, Hong Kong, Indonesia, Malaysia, the Philippines, Singapore, South Korea, Taiwan, Thailand, and New Zealand that are primarily engaged in upstream agricultural production activities. It is designed to provide investment results that closely correspond to the performance of its Benchmark Index i.e. Thomson Reuters Islamic Asia Pacific ex-Japan Agribusiness Index ("Benchmark Index").

Structured as an ETF, MyETF-AGRI is a liquid and cost efficient financial instrument for investors who wish to tap on investment opportunities in agriculture-based Shariah-compliant companies listed on the selected exchanges of Asia Pacific region. MyETF-AGRI was listed on the Main Market of Bursa Securities on 3 December 2015. The short name and stock number for MyETF-AGRI are "METFAPA" and "0826EA" respectively.

The Benchmark Index is a free-float adjusted, market capitalisation weighted index, maintained and published by Thomson Reuters Indices. It is a total return index which comprises the 30 largest (by free-float adjusted market capitalisation) Shariah-compliant companies listed on the relevant stock exchanges in Asia Pacific region that are primarily engaged in upstream agricultural production activities. The Benchmark Index is reviewed and rebalanced periodically by Thomson Reuters' review committees to ensure the investability, Shariah-compliance and continuous representation of the agribusiness sector opportunity set of the index are maintained.

## FUND INFORMATION

**Manager** : iVCAP Management Sdn. Bhd. (792968-D)

Registered Address

Level 9, Block B, Plaza Zurich  
No. 12 Jalan Gelenggang  
Bukit Damansara  
50490 Kuala Lumpur  
Malaysia

Tel. No. (+603) 2093 7119

Fax No. (+603) 2094 7119

Board of Directors

*(Please refer to pages 63-67 for profile of the Directors)*

Rosli Bin Abdullah

*Chairman/Independent Non-Executive Director*  
(resigned effective 31 December 2018)

Roslina Binti Abdul Rahman

*Chairman/Non-Independent Non-Executive Director*  
(appointed Director effective 1 August 2018 and appointed Chairman effective 22 January 2019)

Sharifatu Laila Binti Syed Ali

*Non-Independent Non-Executive Director*  
(resigned effective 31 July 2018)

Hassan Bin Ibrahim

*Independent Non-Executive Director*  
(resigned effective 31 December 2018)

Y.M. Tunku Afwida Binti Tunku A. Malek

*Independent Non-Executive Director*  
(resigned effective 31 December 2018)

Nik Amlizan Binti Mohamed

*Non-Independent Non-Executive Director*  
(resigned effective 30 September 2018)

Datuk Mohd. Nasir Bin Ali

*Independent Non-Executive Director*  
(resigned effective 31 December 2018)

Khairi Shahrin Arief Bin Baki

*Non-Independent Executive Director/Chief Executive Officer*  
(appointed effective 11 January 2018)

Datuk Dr Syed Muhamad Bin Syed Abdul Kadir

*Independent Non-Executive Director*  
(appointed effective 1 January 2019)

Encik Mohd Asri Bin Awang

*Independent Non-Executive Director*  
(appointed effective 1 January 2019)

## FUND INFORMATION (*continued*)

<b>Manager</b>	: <u>Company Secretaries</u> Firdaus Bin Ahmad Radhi (LS 0009423) Mirza Binti Mohamad (MAICSA 7051997) Level 10, Block B, Plaza Zurich No. 12 Jalan Gelenggang Bukit Damansara 50490 Kuala Lumpur Malaysia  Tel. no.: (+603) 2788 5111
<b>Trustee</b>	: Deutsche Trustees Malaysia Berhad (763590-H) Level 20, Menara IMC 8, Jalan Sultan Ismail 50250 Kuala Lumpur Malaysia  Tel. No. (+603) 2053 7522 Fax No. (+603) 2053-7526 Email <a href="mailto:cisops.dtmb@db.com">cisops.dtmb@db.com</a>
<b>Custodian</b> <i>(Trustee's Delegate)</i> <i>(Please refer to page 72 for Trustee's Delegate information)</i>	Deutsche Bank (Malaysia) Berhad (312552-W) Level 18, Menara IMC 8, Jalan Sultan Ismail 50250 Kuala Lumpur Malaysia  Tel. No. (+603) 2053 6788 Email <a href="mailto:dbmb-dcs.cs@db.com">dbmb-dcs.cs@db.com</a> Website <a href="http://www.db.com">www.db.com</a>
<b>Auditor of the Manager and the Fund</b>	: PricewaterhouseCoopers PLT (LLP0014401-LCA & AF 1146) Level 10, 1 Sentral Jalan Rakyat Kuala Lumpur Sentral 50706 Kuala Lumpur Malaysia  Tel. No. (+603) 2173 1188 Fax No. (+603) 2173 1288
<b>Tax Consultant</b>	: PricewaterhouseCoopers Taxation Services Sdn. Bhd. (464731-M) Level 15, 1 Sentral Jalan Rakyat Kuala Lumpur Sentral 50706 Kuala Lumpur Malaysia  Tel. No. (+603) 2173 1188 Fax No. (+603) 2173 1288

## FUND INFORMATION *(continued)*

<b>Fund Accountant</b>	: Deutsche Trustees Malaysia Berhad (763590-H) Level 20, Menara IMC 8, Jalan Sultan Ismail 50250 Kuala Lumpur Malaysia  Tel. No. (+603) 2053 6788 Fax No. (+603) 2031 8710 Email <a href="mailto:Malaysia.team@list.db.com">Malaysia.team@list.db.com</a> Website <a href="http://www.db.com">www.db.com</a>
<b>Shariah Adviser</b> <i>(Please refer to pages 73-75 for corporate information, experience and details of the designated person for the Shariah Adviser)</i>	: Amanie Advisors Sdn Bhd (684050-H) Level 33, Menara Binjai, No. 2, Jalan Binjai, Off Jalan Ampang, 50450 Kuala Lumpur  Tel. no.: (+603) 2181 8228 Fax no.: (+603) 2181 8219 Website: <a href="http://www.amanieadvisors.com">www.amanieadvisors.com</a>  Tel. No. (+603) 2181 8228 Fax No. (+603) 2181 8219 Website <a href="http://www.amanieadvisors.com">www.amanieadvisors.com</a>
<b>Participating Dealers</b>	: CIMB Bank Berhad (13491-P) Level 13, Menara CIMB Jalan Stesen Sentral 2 Kuala Lumpur Sentral 50470 Kuala Lumpur Malaysia  Tel. No. (+603) 2261 8888 Fax No. (+603) 2261 8889
<b>Index Licensor</b>	: Thomson Reuters Malaysia Sdn Bhd Suite 49B, Level 49, Vista Tower The Intermark 348, Jalan Tun Razak 50400 Kuala Lumpur Malaysia
<b>Share Registrar</b>	: Boardroom Share Registrars Sdn Bhd (378993-D) <i>(formerly known as Symphony Share Registrars Sdn Bhd)</i> Level 6, Symphony House Pusat Dagangan Dana 1 Jalan PJU 1A/46 47301 Petaling Jaya Selangor Malaysia  Helpdesk No. (+603) 7849 0777 Fax No. (+603) 7841 8151 / 8152 Website <a href="http://www.boardroomlimited.com">www.boardroomlimited.com</a> Email <a href="mailto:bsr.helpdesk@boardroomlimited.com">bsr.helpdesk@boardroomlimited.com</a>

## MANAGER'S REPORT

**For the Financial Period 1 January to 31 December 2018**

<b>Name of Fund</b>	: MyETF Thomson Reuters Asia Pacific ex-Japan Islamic Agribusiness ("MyETF-AGRI" or "the Fund")
<b>Type of Fund</b>	: Exchange Traded Fund
<b>Fund Category</b>	: Shariah-Compliant Equity
<b>Commencement Date</b>	: 26 November 2015
<b>Listing Date</b>	: 3 December 2015
<b>Benchmark Index</b>	: Thomson Reuters Islamic Asia Pacific ex-Japan Agribusiness Index ("TRAGRI Index" or "Benchmark Index")
<b>Manager</b>	: i-VCAP Management Sdn. Bhd. ("i-VCAP")

### 1. Investment Objective

MyETF-AGRI aims to provide investment results that closely correspond to the performance of the Benchmark Index, regardless of its performance.

### 2. Benchmark Index

The Benchmark Index, namely the Thomson Reuters Islamic Asia Pacific ex-Japan Agribusiness Index is a free-float adjusted, market capitalisation weighted, total return index calculated, maintained and published by Thomson Reuters Indices (TRI).

The Benchmark Index was created with a base date of 31 March 2008 and is designed as a performance benchmark of Shariah-compliant companies that are primarily engaged in upstream agricultural production activities<sup>1</sup> within the Asia Pacific region.

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<sup>1</sup> Companies that are engaged in the upstream agricultural activities include companies that are directly involved in the early stage of production of agriculture products, owners of plantations and producers of food products which derive revenues from the packaging and marketing of agricultural products that they produce. In addition, companies that are engaged in both upstream and downstream agricultural activities are also included in the Benchmark Index. However, companies that are solely engaged as distributors of food products to other companies or end consumers are not included in the Benchmark Index.

The Benchmark Index consists of the 30 largest companies by free-float adjusted market capitalisation listed on the Relevant Exchanges which are within the following agriculture-based industries as classified by Thomson Reuters Business Classification system:

- (i) agriculture chemicals;
- (ii) forest and wood products;
- (iii) heavy machinery and vehicles;
- (iv) fishing and farming; and
- (v) food processing.

The Benchmark Index excludes companies that are solely engaged in the downstream agriculture production activities involving distribution of food products to other companies or end consumers such as containers, packaging and beverages industries.

The universe for selection of the constituents of the Benchmark Index is the constituents of the Parent Index. The Parent Index, namely the Thomson Reuters Global Equity Index, is a free-float adjusted market capitalisation weighted index that is designed to measure the global equity market performance.

The weight of any single country in the Benchmark Index is capped at 30% of the Benchmark Index's total market capitalisation. In addition, the weight of any single group entity in the Benchmark Index is capped at 5% of its total market capitalisation.

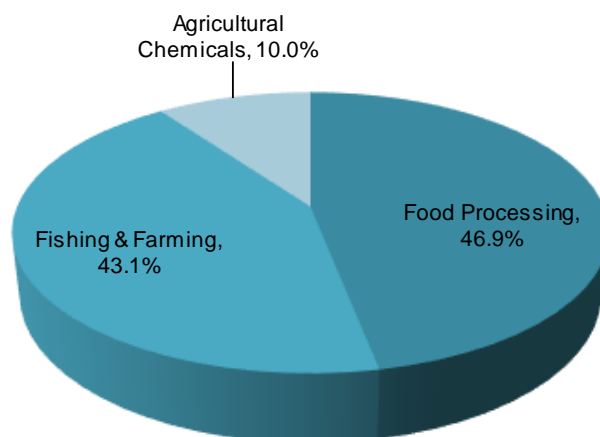
As the Benchmark Index is a total return index, the market capitalisation of the Benchmark Index will be adjusted for any cash distributions (cash dividend payments or capital repayments) and such cash distributions will be reflected in the total index performance.

The Benchmark Index's constituents are subject to the Benchmark Index Shariah Methodology which has been reviewed and approved by the Shariah Review Bureau. The Shariah Review Bureau is a Shari'a Consultancy Body licensed by the Central Bank of Bahrain and is an associated member of Accounting and Auditing Organisation for Islamic Financial Institutions (AAOIFI) and Council for Islamic Banks and Financial Institutions (CIBAFI). Thomson Reuters and its Shariah Screening Partner i.e. IdealRatings will conduct annual review and audit on the Benchmark Index, to ensure its continuous compliance with the approved Benchmark Index Shariah Methodology.



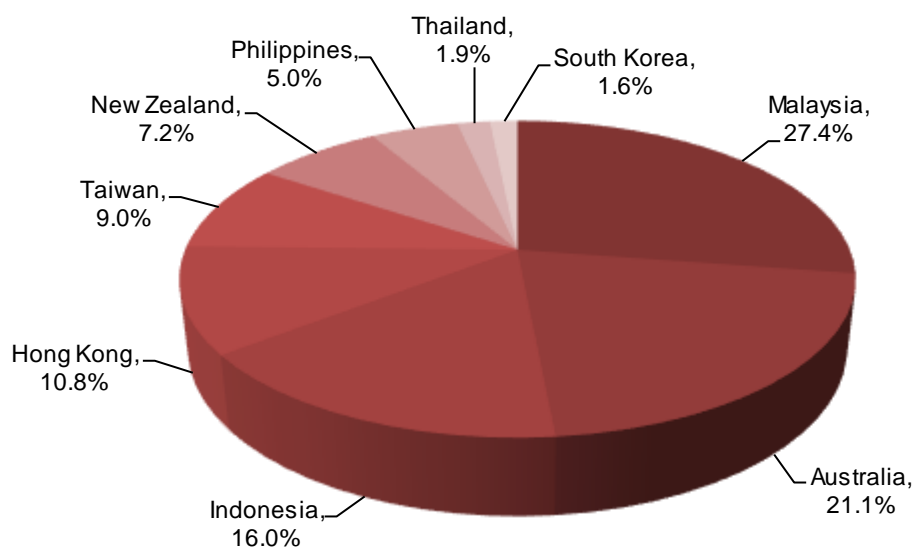
Constituents of the Benchmark Index must be selected from the universe of securities which constitute the Parent Index. In addition, the Benchmark Index will be subject to the Benchmark Index Shariah Methodology which is approved by the Shariah Adviser. As at 30 September 2018, the sector allocation of TRAGRI Index based on Thomson Reuters sector classifications are as follows:

**Chart 1(a): Sector Classification – Thomson Reuters**



Source: Thomson Reuters

**Chart 1(b): Country Exposure – Thomson Reuters**



Source: Thomson Reuters

### **3. Investment Strategy**

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

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

### **4. Fund Performance**

During the financial year, the Fund's NAV has corresponded to the performance of the underlying benchmark, i.e. TRAGRI Index. The Fund's tracking error between the NAV per unit of the Fund and the Benchmark Index on Total Return basis as at end-December stood at 0.06%.

In terms of NAV movement, the Fund's NAV per unit decreased by 1.87% to RM1.0234 from RM1.0429 at end-December 2017, while the Benchmark Index (TRAGRI Index) returned 1.35% in the same period. The difference between the performance of the Fund and its Benchmark Index can largely be attributed to the Fund's operational costs. During the year, the Fund's unit price moved in tandem but mostly at a slight discount to its NAV per unit. It closed the year at RM1.0200 or a decrease of 3.77% year-on-year.

As at end of December 2018, total NAV of the Fund decreased 7.04% to RM18.42 million from RM19.81 million in the prior year, generally reflective of the performance of the Fund for the quarter and the lower units in circulation. The Fund's units in circulation was lower at 18.0 million as at end-December on the back of redemption activities earlier in the year. The key statistics and comparative performance of the Fund for the FY2018 as compared to the previous year are summarized as follows:

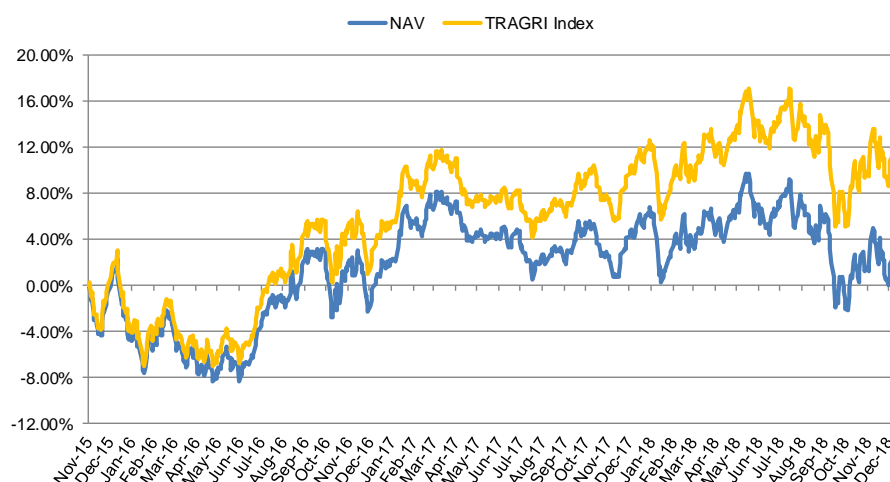
**Table 1: Key Statistics**

	As at 31-Dec-18	As at 31-Dec-17	As at 31-Dec-16	As at 31-Dec-15 <sup>^</sup>
NAV per unit (RM)	1.0234	1.0429	0.9984	1.0120
- Highest	1.0972 (12 Jun)	1.0812 (6 Apr)	1.0320 (19 Oct)	1.0120 (31 Dec)
- Lowest	0.9788 (29 Oct)	1.0010 (3 Jan)	0.9158 (19 May)	0.9565 (14 Dec)
(During the quarter)				
Price per unit (RM)	1.0200	1.0600	1.0000	1.0050
- Highest	1.1000 (19 Jan)	1.1000 (24 Oct)	1.0200 (12 Oct)	1.0100 (30 Dec)
- Lowest	0.9400 (12 Mar)	1.0000 (3 Jan)	0.9110 (19 May)	0.9520 (11 Dec)
(During the quarter)				
Units in Circulation	18,000,000	19,000,000	19,000,000	20,000,000
Total NAV (RM)	18,420,736	19,814,988	18,969,763	20,240,031
Market Capitalisation (RM)	18,360,000	20,140,000	19,000,000	20,100,000
TRAGRI Index	209.45	206.65	194.17	191.86
Tracking Error: Fund vs. TRAGRI Total Return Index (%) <sup>*</sup>	0.06	1.30	0.78	1.66
Management Expense Ratio (%)	1.21	1.37	1.25	0.21

Sources: Bloomberg, i-VCAP

<sup>\*</sup> Based on since inception rolling tracking error. The calculation was independently sourced from Novagni Analytics and Advisory Sdn. Bhd.

<sup>^</sup> The Fund was initially created at RM1.00 per unit based on the close of 26 November 2015. The Fund had its listing debut on 3 December 2015.

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

Sources: Bloomberg, i-VCAP

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

**Table 2(a): Annual Returns**

	2018 (%)	2017 (%)	2016 (%)	2015 <sup>^</sup> (%)
MyETF- AGRI - NAV Price Return <sup>(a)</sup>	(1.87)	4.46	(1.34)	1.20
TRAGRI - Total Return Index	1.35	6.43	1.20	1.94

Sources: Bloomberg, i-VCAP

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

<sup>^</sup> Performance from inception date on 26 November 2015.

**Table 2(b): Cumulative Returns**

	1-Year (%)	Cumulative Returns <sup>(b)</sup>	
		3- Year (%)	Since Inception <sup>^</sup> (%)
MyETF- AGRI - NAV Price Return <sup>(a)</sup>	(1.87)	1.13	2.34
TRAGRI - Total Return Index	1.35	9.17	11.29

Sources: Thomson Reuters, i-VCAP

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

(b) Cumulative returns are up to 31 December 2018.

<sup>^</sup> Performance from inception date on 26 November 2015.

**Table 2(c): Average Returns (Annualised)**

	1-Year (%)	Average Returns <sup>(b)</sup>	
		3-Year (%)	Since Inception <sup>^</sup> (%)
MyETF- AGRI - NAV Price Return <sup>(a)</sup>	(1.87)	0.38	0.76
TRAGRI - Total Return Index	1.35	3.05	3.64

Sources: Thomson Reuters, i-VCAP

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

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

<sup>^</sup> Performance from inception date on 26 November 2015.

The Benchmark Index is reviewed and rebalanced semi-annually. Any changes to the Benchmark Index will be implemented at the close of the last business day of April and October. The Parent Index is reviewed and rebalanced semi-annually and will not result in any change in the Benchmark Index except for deletions of constituents from the Parent Index due to corporate events. During the year, there was no change to the Benchmark Index and Fund's constituents.

As a result, there was no significant changes to the Fund's sectoral weightings during the year. The Fund's top sectoral exposure is still in Fishing and Farming followed by Food Processing. As for the country weightings, notable changes to the Fund's country exposure arising from rebalancing exercises were the increase exposure in Australia from 15.91% to 20.57% and Indonesia from 14.68% to 19.03%. Meanwhile, the exposure in Malaysia and South Korea saw a decrease of 3.19% and 5.63% to 25.05% and 1.61% respectively. The year-on-year changes to the Fund's sectoral and country exposure are as follows:

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

Sector	As at 31-Dec-18	As at 31-Dec-17	Change (%)
Food Processing	44.34%	46.06%	(1.72%)
Fishing & Farming	44.47%	42.51%	1.96%
Agricultural Chemicals	10.01%	9.15%	0.86%
Forest & Wood Products	0.34%	0.33%	0.01%
Cash & others	0.84%	1.95%	(1.11%)

Sources: Thomson Reuters, i-VCAP

**Table 4: Fund's Country Exposure**

Country	As at 31-Dec-18	As at 31-Dec-17	Change (%)
Malaysia	25.05%	28.24%	(3.19%)
Australia	20.57%	15.91%	4.66%
Indonesia	19.03%	14.68%	4.35%
Hong Kong	10.38%	8.52%	1.86%
New Zealand	8.76%	9.11%	(0.35%)
Taiwan	8.24%	9.22%	(0.98%)
Philippines	4.72%	5.31%	(0.59%)
Thailand	1.64%	1.77%	(0.13%)
South Korea	1.61%	7.24%	(5.63%)

Sources: Thomson Reuters, i-VCAP

Details of the Fund's quoted Investments as at 31 December 2018 are as follows:

**Table 5: MyETF-AGRI's Investment in Listed Equities**

	Country	Quantity (Units)	Market Value (RM)	Market Value as a percentage of Net Asset Value (%)
<b><u>Food Processing</u></b>				
1. PT Indofood Sukses Makmur TBK	Indonesia	538,500	1,151,795	6.25
2. China Mengniu Dairy Co Ltd	Hong Kong	71,400	919,880	4.99
3. Nestle (Malaysia) Berhad	Malaysia	6,100	899,140	4.90
4. Universal Robina Corp	Philippines	86,400	862,703	4.68
5. China Agri-Industries Holdings Ltd	Hong Kong	494,000	727,736	3.95
6. Bega Cheese Ltd	Australia	43,500	625,308	3.39
7. Standard Foods Corp	Taiwan	82,682	554,927	3.01
8. Synlait Milk Ltd	New Zealand	19,200	478,794	2.60
9. Select Harvests Ltd	Australia	18,100	321,933	1.75
10. Freedom Foods Group Ltd	Australia	23,100	313,201	1.70
11. Thai Vegetable Oil PCL-NVDR	Thailand	88,600	299,286	1.62
12. Maeil Dairies Co Ltd	South Korea	1,000	291,592	1.58
13. China Foods Ltd	Hong Kong	164,500	248,413	1.35
14. Dutch Lady Milk Industries Bhd	Malaysia	4,000	248,000	1.35
15. Fonterra Shareholders Fund	New Zealand	17,500	224,989	1.22
			<b>8,167,698</b>	<b>44.34</b>
<b><u>Fishing &amp; Farming</u></b>				
16. PT Charoen Pokphand Indonesia TBK	Indonesia	579,800	1,202,678	6.53
17. Costa Group Holdings Ltd	Australia	47,800	1,034,164	5.61
18. PPB Group Berhad	Malaysia	52,200	917,676	4.98
19. Kuala Lumpur Kepong Bhd	Malaysia	35,200	870,144	4.72
20. QL Resources Bhd	Malaysia	121,730	828,981	4.50
21. Sanford Limited	New Zealand	32,900	601,652	3.27
22. Genting Plantations Bhd	Malaysia	57,700	568,922	3.09
23. PT Japfa Comfeed Indonesia TBK	Indonesia	831,500	513,256	2.79
24. Tassal Group Ltd	Australia	39,400	507,781	2.76
25. PT Inti Agri Resources TBK	Indonesia	5,882,100	405,300	2.20
26. Scales Corp Ltd	New Zealand	23,600	294,259	1.60
27. FGV Holdings Bhd	Malaysia	339,400	242,671	1.32
28. PT Perusahaan Perkebunan London Sumatra Indonesia TBK	Indonesia	563,600	202,262	1.10
			<b>8,189,746</b>	<b>44.47</b>
<b><u>Agricultural Chemicals</u></b>				
29. Taiwan Fertilizer Co Ltd	Taiwan	162,900	950,328	5.16
30. Nufarm Ltd	Australia	51,400	893,238	4.85
			<b>1,843,566</b>	<b>10.01</b>
<b><u>Forest &amp; Wood Products</u></b>				
31. Quintis Ltd *	Australia	72,000	61,932	0.34
			<b>61,932</b>	<b>0.34</b>
			<b>18,262,941</b>	<b>99.16</b>

\* Quintis Limited was suspended since 12 May 2017. The stock was removed from TRAGRI Index during its 2H2017 review in October 2017. The Fund will remove the stock once the suspension is lifted.

Sources: Thomson Reuters, i-VCAP

## **5. Other Information**

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

## **6. Cross Trade**

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

## **7. Soft Dollar Commissions**

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

## **8. Market Review and Outlook**

The global economic expansion continued, albeit at a more moderate pace in the fourth quarter of 2018. With the exception of the US, other advanced and emerging market economies recorded more moderate growth.

In the advanced economies, improvements in labour markets supported private consumption, as unemployment rates and wage growth remained steady. Consumer Price Indices ("CPI") recorded a more moderate increase towards the end of the year, as fuel prices moderated. Investment activity registered a slower expansion across most economies. The fiscal impetus from the 2017 tax reforms in the US began to wane in the fourth quarter of 2018.

Closer to home, weaker external demand and uncertainties from the ongoing trade actions affected external demand for regional economies. Most regional economies recorded lower export growth in the fourth quarter of 2018, reflecting lower export shipments to the US, Euro Area and China. By products, the lower regional export growth was due mainly to electrical and electronic products, while lower commodity prices also weighed on overall export performance.

Global financial market volatility continued to rise towards the end of 2018, amid equity selloffs in the US and emerging market economies (“EMEs”). This was attributable partly to the ongoing monetary policy tightening in the US, amid weaker reported corporate profits and lower than expected inflation.

Consequently, financial conditions in emerging markets tightened further, amid sustained capital outflows in Asian and Latin American countries. Trade disruptions from US tariff hikes and speculation over non-tariff retaliatory measures by China further reignited financial market volatility in the fourth quarter of 2018, albeit with some easing in December as the planned tariffs were suspended following the US-China agreement to restart the trade negotiation.

The Malaysian economy grew by 4.7% in the fourth quarter of 2018 (3Q 2018: 4.4%), supported by continued expansion in domestic demand and a positive growth in net exports. Private sector expenditure remained the main driver of domestic demand, while a rebound in real exports of goods and services (+1.3%; 3Q 2018: -0.8%) contributed towards the positive growth of net exports. On a quarter-on-quarter seasonally-adjusted basis, the economy grew by 1.4% (3Q 2018: 1.6%). For 2018 as a whole, the economy expanded by 4.7% (2017: 5.9%).

The Malaysian economy is expected to continue to expand at a commendable pace in 2019. Private sector demand is expected to remain the main driver of growth amid fiscal rationalisation while the external sector would be weighed down by weaker global demand. Although sentiments have moderated from recent highs, private sector expenditure will continue to be supported by fundamental factors such as continued income and employment growth. That said, risks to growth are tilted to the downside mainly from potential further escalation of trade tensions and tightening of global financial conditions. Against these backdrops, Malaysian equity markets are expected to be volatile in the near term.

In Singapore, the economy grew by 1.9% on a year-on-year basis in the fourth quarter of 2018, easing from the 2.4 per cent growth in the previous quarter. The sectors which contributed the most to growth in the quarter were the manufacturing and finance & insurance sectors. For the whole of 2018, the economy expanded by 3.2 per cent, a moderation from the 3.9 per cent growth in 2017. The main contributors to GDP growth for the year were the manufacturing, wholesale & retail trade and finance & insurance sectors. The composite leading index (CLI) points to stable growth in the Singapore economy in the near term. Specifically, the CLI was flat on a quarter-on-quarter basis in the fourth quarter of 2018, following a marginal 0.1 per cent decline in the third quarter. However, against the external backdrop, the pace of growth in the Singapore economy is expected to slow in 2019 as compared to 2018. Taking into account the global and domestic economic environment, the 2019 GDP growth forecast at 1.5% to 3.5%, with growth expected to come in slightly below the mid-point of the forecast range. As such, Singapore’s equity markets are expected to be volatile in the near term.



In Thailand, economic indicators eased slightly in December, but overall 4Q18 numbers suggest that GDP growth picks up from 3Q as stronger net trade balance and tourism offset a slight moderation in domestic demand. It is expected GDP growth to pick up to +3.5% in 4Q (vs. +3.3% in 3Q). GDP growth is expected to slow down but remaining healthy at +3.8% in 2019 (vs. +4.1% in 2018), given the challenging external outlook clouded by the US-China trade war and a potential prolonged weakness in China tourist arrivals. Coupled with the impending election, Thailand's equity markets are expected to be in the range-bound in the immediate term.

Indonesia's 4Q18 GDP expanded 5.2% YoY, retaining its growth pace from the previous quarter. In QoQ terms, however, the economy posted a decline of 1.7%, after growing by +3.1% in the preceding quarter. On an annual basis, Indonesia's GDP grew by 5.2% in 2018, its strongest pace since 2013, and higher compared to a growth of 5.1% in 2017. For 2019, growth is likely to be resilient in the early months of the year, due to the current momentum as well as government social spending in the months prior to the election in April. The impact from monetary policy tightening would also become more prevalent, leading to higher commercial rates and softer aggregate demand. As a result, the real GDP growth forecast for 2019 is estimated at 5.1% YoY, vs 5.2% in 2018. Consequently, the Indonesia's equity markets are expected to be on a strong note in the immediate term.

In Philippines, 4Q 2018 real GDP growth was relatively steady at +6.1% YoY after the +6.0% YoY expansion in 3Q 2018 which was revised downwards from the previously reported +6.1% YoY. Domestic demand holding up growth as private consumption remained robust. With inflation expected to continue moderating going forward on falling fuel and food prices, GDP growth for 2019 is forecast at +6.5% for now (2018: +6.2%). Philippines equity markets are expected to be in the tight range in the immediate term.

The Hong Kong economy expanded solidly by 2.9% in the third quarter of 2018. While marking the eighth consecutive quarter of above-trend growth, it moderated from the 4.1% growth in the first half of the year. External demand continued to grow visibly for the third quarter as a whole alongside further expansion in the global economy. Domestic demand held firm. On a seasonally adjusted quarter-to-quarter comparison, real GDP grew by 0.1% in the third quarter. Taking into account the actual growth outturn of 3.7% in the first three quarters and the downside risks in the external environment, economic growth for 2018 as a whole is forecast at 3.2%, higher than the trend growth rate of 2.7% per annum in the past ten years for the second consecutive year.

Looking ahead, the external environment facing the Hong Kong economy in 2019 is expected to be challenging, and the economic outlook is subject to considerable uncertainties. The expected moderation in economic growth of many of Hong Kong's key trading partners would weigh on Hong Kong's exports. While the risk of an imminent escalation of the US-China trade conflicts has been reduced, the US announced that in case an agreement could not be reached within 90 days starting from 1 December this year, the rate of the additional tariffs on the US\$200 billion of goods from China would still be raised from the current 10% to 25%. If the US eventually decides to increase the tariff rate, or imposes additional tariffs on a wider range of China's products, the impacts on Hong Kong's external trade would become more visible.

Taiwan is also affected by the current global economic development, with growth in exports and capital equipment imports decelerating in recent months. Meanwhile, despite stable labour market conditions, a declining unemployment rate, and moderate wage growth, the domestic stock market correction triggered by international financial market turbulence have weighed on consumer sentiment. For 2018, the GDP growth rate is projected to be 2.68%. Looking ahead to 2019, growth in private consumption is likely to remain steady and private investment may also post continuous expansion while the government pushes ahead with the Forward-Looking Infrastructure Development Program. However, external demand may be dented by economic slowdowns experienced by Taiwan's major trading partners. Therefore, the economy is expected to advance by 2.33% for 2019.

Korean GDP expanded by 0.6% qoq in 3Q18 – a steady pace from the previous quarter. Annual growth decelerated significantly, to 2.0% from 2.8%, but this reflected a strong base effect. Net exports and government consumption bolstered growth over the quarter, but investment fell sharply. The capex decline, at 4.5%, was the second consecutive large decline after a 2.9% fall in 2Q18 and has been on a scale not seen since the global financial crisis. Sharp falls in construction output have played a major role, partly reflecting macro-prudential tightening aimed at this sector. But the investment correction also reflects strong base effects after a rapid ramp-up in capex in the semi-conductor sector over the last two years. For the whole 2018, the Korean economy is expected grow at 2.6%.

Korean government has recently announced the rollout of further stimulus measures aimed at boosting private and public investment, shoring up struggling sectors such as shipbuilding, and creating jobs through subsidies and tax cuts to small businesses. Accommodative macroeconomic policies, an unwinding of base effects, and deregulation measures should help capex start to stabilise in 2019. Against this backdrop, the Korean GDP is expected to grow at 2.5%.

In Australia, economic growth has been strong, with unemployment falling. Wages growth has been low, but strong employment growth has helped to support household incomes. Similarly, businesses are earning solid profits. Given most businesses have low gearing, few have difficulty in servicing their debt. However, conditions in the housing market have eased, reflecting shifts in both supply and demand. Sentiment towards the housing market has become more cautious and this has been reflected in a slowing in demand for housing finance, particularly from investors.

Drought conditions have also persisted in some regions since the beginning of the year, notably in New South Wales and bordering regions in other states. This has adversely affected some agricultural production. While conditions in Western Australia remain more favourable than those in the eastern states, frost in August and September has limited grain production in some parts of the state. Farm GDP and rural exports decreased by around 10 per cent over the year to the June quarter, partly reflecting unfavourable weather conditions and also a return to lower crop levels following the record winter crop harvest in 2016/17. As a result, GDP growth is expected to be around 3.5% on average over 2018 and 2019.

In New Zealand, the GDP grew 1.0 percent in the second quarter of 2018, with particular strength in agriculture and hydro-electricity generation. However, GDP growth is expected to be subdued in the near term, with businesses reporting that their activity has weakened. Growth is expected to pick up moderately over 2019, supported by fiscal stimulus and easier monetary conditions. Against these backdrops, the equity market is expected to be jittery going forward, given the high valuation in the US and increasingly higher foreign outflows from US equity and switching into US fixed income. Volatility in the US equities will send shockwaves to the global markets including countries within the fund.

**TRUSTEE'S REPORT TO THE UNIT HOLDERS OF  
MyETF THOMSON REUTERS ASIA PACIFIC ex-JAPAN ISLAMIC AGRIBUSINESS**

Deutsche Bank



Deutsche Trustees Malaysia Berhad  
(Company No. 763590-H)  
Level 18-20, Menara IMC  
8 Jalan Sultan Ismail  
50250 Kuala Lumpur  
Tel +603 2053 7522  
Fax +603 2053 7526

**TRUSTEE'S REPORT**

**TO THE UNITHOLDERS OF MyETF THOMSON REUTERS ASIA PACIFIC ex-JAPAN ISLAMIC AGRIBUSINESS**

We have acted as Trustee for MyETF Thomson Reuters Asia Pacific ex-Japan Islamic Agribusiness (the "Fund") for the financial year ended 31 December 2018. To the best of our knowledge, for the year under review, i-VCAP Management Sdn. Bhd. (the "Manager") has operated and managed the Fund in accordance with the following:-

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

For Deutsche Trustees Malaysia Berhad



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



**Ng Hon Leong**  
Head, Trustee Operations

Kuala Lumpur  
12 February 2019

**SHARIAH ADVISER'S REPORT TO THE UNIT HOLDERS OF  
MyETF THOMSON REUTERS ASIA PACIFIC ex-JAPAN ISLAMIC AGRIBUSINESS**



**SHARIAH ADVISER'S REPORT TO THE UNITHOLDERS  
OF MyETF THOMSON REUTERS ASIA PACIFIC EX-JAPAN ISLAMIC  
AGRIBUSINESS**

We have acted as the Shariah Adviser of MyETF Thomson Reuters Asia Pacific ex-Japan Islamic Agribusiness ("the Fund") for the financial year ended 31 December 2018. Our responsibility is to ensure that the procedures and processes employed by i-VCAP Management Sdn. Bhd are in accordance with Shariah.

In our opinion, the Manager of the Fund, i-VCAP Management Sdn. Bhd. has managed and administered the Fund in accordance with the Shariah Investment Guidelines and complied with applicable guidelines, rulings or decisions issued by the Securities Commission Malaysia pertaining to Shariah matters for the financial year ended 31 December 2018.

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

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

For and on behalf of Shariah Adviser  
**Amanie Advisors Sdn. Bhd**

**DATUK DR MOHD DAUD BAKAR**  
Executive Chairman

21 FEB 2019

**AMANIE ADVISORS SDN BHD 684050-H**

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## STATEMENT BY THE MANAGER

I, Khairi Shahrin Arief Bin Baki, being a Director of the Manager, do hereby state that, in the opinion of the Manager, the financial statements set out on pages 27 to 61 are drawn up in accordance with the provisions of the Deed and give a true and fair view of the state of affairs of the Fund as at 31 December 2018 and of its results, changes in net assets attributable to unit holders and cash flows of the Fund for the financial year ended on that date in accordance with the Malaysian Financial Reporting Standards, International Financial Reporting Standards and the Securities Commission's Guidelines on Exchange-Traded Funds.



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**KHAIRI SHAHRIN ARIEF BIN BAKI**

For and on behalf of the Manager,  
i-VCAP Management Sdn. Bhd.

Kuala Lumpur

21 February 2019



## **INDEPENDENT AUDITORS' REPORT TO THE UNIT HOLDERS OF MyETF THOMSON REUTERS ASIA PACIFIC ex-JAPAN ISLAMIC AGRIBUSINESS**

### **REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS**

#### Our opinion

In our opinion, the financial statements of MyETF Thomson Reuters Asia Pacific ex-Japan Islamic Agribusiness ("the Fund") give a true and fair view of the financial position of the Fund as of 31 December 2018, and of its financial performance and its cash flows for the year then ended in accordance with Malaysian Financial Reporting Standards and International Financial Reporting Standards.

#### What we have audited

We have audited the financial statements of the Fund, which comprise the statement of financial position as at 31 December 2018, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 27 to 61.

#### Basis for opinion

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

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

#### Independence and other ethical responsibilities

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

# INDEPENDENT AUDITORS' REPORT TO THE UNIT HOLDERS OF MyETF THOMSON REUTERS ASIA PACIFIC ex-JAPAN ISLAMIC AGRIBUSINESS (CONTINUED)

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

### Our audit approach

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

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

### Key audit matters

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

Key audit matters	How our audit addressed the key audit matters
<p><b>Valuation and existence of financial assets at fair value through profit or loss</b></p> <p>Refer to Note F (Summary of significant accounting policies), Note 9 and Note 20 (Notes to the financial statements).</p> <p>The investment portfolio at the year-end comprised listed equity investments valued at RM 18,262,941.</p> <p>We focused on the valuation and existence of investments because investments represent the most significant element of the net asset value in the financial statements.</p>	<p>We have tested the valuation of the listed equity investments by agreeing the prices used in the valuation to independent third party sources</p> <p>We have tested the existence of the investment portfolio by agreeing the holdings for investments to an independent custodian confirmation.</p> <p>Based on the above procedures, no material exceptions were identified.</p>



**INDEPENDENT AUDITORS' REPORT TO THE UNIT HOLDERS OF  
MyETF THOMSON REUTERS ASIA PACIFIC ex-JAPAN ISLAMIC AGRIBUSINESS (CONTINUED)**

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

Information other than the financial statements and auditors' report thereon

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

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

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

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

Responsibilities of the Manager for the financial statements

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

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

## **INDEPENDENT AUDITORS' REPORT TO THE UNIT HOLDERS OF MyETF THOMSON REUTERS ASIA PACIFIC ex-JAPAN ISLAMIC AGRIBUSINESS (CONTINUED)**

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

#### **Auditors' responsibilities for the audit of the financial statements**

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

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

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

**INDEPENDENT AUDITORS' REPORT TO THE UNIT HOLDERS OF  
MyETF THOMSON REUTERS ASIA PACIFIC ex-JAPAN ISLAMIC AGRIBUSINESS (CONTINUED)**

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

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

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

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

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

OTHER MATTERS

This report is made solely to the unit holders of the Fund 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

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

Kuala Lumpur  
21 February 2019

**STATEMENT OF COMPREHENSIVE INCOME  
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018**

	<u>Note</u>	<u>2018</u> <u>RM</u>	<u>2017</u> <u>RM</u>
<b>INVESTMENT INCOME</b>			
Gross dividend income		404,344	429,674
Profit from short term Shariah-compliant deposits		8,592	6,580
Net (loss)/gain on financial assets at fair value through profit or loss	8	(378,240)	825,608
Net foreign exchange loss		(29,548)	(74,737)
		<u>5,148</u>	<u>1,187,125</u>
<b>EXPENSES</b>			
Management fee	4	(144,446)	(147,395)
Trustee's fee	5	(12,001)	(11,935)
Transaction cost		(24,555)	(23,627)
Auditors' remuneration		(8,000)	(15,632)
Tax agent's fee		(14,531)	(13,577)
Shariah adviser's fee		(6,500)	(6,774)
Purification of non Shariah-compliant income		(18,674)	(18,221)
Other expenses	6	(28,186)	(59,104)
		<u>(256,893)</u>	<u>(296,265)</u>
<b>(LOSS)/PROFIT BEFORE TAXATION</b>			
Taxation	7	(251,745)	890,860
		<u>(46,107)</u>	<u>(45,635)</u>
<b>(LOSS)/PROFIT AFTER TAXATION AND TOTAL COMPREHENSIVE (LOSS)/INCOME FOR THE FINANCIAL YEAR</b>			
		<u>(297,852)</u>	<u>845,225</u>
(Loss)/profit after taxation is made up as follows:			
Realised amount		(815,585)	1,244,012
Unrealised amount		517,733	(398,787)
		<u>(297,852)</u>	<u>845,225</u>

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

**STATEMENT OF FINANCIAL POSITION  
AS AT 31 DECEMBER 2018**

	<u>Note</u>	<u>2018</u> <u>RM</u>	<u>2017</u> <u>RM</u>
<b>ASSETS</b>			
Cash and cash equivalents	9	234,277	460,655
Financial assets at fair value through profit or loss	8	18,262,941	19,428,340
<b>TOTAL ASSETS</b>		<u>18,497,218</u>	<u>19,888,995</u>
<b>LIABILITIES</b>			
Amount due to Manager		11,747	11,592
Amount due to Trustee		950	953
Auditors' remuneration		8,140	15,094
Tax agent's fee		14,651	4,091
Shariah adviser's fee		7,079	7,113
Payables	10	33,915	35,164
<b>TOTAL LIABILITIES</b>		<u>76,482</u>	<u>74,007</u>
<b>NET ASSET VALUE OF THE FUND</b>		<u>18,420,736</u>	<u>19,814,988</u>
<b>EQUITY</b>			
Unit holders' capital		17,945,700	19,042,100
Retained earnings/(Accumulated losses)		475,036	772,888
<b>NET ASSETS ATTRIBUTABLE TO UNIT HOLDERS</b>	11	<u>18,420,736</u>	<u>19,814,988</u>
<b>NUMBER OF UNITS IN CIRCULATION</b>	11	<u>18,000,000</u>	<u>19,000,000</u>
<b>NET ASSET VALUE PER UNIT (RM)</b>		<u>1.0234</u>	<u>1.0429</u>

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

**STATEMENT OF CHANGES IN EQUITY  
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018**

	<u>Note</u>	<u>Unit holders' capital</u> RM	<u>Retained earnings</u> RM	<u>Total</u> RM
Balance as at 1 January 2018		19,042,100	772,888	19,814,888
Total comprehensive loss for the financial year		-	(297,852)	(297,852)
Cancellation of units	11	(1,096,400)	-	(1,096,400)
Balance as at 31 December 2018		<u>17,945,700</u>	<u>475,036</u>	<u>18,420,736</u>
Balance as at 1 January 2017		19,042,100	(72,337)	18,969,763
Total comprehensive income for the financial year		-	845,225	845,225
Balance as at 31 December 2017		<u>19,042,100</u>	<u>772,888</u>	<u>19,814,888</u>

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

**STATEMENT OF CASH FLOWS  
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018**

	<u>Note</u>	<u>2018</u> RM	<u>2017</u> RM
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Cash used in purchase of investments		(5,218,849)	(5,727,013)
Proceeds from sales of investments		6,006,008	6,064,410
Dividends received		374,543	354,651
Profit from short term Shariah-compliant deposits		8,592	6,580
Management fee paid		(144,291)	(147,523)
Trustee fee paid		(12,004)	(11,966)
Purification of non Shariah-compliant income		(50,338)	(31,996)
Payment for other fees and expenses		(93,639)	(129,681)
		<u>870,022</u>	<u>377,462</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Payments for cancellation of units representing net cash used in financing activities	17	<u>(1,096,400)</u>	<u>-</u>
<b>NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS</b>		(226,378)	377,462
<b>CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE FINANCIAL YEAR</b>		<u>460,655</u>	<u>83,193</u>
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL YEAR</b>	9	<u><u>234,277</u></u>	<u><u>460,655</u></u>

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

## **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018**

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

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

The financial statements of the Exchange-Traded Fund ("the Fund") have been prepared in accordance with Malaysian Financial Reporting Standards ("MFRS") and International Financial Reporting Standards ("IFRS").

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

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

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

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

(a) The new amendments to published standards that are effective:

The Fund has applied the following amendments for the first time for the financial year beginning on 1 January 2018:

- MFRS 9 'Financial Instruments' became effective for annual periods beginning on or after 1 January 2018. It addresses the classification, measurement and derecognition of financial assets and liabilities and replaces the multiple classification and measurement models in MFRS 139.



**SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES  
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018 (CONTINUED)**

**A BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS (CONTINUED)**

**(a) The new amendments to published standards that are effective: (continued)**

Classification and measurement of debt assets is driven by the entity's business model for managing the financial assets and the contractual cash flow characteristics of the financial assets. A debt instrument is measured at amortised cost if the objective of the business model is to hold the financial asset for the collection of the contractual cash flows and the contractual cash flows under the instrument solely represent payments of principal and interest ("SPPI"). A debt instrument is measured at fair value through other comprehensive income if the objective of the business model is to hold the financial asset both to collect contractual cash flows from SPPI and to sell. All other debt instruments must be recognised at fair value through profit or loss. An entity may however, at initial recognition, irrevocably designate a financial asset as measured at fair value through profit or loss if doing so eliminates or significantly reduces a measurement or recognition inconsistency. Derivative and equity instruments are measured at fair value through profit or loss unless, for equity instruments not held for trading, an irrevocable option is taken to measure at fair value through other comprehensive income. MFRS 9 also introduces a new expected credit loss ("ECL") impairment model.

MFRS 9 has been applied retrospectively by the Fund and did not result in a change to the classification or measurement of financial instruments as outlined in Note F.

The Fund's investment portfolio continues to be classified as fair value through profit or loss and other financial assets which are held for collection continue to be measured at amortised cost. There was no material impact on adoption from the application of the new impairment model.

There are no other standards, amendments to standards or interpretations that are effective for annual periods beginning on 1 January 2018 that have a material effect on the financial statements of the Fund.

**(b) New standards, amendments and interpretations effective after 1 January 2018 and have not been early adopted:**

A number of new standards, amendments to standards and interpretations are effective for annual periods beginning 1 January 2018, and have not been early adopted in preparing these financial statements. None of these are expected to have a material effect on the financial statements of the Fund.

**B INCOME FROM SHARIAH-COMPLIANT FINANCIAL INSTRUMENTS**

Profit income

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

From 1 January 2018, profit is calculated by applying the effective profit rate to the gross carrying amount of a financial asset except for financial assets that subsequently become credit-impaired. For credit-impaired financial assets the effective profit rate is applied to the net carrying amount of the financial asset (after deduction of the loss allowance).

Up to 31 December 2017, when a financing and receivable is impaired, the Fund reduces the carrying amount to its recoverable amount, being the estimated future cash flow discounted at the original effective profit rate of the instrument, and continue unwinding the discount as profit income. Profit income on impaired financing and receivables are recognised using the original effective profit rate.

**SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES  
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018 (CONTINUED)**

**B INCOME FROM SHARIAH-COMPLIANT FINANCIAL INSTRUMENTS (CONTINUED)**

Dividend income

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

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

**C NON SHARIAH-COMPLIANT INCOME**

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

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

**D TAXATION**

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

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

**E CASH AND CASH EQUIVALENTS**

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

**F FINANCIAL ASSETS AND LIABILITIES**

**(i) Classification**

Up to 31 December 2017, the Fund designated its investment in equity securities as financial assets at fair value through profit or loss at inception.

Financial assets are designated at fair value through profit or loss when they are managed and their performance evaluated on a fair value basis.

Financing and receivables are non-derivative financial assets with fixed or determinable payment that are not quoted in an active market and have been included in current assets.

The Fund's financing and receivables comprise cash and cash equivalents which are all expected to realised within 12 months.

**SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES  
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018 (CONTINUED)**

**F FINANCIAL ASSETS AND LIABILITIES (CONTINUED)**

**(i) Classification (continued)**

Financial liabilities are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability.

The Fund classifies amount due to Manager, amount due to Trustee, amount due to broker, auditors' remuneration, tax agent's fee, Shariah adviser's fee and payables as other financial liabilities.

From 1 January 2018, the Fund classifies its financial assets in the following measurement categories:

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

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

The Fund classifies cash and cash equivalents as financial assets at amortised cost as these financial assets are held to collect contractual cash flows consisting of the amount outstanding.

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

**(ii) Recognition and measurement**

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

Financial liabilities, within the scope of MFRS 139 up to 31 December 2017 and MFRS 9 from 1 January 2018, 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.

Unrealised gains or losses arising from changes in the fair value of the financial assets at fair value through profit or loss are presented in the statement of comprehensive income within 'net gain/(loss) on financial assets at fair value through profit and loss' in the period in which they arise.

**SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES  
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018 (CONTINUED)**

**F FINANCIAL ASSETS AND LIABILITIES (CONTINUED)**

**(ii) Recognition and measurement (continued)**

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

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

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

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

Islamic deposits with licensed financial institutions are stated at cost plus accrued profit calculated in the effective profit method over the period from the date of placement to the date of maturity of the respective deposits. Financing and receivables are subsequently carried at amortised cost using the effective profit rate method.

**(iii) Impairment of financial assets**

Up to 31 December 2017, for assets carried at amortised cost, the Fund assesses at the end of the reporting year whether there is objective evidence that a financial asset or group of financial assets is impaired. A financial asset or a group of financial assets is impaired and impairment losses are incurred only if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a 'loss event') and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated.

The amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective profit rate. The asset's carrying amount of the asset is reduced and the amount of the loss is recognised in profit or loss. If the financial asset has a variable profit rate, the discount rate for measuring any impairment loss is the current effective profit rate determined under the contract.

As a practical expedient, the Fund may measure impairment on the basis of an instrument's fair value using an observable market price.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised (such as an improvement in the debtor's credit rating), the reversal of the previously recognised impairment loss is recognised in profit or loss.

When an asset is uncollectible, it is written off against the related allowance account. Such assets are written off after all the necessary procedures have been completed and the amount of the loss has been determined.

**SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES  
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018 (CONTINUED)**

**F FINANCIAL ASSETS AND LIABILITIES (CONTINUED)**

**(iii) Impairment of financial assets (continued)**

From 1 January 2018 onwards, the Fund measures credit risk and expected credit losses using probability of default and loss given default. Management considers both historical analysis and forward looking information in determining any expected credit loss. Management considers the probability of default to be close to zero as these instruments have a low risk of default and the counterparties have a strong capacity to meet their contractual obligations in the near term. As a result, no loss allowance has been recognised based on 12 month expected credit losses as any such impairment would be wholly insignificant to the Fund.

Significant increase in credit risk

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

Definition of default and credit-impaired financial assets

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

Write-off

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

**G AMOUNT DUE FROM/TO STOCKBROKERS**

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

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

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

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

## **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018 (CONTINUED)**

### **H UNIT HOLDERS' CAPITAL**

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

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

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

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

### **I PRESENTATION AND FUNCTIONAL CURRENCY**

#### **(i) Functional and presentation currency**

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

#### **(ii) Transactions and balances**

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

### **J SEGMENT REPORTING**

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

**SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES  
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018 (CONTINUED)**

**K DISTRIBUTION**

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

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

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

## NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018

### 1 INFORMATION ON THE FUND

The Exchange-Traded Fund (the “Fund”) was constituted under the name MyETF Thomson Reuters Asia Pacific ex-Japan Islamic Agribusiness pursuant to the execution of a trust deed dated 29 July 2015 and supplemental deed dated 9 December 2016 and 19 June 2017 (the “Deed”) entered into between iVCAP Management Sdn. Bhd. (the “Manager”) and Deutsche Trustees Malaysia Berhad (the “Trustee”).

The Fund was launched on 12 November 2015 and commenced operations on 26 November 2015. The Fund will continue its operations until terminated in accordance with Part 26 of the Deed.

The Fund is an Exchange-Traded Fund that is designed to provide investment results that closely correspond to the performance of the Thomson Reuters Islamic Asia Pacific ex-Japan Agribusiness Index (“Benchmark Index”) regardless of its performance. The Benchmark Index shall comprise of the 30 largest Shariah-compliant companies (by market capitalisation) listed on the stock exchanges within the Asia Pacific region that are primarily engaged in the upstream agricultural production activities as determined by Thomson Reuters (Markets) LLC. All investments will be subjected to the SC Guidelines on Exchange-Traded Funds, the Deed and the objective of the Fund.

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

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

These financial statements were authorised for issue by the Manager on 21 February 2019.

### 2 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

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

	Note	Amortised cost RM	Financial asset at fair value through profit or loss RM	Total RM
<b>2018</b>				
Cash and cash equivalents	9	234,277	-	234,277
Financial assets at fair value through profit or loss	8	-	18,262,941	18,262,941
Total		234,277	18,262,941	18,497,218



**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018 (CONTINUED)**

2 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

	Note	Financing and receivables	Financial asset at fair value through profit or loss	Total
<b>2017</b>				
Cash and cash equivalents	9	460,655	-	460,655
Financial assets at fair value through profit or loss	8	-	19,428,340	19,428,340
Total		460,655	19,428,340	19,888,995

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

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

Market risk

(i) Price risk

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

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

	<b>2018</b> <b>RM</b>	<b>2017</b> <b>RM</b>
Financial assets at fair value through profit or loss	18,262,941	19,428,340

The table below summarises the sensitivity of the Fund's unrealised income or loss to equity price movements as at the end of the financial year. The analysis is based on the assumptions that the Thomson Reuters Asia Pacific ex-Japan Islamic Agribusiness Index ("the Index") increased by 10% and decreased by 10%, with all other variables held constant, and that the fair value of the Fund's portfolio of equity securities moved in correlation with the Index.

<b>% Change in benchmark index</b>	<b>Benchmark Index</b>	<b>Market value RM</b>	<b>Impact to profit after tax/NAV RM</b>
<b>2018</b>			
-10%	188.51	16,731,698	(1,531,243)
0%	209.45	18,262,941	-
10%	230.40	19,794,184	1,531,243

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018 (CONTINUED)**

2 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

Market risk (continued)

(i) Price risk (continued)

<u>% Change in benchmark index</u>	<u>Benchmark Index</u>	<u>Market value RM</u>	<u>Impact to profit or loss/NAV RM</u>
<b><u>2017</u></b>			
-10%	185.99	17,855,977	(1,572,363)
0%	206.65	19,428,340	-
10%	227.32	21,000,703	1,572,363

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

(ii) Currency risk

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

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

	<u>Financial assets at fair value through profit or loss RM</u>
<b><u>2018</u></b>	
AUD	3,757,556
IDR	3,475,291
HKD	1,896,029
NZD	1,599,694
TWD	1,505,256
PHP	862,703
THB	299,284
KRW	291,592
	<u>13,687,405</u>

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018 (CONTINUED)**

2 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

Market risk (continued)

(ii) Currency risk (continued)

	<b>Financial assets at fair value through profit or loss RM</b>
<b><u>2017</u></b>	
AUD	2,784,525
IDR	2,850,868
TWD	1,791,443
HKD	1,962,588
NZD	1,769,246
KRW	1,406,738
PHP	1,033,236
THB	345,606
	<u>13,944,251</u>

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

	<b><u>Change in foreign exchange rate</u> %</b>	<b><u>Impact to profit or loss/NAV</u> RM</b>
<b><u>2018</u></b>		
AUD	+/- 7.23	+/- 271,718
IDR	+/- 5.16	+/- 179,319
HKD	+/- 3.21	+/- 60,918
NZD	+/- 6.92	+/- 110,669
TWD	+/- 3.50	+/- 52,656
PHP	+/- 4.87	+/- 41,996
THB	+/- 4.10	+/- 12,275
KRW	+/- 6.26	+/- 18,266
<b><u>2017</u></b>		
AUD	+/- 7.28	+/- 202,739
NZD	+/- 7.99	+/- 141,441
KRW	+/- 7.22	+/- 101,587
IDR	+/- 2.99	+/- 85,137
TWD	+/- 3.87	+/- 69,316
HKD	+/- 3.10	+/- 60,860
PHP	+/- 4.21	+/- 43,491
THB	+/- 3.29	+/- 11,382

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018 (CONTINUED)**

**2 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)**

Profit rate risk

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

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

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

Credit/Default risk

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

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

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

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

	<b>Cash and cash equivalents RM</b>
<b><u>2018</u></b>	
Financial institutions	
- AAA	219,882
- AA1	14,395
	234,277
<b><u>2017</u></b>	
Financial institutions	
- AAA	435,558
- AA1	25,097
	460,655

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018 (CONTINUED)**

**3 CAPITAL AND LIQUIDITY RISK MANAGEMENT**

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

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

<b><u>2018</u></b>	<b><u>Within one month RM</u></b>	<b><u>One month to one year RM</u></b>	<b><u>Total RM</u></b>
Amount due to Manager	11,747	-	11,747
Amount due to Trustee	950	-	950
Auditors' remuneration	-	7,941	7,941
Tax agent's fee	-	14,290	14,290
Shariah adviser's fee	-	7,079	7,079
Payables	5,324	29,151	34,474
	<u>18,021</u>	<u>58,461</u>	<u>76,481</u>
<b><u>2017</u></b>	<b><u>RM</u></b>	<b><u>RM</u></b>	<b><u>RM</u></b>
Amount due to Manager	11,592	-	11,592
Amount due to Trustee	953	-	953
Auditors' remuneration	-	15,094	15,094
Tax agent's fee	-	4,091	4,091
Shariah adviser's fee	-	7,113	7,113
Payables	2,260	32,904	35,164
	<u>14,805</u>	<u>59,202</u>	<u>74,007</u>

**4 MANAGEMENT FEE**

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

For the financial year ended 31 December 2018, the management fee was recognised at a rate of 0.75% (2017: 0.75%) per annum on the NAV of the Fund, calculated on a daily basis.

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

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018 (CONTINUED)**

**5 TRUSTEE'S FEE**

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

For the financial year 31 December 2018, the Trustee's fee was recognised at a rate of 0.045% (2017: 0.045%) per annum on the NAV of the Fund, subject to a minimum of RM12,000 per annum, inclusive of local custodian fee and excluding foreign custodian fee, calculated on a daily basis.

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

**6 OTHER EXPENSES**

	<b><u>2018</u></b> <b>RM</b>	<b><u>2017</u></b> <b>RM</b>
Printing cost	3,500	3,500
GST expenses	5,168	14,417
Other expenses	19,518	41,187
	<u>28,186</u>	<u>59,104</u>

**7 TAXATION**

	<b><u>2018</u></b> <b>RM</b>	<b><u>2017</u></b> <b>RM</b>
Tax charged for the financial period:		
- Withholding Tax	<u>46,107</u>	<u>45,635</u>

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018 (CONTINUED)**

**7 TAXATION (CONTINUED)**

The explanation of the relationship between taxation and (loss)/profit before taxation of the Fund is as follows:

	<b><u>2018</u></b> <b>RM</b>	<b><u>2017</u></b> <b>RM</b>
(Loss)/profit before taxation	(251,745)	890,860
Tax at Malaysian statutory rate of 24%	(60,419)	213,806
Tax effect of:		
Investment income not subject to tax	(1,236)	(284,910)
Restriction on tax deductible expenses for Exchange-traded Funds	37,428	39,966
Expenses not deductible for tax purposes	24,227	31,138
Withholding tax	46,107	45,635
	<u>46,107</u>	<u>45,635</u>

**8 FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS**

	<b><u>2018</u></b> <b>RM</b>	<b><u>2017</u></b> <b>RM</b>
Designated at fair value through profit or loss at inception		
- Quoted shares - local	4,575,534	5,484,089
- Quoted shares - foreign	13,687,407	13,944,251
	<u>18,262,941</u>	<u>19,428,340</u>
Net (loss)/gain on financial assets at fair value through profit or loss		
- Realised (loss)/gain	(895,720)	1,224,681
- Unrealised gain/(loss)	517,480	(399,073)
	<u>(378,240)</u>	<u>825,608</u>

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018 (CONTINUED)**

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

Name of counter	Quantity Units	Aggregate cost RM	Market value RM	Percentage of NAV %
<b>2018</b>				
<b>SHARIAH-COMPLIANT QUOTED SECURITIES</b>				
<b>MALAYSIA</b>				
<b>Food Processing</b>				
Nestle (M) Bhd	6,100	451,049	899,140	4.90
Dutch Lady Milk Industries Bhd	4,000	254,964	248,000	1.35
	10,100	706,013	1,147,140	6.25
<b>Fishing &amp; Farming</b>				
Kuala Lumpur Kepong Bhd	35,200	806,136	870,144	4.72
Genting Plantations Bhd	57,700	586,939	568,922	3.09
FGV Holdings Bhd	339,400	634,852	242,671	1.32
PPB Group Bhd	52,200	682,755	917,676	4.98
QL Resources Bhd	121,730	403,369	828,981	4.50
	606,230	3,114,051	3,428,394	18.61
<b>TOTAL MALAYSIA</b>	<b>616,330</b>	<b>3,820,064</b>	<b>4,575,534</b>	<b>24.86</b>
<b>AUSTRALIA</b>				
<b>Food Processing</b>				
Select Harvests Ltd.	18,100	332,997	321,933	1.75
Freedom Foods Group Ltd.	23,100	347,918	313,201	1.70
Bega Cheese Ltd.	43,500	889,981	625,308	3.39
	84,700	1,570,896	1,260,442	6.84
<b>Fishing &amp; Farming</b>				
Tassal Group Ltd.	39,400	530,404	507,781	2.76
Costa Group Holdings Ltd.	47,800	511,012	1,034,164	5.61
	87,200	1,041,416	1,541,945	8.37
<b>Agricultural Chemicals</b>				
Nufarm Ltd.	51,400	1,185,410	893,238	4.85
<b>Forest &amp; Wood Products</b>				
Quintis Ltd.	72,000	372,194	61,933	0.34
<b>TOTAL AUSTALIA</b>	<b>295,300</b>	<b>4,169,916</b>	<b>3,757,558</b>	<b>20.40</b>



**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018 (CONTINUED)**

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

Name of counter	Quantity Units	Aggregate cost RM	Market value RM	Percentage of NAV %
<b>2018 (CONTINUED) SHARIAH-COMPLIANT QUOTED SECURITIES - (CONTINUED)</b>				
<b>HONG KONG</b>				
<b>Food Processing</b>				
China Mengniu Dairy Co. Ltd.	71,400	490,019	919,880	4.99
China Foods Ltd	164,500	311,804	248,413	1.35
China Agri-Industries Holdings Ltd	494,000	669,469	727,736	3.95
	<b>729,900</b>	<b>1,471,292</b>	<b>1,896,029</b>	<b>10.29</b>
<b>TOTAL HONG KONG</b>	<b>729,900</b>	<b>1,471,292</b>	<b>1,896,029</b>	<b>10.29</b>
<b>INDONESIA</b>				
<b>Food Processing</b>				
PT Indofood Sukses Makmur TBK	538,500	972,822	1,151,795	6.25
<b>Fishing &amp; Farming</b>				
PT Japfa Comfeed Indonesia TBK	831,500	379,567	513,256	2.79
PT Charoen Pokphand Indonesia TBK	579,800	686,016	1,202,678	6.53
PT Inti Agri Resources TBK	5,882,100	532,157	405,300	2.20
PT Perusahaan Perkebunan London Sumatra Indonesia TBK	563,600	194,369	202,262	1.10
	<b>7,857,000</b>	<b>1,792,109</b>	<b>2,323,496</b>	<b>12.62</b>
<b>TOTAL INDONESIA</b>	<b>8,395,500</b>	<b>2,764,931</b>	<b>3,475,291</b>	<b>18.87</b>
<b>SOUTH KOREA</b>				
<b>Food Processing</b>				
Maeil Dairies Co. Ltd.	1,000	292,092	291,592	1.58
<b>TOTAL SOUTH KOREA</b>	<b>1,000</b>	<b>292,092</b>	<b>291,592</b>	<b>1.58</b>

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018 (CONTINUED)**

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

Name of counter	Quantity Units	Aggregate cost RM	Market value RM	Percentage of NAV %
<b>2018 (CONTINUED)</b>				
<b>SHARIAH-COMPLIANT QUOTED SECURITIES - (CONTINUED)</b>				
<b>NEW ZEALAND</b>				
<b>Food Processing</b>				
Fonterra Cooperative Group Ltd.	17,500	313,590	224,989	1.22
Synlait Milk Ltd.	19,200	455,327	478,794	2.60
	36,700	768,917	703,783	3.82
<b>Fishing &amp; Farming</b>				
Scales Corporation Ltd.	23,600	268,591	294,259	1.60
Sanford Ltd.	32,900	692,742	601,652	3.27
	56,500	961,333	895,911	4.87
<b>TOTAL NEW ZEALAND</b>	<b>93,200</b>	<b>1,730,250</b>	<b>1,599,694</b>	<b>8.69</b>
<b>PHILIPPINES</b>				
<b>Food Processing</b>				
Universal Robina Corporation	86,400	1,377,436	862,703	4.68
<b>TOTAL PHILIPPINES</b>	<b>86,400</b>	<b>1,377,436</b>	<b>862,703</b>	<b>4.68</b>
<b>TAIWAN</b>				
<b>Food Processing</b>				
Standard Foods Corporation	82,682	742,155	554,927	3.01
<b>Agricultural Chemicals</b>				
Taiwan Fertilizer Co. Ltd.	162,900	897,511	950,328	5.16
<b>TOTAL TAIWAN</b>	<b>245,582</b>	<b>1,639,666</b>	<b>1,505,255</b>	<b>8.17</b>
<b>THAILAND</b>				
<b>Food Processing</b>				
Thai Vegetable Oil PCL-NVDR <sup>1</sup>	88,600	290,677	299,286	1.63
<b>TOTAL THAILAND</b>	<b>88,600</b>	<b>290,678</b>	<b>299,284</b>	<b>1.63</b>

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018 (CONTINUED)**

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

Name of counter	Quantity Units	Aggregate cost RM	Market value RM	Percentage of NAV %
<b>2018 (CONTINUED)</b>				
<b>SHARIAH-COMPLIANT QUOTED SECURITIES - (CONTINUED)</b>				
<b>TOTAL SHARIAH-COMPLIANT QUOTED SECURITIES</b>	<b>10,551,812</b>	<b>17,556,324</b>	<b>18,262,940</b>	<b>99.16</b>
<b>ACCUMULATED UNREALISED GAIN ON FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS</b>		<b>706,616</b>		
<b>TOTAL FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS</b>		<b>18,262,941</b>		
Name of counter	Quantity Units	Aggregate cost RM	Market value RM	Percentage of NAV %
<b>2017</b>				
<b>SHARIAH-COMPLIANT QUOTED SECURITIES</b>				
<b>MALAYSIA</b>				
<b>Food Processing</b>				
Nestle (M) Bhd	10,210	754,953	1,053,672	5.32
Dutch Lady Milk Industries Bhd	2,300	138,044	142,600	0.72
	12,510	892,997	1,196,272	6.04
<b>Fishing &amp; Farming</b>				
FGV Holdings Bhd.	334,800	633,460	565,812	2.86
Genting Plantations Bhd.	59,600	620,270	625,800	3.16
Kuala Lumpur Kepong Bhd.	40,200	920,644	1,005,000	5.07
TSH Resources Bhd.	260,100	507,806	429,164	2.17
PPB Group Bhd	58,500	918,188	1,008,540	5.09
QL Resources Bhd	150,230	497,807	653,501	3.30
	903,430	4,098,175	4,287,817	21.65
<b>TOTAL MALAYSIA</b>	<b>915,940</b>	<b>4,991,172</b>	<b>5,484,089</b>	<b>27.69</b>
<b>AUSTRALIA</b>				
<b>Food Processing</b>				
Freedom Foods Group Ltd.	18,800	283,246	307,656	1.55

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018 (CONTINUED)**

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

Name of counter	Quantity Units	Aggregate cost RM	Market value RM	Percentage of NAV %
<b>2017 (CONTINUED)</b>				
<b>SHARIAH-COMPLIANT QUOTED SECURITIES - (CONTINUED)</b>				
<b>AUSTRALIA (CONTINUED)</b>				
<b>Fishing &amp; Farming</b>				
Tassal Group Ltd.	39,100	532,841	464,453	2.34
Costa Group Holdings Ltd.	49,200	490,043	1,025,855	5.18
	88,300	1,022,884	1,490,308	7.52
<b>Agricultural Chemicals</b>				
Nufarm Ltd.	33,300	865,081	919,460	4.64
<b>Forest &amp; Wood Products</b>				
Quintis Ltd.	72,000	372,194	67,101	0.34
	105,300	1,237,275	986,561	4.98
	177,300	1,609,469	1,053,662	5.32
<b>TOTAL AUSTRALIA</b>	<b>212,400</b>	<b>2,543,405</b>	<b>2,784,525</b>	<b>14.05</b>
<b>HONG KONG</b>				
<b>Food Processing</b>				
Ausnutria Dairy Corporation Ltd.	127,000	346,385	308,729	1.56
China Mengniu Dairy Co. Ltd.	991,600	888,501	647,601	3.27
China Shengmu Organic Milk Ltd.	83,500	573,061	1,006,259	5.08
	1,202,100	1,807,947	1,962,589	9.91
<b>TOTAL HONG KONG</b>	<b>1,202,100</b>	<b>1,807,947</b>	<b>1,962,589</b>	<b>9.91</b>
<b>INDONESIA</b>				
<b>Food Processing</b>				
PT Indofood Sukses Makmur TBK	389,100	701,779	884,132	4.46
<b>Fishing &amp; Farming</b>				
PT Charoen Pokphand Indonesia TBK	932,600	1,103,446	833,744	4.21
PT Japfa Comfeed Indonesia TBK	915,000	417,683	354,471	1.79
PT Inti Agri Resources TBK	5,278,000	535,335	519,039	2.62
PT Perusahaan Perkebunan London Sumatra Indonesia TBK	613,200	241,983	259,482	1.31
	7,738,800	2,298,447	1,966,736	9.93
<b>TOTAL INDONESIA</b>	<b>8,127,900</b>	<b>3,000,226</b>	<b>2,850,868</b>	<b>14.39</b>

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018 (CONTINUED)**

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

Name of counter	Quantity Units	Aggregate cost RM	Market value RM	Percentage of NAV %
<b>2017 (CONTINUED)</b>				
<b>SHARIAH-COMPLIANT QUOTED SECURITIES - (CONTINUED)</b>				
<b>SOUTH KOREA</b>				
<b>Food Processing</b>				
Maeil Dairies Co. Ltd.	6,500	554,811	382,266	1.93
Ottogi Co. Ltd.	335	1,161,411	1,024,472	5.17
	6,835	1,716,222	1,406,738	7.1
<b>TOTAL SOUTH KOREA</b>	<b>6,835</b>	<b>1,716,222</b>	<b>1,406,738</b>	<b>7.1</b>
<b>NEW ZEALAND</b>				
<b>Food Processing</b>				
Fonterra Cooperative Group Ltd.	32,000	573,422	590,192	2.98
Synlait Milk Ltd.	24,300	578,467	503,412	2.54
	56,300	1,151,889	1,093,604	5.52
<b>Fishing &amp; Farming</b>				
Sanford Ltd.	14,700	321,949	351,059	1.77
Scales Corporation Ltd.	23,600	267,038	324,582	1.64
	38,300	588,987	675,641	3.41
<b>TOTAL NEW ZEALAND</b>	<b>94,600</b>	<b>1,740,876</b>	<b>1,769,245</b>	<b>8.93</b>
<b>PHILIPPINES</b>				
<b>Food Processing</b>				
Universal Robina Corporation	84,330	1,393,621	1,033,236	5.21
<b>TOTAL PHILIPPINES</b>	<b>84,330</b>	<b>1,393,621</b>	<b>1,033,236</b>	<b>5.21</b>
<b>TAIWAN</b>				
<b>Food Processing</b>				
Standard Foods Corporation	88,982	798,704	897,550	4.53
<b>Agricultural Chemicals</b>				
Taiwan Fertilizer Co. Ltd.	171,000	942,138	893,894	4.51
<b>TOTAL TAIWAN</b>	<b>259,982</b>	<b>1,740,842</b>	<b>1,791,444</b>	<b>9.04</b>

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018 (CONTINUED)**

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

Name of counter	Quantity Units	Aggregate cost RM	Market value RM	Percentage of NAV %
<b>2017 (CONTINUED)</b>				
<b>SHARIAH-COMPLIANT QUOTED SECURITIES - (CONTINUED)</b>				
<b>THAILAND</b>				
<b>Food Processing</b>				
Thai Vegetable Oil PCL – NVDR <sup>1</sup>	93,620	304,894	345,606	1.74
<b>TOTAL THAILAND</b>	<b>93,620</b>	<b>304,894</b>	<b>345,606</b>	<b>1.74</b>
<b>TOTAL SHARIAH-COMPLIANT QUOTED SECURITIES</b>	<b>10,997,707</b>	<b>19,239,205</b>	<b>19,428,340</b>	<b>98.06</b>
<b>ACCUMULATED UNREALISED GAIN ON FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS</b>		<b>189,135</b>		
<b>TOTAL FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS</b>		<b>19,428,340</b>		

<sup>1</sup> NVDR, or non-voting depository receipt, is a trading instrument issued by Thai NVDR Company Limited, a subsidiary wholly owned by the Stock Exchange of Thailand ("SET"). It is a valid security as specified by the United States Securities and Exchange Commission ("SEC") and is automatically regarded as a listed security by the SET. The underlying security is a listed security in the SET.

**9 CASH AND CASH EQUIVALENTS**

	<b>2018 RM</b>	<b>2017 RM</b>
Shariah-compliant deposits with a licensed bank	219,882	435,558
Cash at bank - From Shariah-compliant income	14,395	25,097
	<b>234,277</b>	<b>460,655</b>

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018 (CONTINUED)**

**9 CASH AND CASH EQUIVALENTS (CONTINUED)**

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

	<b><u>2018</u></b> <b>% p.a.</b>	<b><u>2017</u></b> <b>% p.a.</b>
Shariah-compliant deposits with a licensed bank	3.15	3.05

As at the end of financial year ended 31 December 2018, Shariah-compliant deposits with a licensed bank of the Fund have a weighted average maturity period of 4 days (2017: 2 days) and are denominated in Ringgit Malaysia.

**10 PAYABLES**

	<b><u>2018</u></b> <b>RM</b>	<b><u>2017</u></b> <b>RM</b>
Printing cost	3,500	3,500
Other payables	30,415	31,664
	<u>33,915</u>	<u>35,164</u>

**11 NUMBER OF UNITS IN CIRCULATION AND NET ASSET ATTRIBUTABLE TO UNIT HOLDERS**

Net asset value attributable to unit holders is represented by:

	<b><u>Note</u></b>	<b><u>2018</u></b> <b>RM</b>	<b><u>2017</u></b> <b>RM</b>
Unit holders' contribution	(a)	17,945,700	19,042,100
Retained earnings/(Accumulated losses)		475,036	772,888
		<u>18,420,736</u>	<u>19,814,988</u>

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018 (CONTINUED)**

**11 NUMBER OF UNITS IN CIRCULATION AND NET ASSET ATTRIBUTABLE TO UNIT HOLDERS (CONTINUED)**

**(a) UNIT HOLDERS' CONTRIBUTION/UNITS IN CIRCULATION**

	<b>2018</b>		<b>2017</b>	
	<b>No. of units</b>	<b>RM</b>	<b>No. of units</b>	<b>RM</b>
At the beginning of the financial year	19,000,000	19,042,100	19,000,000	19,042,100
Cancellation during the financial year	(1,000,000)	(1,096,400)	-	-
At the end of the financial year	<u>18,000,000</u>	<u>17,945,700</u>	<u>19,000,000</u>	<u>19,042,100</u>

**12 TRANSACTIONS WITH BROKERS**

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

<b><u>Name of brokers</u></b>	<b><u>Value of trade</u></b> <b>RM</b>	<b><u>Percentage of total trades</u></b> <b>%</b>	<b><u>Brokerage fees</u></b> <b>RM</b>	<b><u>Percentage of total brokerage</u></b> <b>%</b>
Maybank Investment Bank Bhd.	7,918,098	70.54	9,676	68.90
CIMB Investment Bank Bhd.	2,286,784	20.37	3,169	22.57
BIMB Securities Sdn. Bhd.	644,195	5.74	785	5.59
MIDF Amanah Investment Bank Bhd.	191,926	1.71	192	1.37
CIMB Securities Ltd. - Korea	183,853	1.64	221	1.57
	<u>11,224,856</u>	<u>100.00</u>	<u>14,043</u>	<u>100.00</u>



**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018 (CONTINUED)**

**12 TRANSACTIONS WITH BROKERS (CONTINUED)**

Details of transactions with the brokers for the financial year ended 31 December 2017 are as follows:

<b><u>Name of brokers</u></b>	<b><u>Value of trade RM</u></b>	<b><u>Percentage of total trades %</u></b>	<b><u>Brokerage fees RM</u></b>	<b><u>Percentage of total brokerage %</u></b>
CIMB Investment Bank Bhd.	6,468,996	54.86	7,955	53.62
Maybank Investment Bank Bhd.	4,269,285	36.21	5,586	37.65
MIDF Amanah Investment Bank Bhd.	419,968	3.56	504	3.40
CIMB Securities Ltd. - Korea	321,011	2.72	385	2.59
RHB Investment Bank Bhd.	174,117	1.48	240	1.62
BIMB Securities Sdn. Bhd.	138,044	1.17	166	1.12
	<u>11,791,421</u>	<u>100.00</u>	<u>14,836</u>	<u>100.00</u>

**13 UNITS HELD BY THE MANAGER AND PARTIES RELATED TO THE MANAGER**

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

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

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

	<b><u>2018</u></b>		<b><u>2017</u></b>	
	<b><u>No. of units</u></b>	<b><u>RM</u></b>	<b><u>No. of units</u></b>	<b><u>RM</u></b>
The Manager	36,600	37,456	2,000	2,086
Valuecap	14,822,600	15,169,449	16,159,900	16,853,160
	<u>14,859,200</u>	<u>15,206,905</u>	<u>16,161,900</u>	<u>16,855,246</u>

The units are held legally by the manager for booking purposes. The units are held beneficially by Valuecap.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018 (CONTINUED)**

14 MANAGEMENT EXPENSE RATIO ("MER")

	<u>2018</u> %	<u>2017</u> %
MER	<u>1.20</u>	<u>1.37</u>

MER is derived from the following calculation:

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

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

The average net asset value of the Fund for the financial year calculated on a daily basis is RM19,265,529 (2017: RM19,761,761).

15 PORTFOLIO TURNOVER RATIO ("PTR")

	<u>2018</u>	<u>2017</u>
PTR (times)	<u>0.31</u>	<u>0.27</u>

PTR is derived from the following calculation:

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

where: total acquisition for the financial year = RM5,218,848 (2017: RM5,727,013)  
total disposal for the financial year = RM6,901,728 (2017: RM4,839,729)

The average net asset value of the Fund for the financial year calculated on a daily basis is RM19,265,529 (2017: RM19,761,761).

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018 (CONTINUED)**

**16 SEGMENT REPORTING**

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

The investment objective of the Fund is to provide investment results that, before expenses, closely correspond to the performance of the Thomson Reuters Islamic Asia Pacific ex-Japan Agribusiness Index, regardless of its performance. The reportable operating segment derives its income by seeking investments to achieve targeted returns consummate with an acceptable level of risk within the portfolio. These returns consist of dividend income earned from investments and gains on the appreciation in the value of investments which is derived from 30 largest Shariah-compliant companies (by market capitalisation) listed on the Relevant Exchanges within the Asia Pacific region that are primarily engaged in the upstream agricultural production activities. The constituent securities of the Benchmark Index are listed on Bursa Securities, Singapore Exchange, The Stock Exchange of Thailand, Indonesia Stock Exchange, The Philippine Stock Exchange Inc, Korea Stock Exchange, Australian Securities Exchange, The Stock Exchange of Hong Kong Limited, Taiwan Stock Exchange Corporation and New Zealand Stock Exchange.

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

**17 NON CASH TRANSACTIONS**

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

	<u>2018</u> <u>RM</u>	<u>2017</u> <u>RM</u>
Cancellation		
- Fair value of benchmark index shares	-	-
- Cash component	1,096,400	-
	<u>1,096,400</u>	<u>-</u>

**18 FAIR VALUES OF FINANCIAL INSTRUMENTS**

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

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

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

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

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018 (CONTINUED)**

**18 FAIR VALUES OF FINANCIAL INSTRUMENTS (CONTINUED)**

**(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.

The following table analyses within the fair value hierarchy the financial asset measured at fair value:

	<u>Level 1</u> RM	<u>Level 2</u> RM	<u>Level 3</u> RM	<u>Total</u> RM
<b><u>2018</u></b>				
Financial assets at fair value through profit or loss				
- Quoted shares	18,262,941	-	-	18,262,941

<b><u>2017</u></b>				
Financial assets at fair value through profit or loss				
- Quoted shares	19,428,340	-	-	19,428,340

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

- (ii) The carrying values of cash and cash equivalents and all current liabilities are a reasonable approximation of their fair values due to their short term nature.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018 (CONTINUED)**

**19 MFRS 9 FINANCIAL INSTRUMENTS**

As disclosed in Note A, the Fund have adopted MFRS 9, which resulted in changes to the accounting policies and adjustments to the financial position. The main changes are as follows:

**(a) Classification and measurement of financial assets**

Up to 31 December 2017, financial assets were classified in the following categories: financial assets at fair value through profit or loss ("FVTPL"), loans and receivables. Note F set out the details of accounting policies for classification and measurement of financial instruments under MFRS 139.

From 1 January 2018, the Fund applies the following MFRS 9's classification approach to all types of financial assets:

- Investments in debt instruments: There are 3 subsequent measurement categories: amortised cost, fair value with changes either recognised through other comprehensive income ("FVOCI") or through profit or loss ("FVTPL").
- Investments in equity instruments: These instruments are always measured at fair value with changes in fair value presented in profit or loss unless the Fund has made an irrevocable choice to present changes in fair value in other comprehensive income ("OCI") for investments that are not held for trading.

**(b) Impairment**

From 1 January 2018 onwards, 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 considers the probability of default to be close to zero as these instruments have a low risk of default and the counterparties have a strong capacity to meet their contractual obligations in the near term. As a result, no loss allowance has been recognised based on 12 month expected credit losses as any such impairment would be wholly insignificant to the Fund.

Significant increase in credit risk

A significant increase in credit risk is defined by management as any contractual payment which is more than 30 days past due.

Definition of default and credit-impaired financial assets

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

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018 (CONTINUED)**

19 MFRS 9 FINANCIAL INSTRUMENTS (CONTINUED)

The measurement category and the carrying amount of financial assets and financial liabilities in accordance with MFRS 139 and MFRS 9 at 1 January 2018 are compared as follows:

	Measurement category		Carrying amount			
	Original (MFRS 139)	New (MFRS 9)	Original (MFRS 139)	Reclassifi- cations	Remeasu- rements	New (MFRS 9)
			RM	RM	RM	RM
<b>Assets</b>						
Cash and cash equivalents	Financing and receivables	Amortised cost	460,655	-	-	460,655
Investment in equity securities	FVTPL	FVTPL	19,428,340	-	-	19,428,340
<b>Liabilities</b>						
Amount due to manager	Amortised cost	Amortised cost	11,592	-	-	11,592
Amount due to trustee	Amortised cost	Amortised cost	953	-	-	953
Auditors' remuneration	Amortised cost	Amortised cost	15,094	-	-	15,094
Tax agent fee	Amortised cost	Amortised cost	4,091	-	-	4,091
Shariah adviser fee	Amortised cost	Amortised cost	7,113	-	-	7,113
Other payables and accruals	Amortised cost	Amortised cost	35,164	-	-	35,164

## ANALYSIS OF UNIT HOLDINGS

### Summary of Unit Holders

*As at 31 January 2019*

	No. of unit holders	% of unit holders	No. of units held	% of units in circulation
Less than 100	6	3.33	100	0.00
100 - 1,000	93	51.67	50,600	0.28
1,001 - 10,000	69	38.33	250,500	1.39
10,001 - 100,000	9	5.00	228,600	1.27
100,001 to less than 5% of issued units	-	-	-	0.00
5% and above of issued units	3	1.67	17,470,200	97.06
<b>TOTAL</b>	<b>180</b>	<b>100.00</b>	<b>18,000,000</b>	<b>100.00</b>

## PROFILE OF DIRECTORS OF THE MANAGER

### DIRECTORS' PROFILE

<b>Name:</b>	<b>Roslina Binti Abdul Rahman</b>
<b>Age:</b>	50
<b>Gender:</b>	Female
<b>Nationality:</b>	Malaysian
<b>Designation:</b>	Non-Independent Non-Executive Director Chairman
<b>Qualifications:</b>	Bachelor of Business Administration from Loyola Marymount University, Los Angeles, USA and Master of Business Administration from University of New South Wales & The University of Sydney, Sydney, Australia
<b>Working Experience and Occupation:</b>	<p>Roslina is the Group Chief Executive Officer of Valuecap Sdn. Bhd. She was appointed as Chairman of i-VCAP Management Sdn. Bhd. and VCAP Asset Managers Sdn. Bhd. respectively, effective 22 January 2019.</p> <p>Previously, Roslina served as Managing Director of Amundi Malaysia and Director of Amundi Islamic Malaysia. Roslina joined Amundi Malaysia in 2008, prior to which she held fund management roles at CIMB-Principal Asset Management from 2004 to 2008 and served across various units of AMMB Holdings Berhad – namely AmInvestment Management, Arab-Malaysian Merchant Bank/Arab-Malaysian Asset Management Berhad, and Arab-Malaysian Unit Trusts Berhad – from 1990 to 2004.</p>
<b>Date Appointed to Board:</b>	1 August 2018
<b>Details of Membership of any Board Committee:</b>	None
<b>Directorship of other public companies and listed issuer:</b>	None
<b>Family relationship with any director and/or major shareholder of the Fund:</b>	None
<b>Conflict of interest with the Fund:</b>	Roslina is the Managing Director and Group Chief Executive Officer of Valuecap of which is a unit holder of the Fund.
<b>List of convictions for offences within the past 5 years other than traffic offences and any public sanction or penalty imposed by the relevant regulatory bodies during the financial year:</b>	None



## DIRECTORS' PROFILE (continued)

<b>Name:</b>	<b>Khairi Shahrin Arief Bin Baki</b>
<b>Age:</b>	37
<b>Gender:</b>	Male
<b>Nationality:</b>	Malaysian
<b>Designation:</b>	Chief Executive Officer ("CEO") / Non-Independent Executive Director
<b>Qualifications:</b>	Bachelor of Business Administration from Universiti Putra Malaysia and Diploma in Investment Analysis from The Research Institute of Investment Analysts Malaysia (RIIAM)
<b>Working Experience and Occupation:</b>	<p>Khairi Shahrin was appointed as CEO of i-VCAP Management Sdn Bhd ("i-VCAP") in January 2018 and bringing with him 14 years of experience in the capital market industry.</p> <p>Khairi Shahrin began his career with OSK Investment Bank in 2003 and later held various positions at various institutions which include Maybank Investment Bank, JP Morgan Securities and Citigroup Global Markets. He subsequently served as Senior Director &amp; Head of Equity Dealing, MIDF Amanah Investment Bank prior to his appointment as CEO of i-VCAP.</p>
<b>Date Appointed to Board:</b>	11 January 2018
<b>Details of Membership of any Board Committee:</b>	None
<b>Directorship of other public companies and listed issuer:</b>	None
<b>Family relationship with any director and/or major shareholder of the Fund:</b>	None
<b>Conflict of interest with the Fund:</b>	Khairi is the CEO of i-VCAP of which is the Manager and unit holder of the Fund.
<b>List of convictions for offences within the past 5 years other than traffic offences and any public sanction or penalty imposed by the relevant regulatory bodies during the financial year:</b>	None

## DIRECTORS' PROFILE (continued)

<b>Name:</b>	<b>Datuk Dr Syed Muhamad Bin Syed Abdul Kadir</b>
<b>Age:</b>	71
<b>Gender:</b>	Male
<b>Nationality:</b>	Malaysian
<b>Designation:</b>	Independent Non-Executive Director
<b>Qualifications:</b>	<p>PhD in Business Management from Virginia Polytechnic Institute and State University, Master in Business Administration from University of Massachusetts, Master of Law (Corporate Law) from University Technology MARA, Bachelor of Arts (Hons) Degree from University of Malaya, Bachelor in Jurisprudens from University of Malaya and Diploma in Management Science from National Institute of Public Administration. He is a Member of fellow of The Chartered Institute of Arbitrators, United Kingdom (UK) and Certificate holder of Legal Practice from Legal Profession Board.</p>
<b>Working Experience and Occupation:</b>	<p>Datuk Dr. Syed Muhamad started his career in 1973 as Senior Project Officer, School of Financial Management at the National Institute of Public Administration (INTAN) and in November 1988, he joined the Ministry of Education as Secretary of Higher Education and then assumed the position of Deputy Secretary (Foreign and Domestic Borrowing, Debt Management) Federal Treasury. From 1993, he joined the Board of Directors of Asian Development Bank, first as Alternate Executive Director and later as Executive Director prior to joining the Ministry of Finance as Secretary, Tax Analysis Division and later became Deputy Secretary General (Operations). Prior to his retirement, YBhg. Datuk Dr. Syed was Secretary General in the Ministry of Human Resource. Currently, Datuk Dr. Syed also a Director of Valuecap Sdn. Bhd., the holding company of i-VCAP Management Sdn. Bhd.</p> <p>During his career, he wrote and presented many papers relating to human resources development. His special achievement was that his dissertation A Study on Board of Directors and Organizational Effectiveness was published by Garland Publisher, Inc, of New York in 1991.</p> <p>Datuk Dr. Syed Muhamad is a Director of Euro Holdings Berhad, BSL Corporation Berhad, Malakoff Corporation Berhad and Asia Capital Reinsurance Malaysia Sdn Bhd. He is also Chairman of Sun Life Malaysia Assurance Berhad. In addition, he holds a directorship in number of private companies.</p>
<b>Date Appointed to Board:</b>	1 January 2019
<b>Details of Membership of any Board Committee:</b>	None
<b>Directorship of other public companies and listed issuer:</b>	<ol style="list-style-type: none"> <li>1. Euro Holding Berhad</li> <li>2. Solution Engineering Holdings Berhad</li> <li>3. BSL Corporation Berhad</li> <li>4. Malakoff Corporation Berhad</li> <li>5. Sun Life Malaysia Assurance Berhad</li> <li>6. Sun Life Malaysia Takaful Berhad</li> </ol>

## DIRECTORS' PROFILE (continued)

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

**Conflict of interest with the Fund:** None

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

**Name:** Mohd Asri Bin Awang

**Age:** 62

**Gender:** Male

**Nationality:** Malaysian

**Designation:** Independent Non-Executive Director

**Qualifications:** Bachelor of Economics from Macquarie University, Sydney

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

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

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

**Date Appointed to Board:** 1 January 2019

## DIRECTORS' PROFILE (continued)

<b>Details of Membership of any Board Committee:</b>	None
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<b>Directorship of other public companies and listed issuer:</b>	None
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<b>Family relationship with any director and/or major shareholder of the Fund:</b>	None
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<b>Conflict of interest with the Fund:</b>	None
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<b>List of convictions for offences within the past 5 years other than traffic offences and any public sanction or penalty imposed by the relevant regulatory bodies during the financial year:</b>	None
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**Date of first appointment as Director and attendance of Board Meetings during 2018:**

<b><u>Name</u></b>	<b><u>Date First Appointed</u></b>	<b><u>Attendance</u></b>
<b>Rosli Bin Abdullah</b>	16 December 2009 <i>(resigned effective 31 December 2018)</i>	8 of 8
<b>Roslina Binti Abdul Rahman</b>	1 August 2018	3 of 8
<b>Sharifatu Laila Binti Syed Ali</b>	25 October 2007 <i>(resigned effective 31 July 2018)</i>	4 of 8
<b>Hassan Bin Ibrahim</b>	2 November 2007 <i>(resigned effective 31 December 2018)</i>	8 of 8
<b>Y.M. Tunku Afwida Binti Tunku A. Malek</b>	17 July 2009 <i>(resigned effective 31 December 2018)</i>	7 of 8
<b>Nik Amlizan Binti Mohamed</b>	1 January 2016 <i>(resigned effective 30 September 2018)</i>	6 of 8
<b>Datuk Mohd. Nasir Bin Ali</b>	1 January 2016 <i>(resigned effective 31 December 2018)</i>	8 of 8
<b>Khairi Shahrin Arief Bin Baki</b>	11 January 2018	8 of 8
<b>Datuk Dr Syed Muhamad Bin Syed Abdul Kadir</b>	1 January 2019	Not applicable
<b>Mohd Asri Bin Awang</b>	1 January 2019	Not applicable

## DIRECTORS' TRAINING

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

The training programmes attended by the Directors for FY2018 are as follows:

Director	Programme Attended	Date	Organising Company
Rosli Bin Abdullah	7th Annual National Procurement Conference 2018 - What's New in Procurement Governance?	8 March 2018	Malaysia Airports Holdings Berhad (MAHB)
	MFRS/IFRS Technical Updates 2018	15 March 2018	
	Audit Committee Conference 2018 - Internal Auditing in the Age of Disruption	27 March 2018	Capitaland
	Seminar on 'Financial Reporting By Listed Issuers	16 July 2018	Dagang NeXchange Berhad
	AMLATFPUAA: Cryptocurrency & Anti Money Laundering Activities.	28 September 2018	iVCAP Management Sdn Bhd
	Cyber Attacks : Are We Ready?	25 October 2018	
	Information Security Management ICT	26 March 2018	
Nik Amlizan Binti Mohamed	Business Communication - Mandarin Class	January 2018	Kumpulan Wang Persaraan (Diperbadankan) (KWAP)
	Cybersecurity Talk: Malware & Phishing by Trend Micro	6 March 2018	
	Information Security Management ICT	26 March 2018	
Y.M Tunku Afwida Binti Tunku A. Malek	Leading in Turbulent Times & Leading Digital Business Transformation	25 January 2018	Telekom Malaysia Berhad
	Gamuda Cyber Security Awareness 2018	12 February 2018	Gamuda Berhad
	Understanding Fintech and Its Implications for Banks	3 July 2018	EXIM Bank
	Cyber Attacks : Are We Ready?	25 October 2018	iVCAP Management Sdn Bhd

## DIRECTORS' TRAINING (continued)

Director	Programme Attended	Date	Organising Company
<b>Datuk Mohd Nasir Bin Ali</b>	Audit Committee Conference 2018 - Internal Auditing in the Age of Disruption	27 March 2018	i-VCAP Management Sdn Bhd
	AMLATFPUAA: Cryptocurrency & Anti Money Laundering Activities.	28 September 2018	
	Cyber Attacks : Are We Ready?	25 October 2018	
	ICAAP Workshop	10 February 2018	Malaysian Industrial Development Finance Berhad (MIDF)
	Knowledge Sharing On Islamic Stockbroking Window	22 February 2018	
	ACI Breakfast Roundtable 2018	3 August 2018	Amanah Raya Berhad
<b>Sharifatu Laila Binti Syed Ali</b>	SIDC - CFA Society Malaysia o2o Talk 2018 - Future State of the Investment Profession	26 April 2018	Valuecap Sdn Bhd
	KWAP Inspire: Environmental Conference 2018	17 - 18 July 2018	
<b>Hassan Bin Ibrahim</b>	Audit Committee Conference 2018 - Internal Auditing in the Age of Disruption	27 March 2018	i-VCAP Management Sdn Bhd
	Risk Management Conference 2018	29 August 2018	
	AMLATFPUAA: Cryptocurrency & Anti Money Laundering Activities.	28 September 2018	
	Cyber Attacks : Are We Ready?	25 October 2018	
	Islamic Finance Programme for Board Members	19 November 2018	
	Women on Board : Value, Challenges & Managing Process	9 March 2018	Syarikat Perumahan Negara Bhd (SPNB)
<b>Roslina Binti Abdul Rahman</b>	AMLATFPUAA: Cryptocurrency & Anti Money Laundering Activities.	28 September 2018	i-VCAP Management Sdn Bhd
	Mandatory Accreditation Programme	12 – 13 November 2018	
	Cyber Attacks : Are We Ready?	25 October 2018	

## DIRECTORS' TRAINING (continued)

Director	Programme Attended	Date	Organising Company
Khairi Shahrin Arief Bin Baki	CAPITAL MARKET DIRECTORS PROGRAMME (CMDP) – All Module (1,2B,3 & 4)	Mar & May 2018	i-VCAP Management Sdn Bhd
	AMLATFPUAA: Cryptocurrency & Anti Money Laundering Activities.	28 September 2018	
	Exchange - Traded Fund (ETF) Investment & Trading Strategies Workshop	18 January 2018	
	Invest Malaysia 2018 - The Capital Market Conversation	23 -24 January 2018	
	World Capital Markets Symposium 2018	6 – 7 February 2018	
	Bloomberg Buy Side Forum 2018	3 July 2018	
	KWAP Inspire : Environmental Conference 2018	17 & 18 July 2018	
	Business Foresight Forum	8 August 2018	
	AMLATFPUAA: Cryptocurrency & Money Laundering Activities	13 August 2018	
	Global Islamic Finance Forum 2018	3 – 4 October 2018	
	Islamic Finance Programme for Board Members	19 November 2018	



## TRUSTEE'S DELEGATE

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

## SHARIAH ADVISER'S PROFILE

- Shariah Adviser** : Amanie Advisors Sdn Bhd ("Amanie")  
Incorporated in Kuala Lumpur, Malaysia in 2005 (Co. No. 684050-H) under the Companies Act, 1965.
- Corporate Information** : Principal Activities  
Amanie is a Shariah advisory, consultancy, training and research and development boutique for institutional and corporate clientele focusing on Islamic financial services. Amanie is a registered Shariah advisory company for Islamic unit trust with the SC.
- Amanie also focuses on organizational aspect of the development of human capital in Islamic finance worldwide through providing updated quality learning embracing both local and global issues on Islamic financial products and services.
- Shareholding  
The authorised & paid-up capital is RM500,000 divided into 500,000 shares of RM1.00 each.
- The shareholders of Amanie are Datuk Dr Mohd Daud Bakar and En Abdul Aziz Bin Abd Jalal.
- Experience as Adviser** : The company is led by Datuk Dr. Mohd Daud Bakar and teamed by an active and established panel of consultants covering every aspect related to the Islamic banking and finance industry, both in Malaysia and the global market. Currently, the team comprises of six (6) full-time consultants who represent dynamic and experienced professionals with a mixture of corporate finance, accounting, product development, Shariah law and education. Amanie has more than ten (10) years of experience in advisory role in capital markets including unit trust funds and funds management. As at 31 May 2017, Amanie has become the Shariah Adviser for more than 150 funds.
- Designated Person** : The designated person responsible for Shariah advisory matters of the Fund is Datuk Dr. Mohd Daud Bakar as the Chairman. Other consultants are:  
(1) Ainul Azura Zakiyudin  
(2) Amran bin Ibrahim  
(3) Ahmad Anas bin Fadzil
- Conflict of interest with the Fund** : The Shariah Adviser does not have any conflict of interest with the Fund
- List of convictions for offences within the past 5 years, other than traffic offences and any public sanction or penalty imposed by the relevant regulatory bodies during the financial year** : The Shariah Adviser does not have commit any convictions for offences within the past 5 years and particulars of any public sanction or penalty imposed by the relevant regulatory bodies during the financial year.

## SHARIAH ADVISER'S PROFILE (*continued*)

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

### **Datuk Dr. Mohd Daud Bakar - Shariah Adviser**

Datuk Dr. Mohd Daud Bakar is the Founder and Executive Chairman of Amanie Group that deals with many facets of global Islamic finance from Shariah advisory to structured training to media and to Big Data Analytics. Amanie, one of the companies under the Group, has presence in eight major cities in the world. He currently sits as a Chairman of the Shariah Advisory Council of Bank Negara Malaysia, the SC SAC, the Labuan Financial Services Authority and the International Islamic Liquidity Management Corporation (IILM). He is also a Shariah board member of various financial institutions, including the National Bank of Oman (Oman), Noor Islamic Bank (Dubai), Amundi Asset Management (France), Morgan Stanley (Dubai), Bank of London and Middle East (London), BNP Paribas (Bahrain), Dow Jones Islamic Market Index (New York), First Gulf Bank (UAE), amongst many others. Prior to this, he was the deputy vice-chancellor at the International Islamic University Malaysia. He received his first degree in Shariah from University of Kuwait in 1988 and obtained his PhD from University of St. Andrews, United Kingdom in 1993. In 2002, he completed his external Bachelor of Jurisprudence at University of Malaya. He has published a number of articles in various academic journals and has made many presentations in various conferences both local and overseas. On the recognition side, Datuk Dr. Mohd Daud has been honored with "The Asset Triple A Industry Leadership Award" at The Asset Triple A Islamic Finance Award 2014 by The Asset magazine and been named as the "Most Outstanding Individual", awarded by His Majesty, the King of Malaysia, in conjunction with the national-level Prophet Muhammad's birthday 2014. Datuk is currently the 3rd Professorial Chairholder in Islamic Banking and Finance of Tun Ismail Foundation (YTI-PNB) by Islamic Science University of Malaysia (USIM) and also sits as a Board Director to Sime Darby Berhad.

### **Ainul Azura Zakiyudin**

Ainul Azura Zakiyudin is the Chief Operating Officer of Amanie Kuala Lumpur, Malaysia office. She holds Bachelor of Law (Honours), MARA University of Technology Malaysia and was admitted to the Malaysian Bar as an Advocate and Solicitor of the High Courts of Malaya in 2000. Azura joined Amanie (Kuala Lumpur) in 2013 and has been involved in various product structuring, development and enhancement of Shariah compliant products for Islamic financial institutions, corporate bodies and non-Islamic financial institutions. She has also been involved in providing Shariah advisory services for issuance of sukuk, conversion exercises, establishment of Islamic financial business, establishment of Shariah compliant products for non-financial business, Shariah monitoring and compliance review for various clients including financial institutions and global asset management companies. Prior to joining Amanie, Azura was an in-house legal adviser in PLUS Expressways Berhad (PLUS), the biggest highway concessionaire in Malaysia and listed on the Main Market of Bursa Malaysia Securities Berhad. In PLUS, she received a wide exposure in corporate legal work and was involved directly in the issuance of several sukuk, restructuring of sukuk and other corporate exercises initiated by the company. Azura has a combined experience of more than 16 years mainly in corporate legal and Islamic financial matters.

## SHARIAH ADVISER'S PROFILE *(continued)*

### **Amran Ibrahim**

Amran Ibrahim is a Consultant with Amanie Advisors, based at the Head Office in Kuala Lumpur. He graduated with a Bachelor of Business Administration (Hons) Finance from Mara University of Technology Malaysia. He started his career with CIMB Islamic where he was attached to the Business Financing & Investment Department. In 2006, he joined the Product Development Department, responsible for research, design, development and launching of competitive Islamic banking products.

Prior to joining Amanie, Amran was with Cagamas Berhad, the National Mortgage Corporation of Malaysia as Assistant Vice President in the Islamic Business Department. He was actively involved in the issuance of sukuk as well as conceptualisation and development of new Islamic financial products.

### **Ahmad Anas Fadzil**

Ahmad Anas Fadzil is a Consultant with Amanie Advisors, based at the Head Office in Kuala Lumpur. As part of Amanie Advisors' global team, his primary focus is on advising and delivering projects for various Islamic financial services across the globe on their strategic issues and on Shariah compliant products and instruments.

Prior to joining Amanie Advisors, he was attached with Sigur Ros for Turkey's Project of Century: Turkish Republic North Cyprus Water Supply project where he had been assigned as the Project Accountant based in Turkey overseeing the project cost budgeting, project cost management, project reporting as well other administrative matters.

Prior to that, he was an auditor with Ernst & Young, attached to Global Financial Services department, engaged in performing auditing work for the financial institutions. Ahmad Anas holds a Master of Islamic Finance (MSc) from The Global University of Islamic Finance (INCEIF), and is an accounting graduate from MARA University of Technology (UiTM) and holds a professional certification of Certified Islamic Public Accountant (CIPA) from Accounting and Auditing Organisation for Islamic Financial Institution (AAOIFI). He speaks English, Malays and Turkish.

## OTHER INFORMATION

- There were no sanctions and/or penalties imposed on the Fund or its Manager by the relevant regulatory bodies during the financial year and up to the date of this report.
- There was no material litigation involving the Fund since the last annual balance sheet date.
- The amount of audit fees and non-audit fees incurred for the Financial Year 2018 for services rendered by PricewaterhouseCoopers PLT and PricewaterhouseCoopers Taxation Services Sdn. Bhd. (a company affiliated to the Auditor of the Fund) is RM8,000 and RM4,531 respectively.
- There was eight (8) Board of Directors Meetings held in the Financial Year 2018.

**i-VCAP Management Sdn. Bhd. (792968-D)**

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