

Annual Report 2012



Dow Jones Islamic Market Malaysia Titans 25

Manager



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

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Introduction

MyETF Dow Jones Islamic Market Malaysia Titans 25 or MyETF-DJIM25 is a national Shariah Exchange Traded Fund (“ETF”) and the first Shariah ETF introduced in Asia. It is managed by i-VCAP Management Sdn. Bhd., a wholly-owned subsidiary of Valuecap Sdn. Bhd. (“Valuecap”).

The benchmark index for MyETF-DJIM25 is the Dow Jones Islamic Market Malaysia Titans 25 Index (“DJIM25 Index”). The DJIM25 Index, reviewed quarterly, is based on the securities of 25 leading Shariah-Compliant companies that are traded on Bursa Malaysia Securities Berhad (“Bursa Securities”).

MyETF-DJIM25's status as a national ETF is derived from the participation of seven initial seeders comprising Khazanah Nasional Berhad, Kumpulan Wang Persaraan (Diperbadankan), Kumpulan Wang Simpanan Pekerja, Lembaga Tabung Angkatan Tentera, Lembaga Tabung Haji, Permodalan Nasional Berhad and Valuecap.

MyETF-DJIM25 was listed on the Main Market of Bursa Securities on 31 January 2008. The stock name and stock code for MyETF-DJIM25 are “MYETFDJ” and “0821EA” respectively.

Fund Information

Manager : i-VCAP Management Sdn. Bhd. (792968-D)

Registered Address

Level 9, Block B, HP Towers
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 48-56 for profile of the Directors)

Y. Bhg. Dato' Azian Binti Mohd Noh
Chairman / Non-Independent Non-Executive Director

Puan Sharifatu Laila Binti Syed Ali
Non-Independent Non-Executive Director

Encik Hassan Bin Ibrahim
Independent Non-Executive Director

Y.M. Tunku Afwida Binti Tunku A. Malek
Independent Non-Executive Director

Encik Rosli Bin Abdullah
Independent Non-Executive Director

Encik Mahdzir Bin Othman
Non-Independent Executive Director / Chief Executive Officer
("CEO")

Company Secretary

Puan Faten Hasmahah Binti Khalid (MAICSA 7046180)
Level 9, Block B, HP Towers
No. 12 Jalan Gelenggang
Bukit Damansara
50490 Kuala Lumpur
Malaysia

Fund Information (*continued*)

Investment Committee (Please refer to pages 56-58 for profile of the Members)	: Y.M. Tunku Afwida Binti Tunku A. Malek <i>Chairman / Independent Member</i> Encik Hassan Bin Ibrahim <i>Independent Member</i> Puan Nik Amlizan Binti Mohamed <i>Non-Independent Member</i> Encik Shaharin Bin Md. Hashim <i>Non-Independent Member</i>
Trustee	: 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
Auditors and Reporting Accountants	: PricewaterhouseCoopers (AF 1146) Level 10, 1 Sentral Jalan Travers Kuala Lumpur Sentral 50706 Kuala Lumpur Malaysia Tel. No.: (+603) 2173 1188 Fax No.: (+603) 2173 1288
Tax Consultant	: PricewaterhouseCoopers Taxation Services Sdn Bhd (464731-M) Level 10, 1 Sentral Jalan Travers Kuala Lumpur Sentral 50706 Kuala Lumpur Malaysia Tel. No.: (+603) 2173 1188 Fax No.: (+603) 2173 1288

Fund Information (*continued*)

Shariah Adviser : CIMB Islamic Bank Berhad (671380-H)
(Please refer to pages 59-60 for corporate information, experience and details of the designated person for the Shariah Adviser)
5th Floor, Bangunan CIMB
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Damansara Heights
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Participating Dealers : CIMB Bank Berhad (13491-P)
5th Floor, Bangunan CIMB
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Malaysia
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Tel. No.: (+603) 2333 8333
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Index Provider : DJI Opco, LLC
c/o S&P Dow Jones Indices LLC
55 Water Street
New York, NY 10041
United States of America
Tel No.: 212-438-3544
Fax No.: 212-438-3523

Share Registrar : Symphony Share Registrars Sdn. Bhd.
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Selangor
Malaysia
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Fax No.: (+603) 7841 8151 / 8152
Helpdesk No.: (+603) 7849 0777

Manager's Report

For the Financial Period 1 January to 31 December 2012

Name of Fund	: MyETF Dow Jones Islamic Market Malaysia Titans 25 ("MyETF- DJIM25" or "the Fund")
Type of Fund	: Exchange Traded Fund
Fund Category	: Shariah Equity
Commencement Date	: 22 January 2008
Benchmark Index	: Dow Jones Islamic Market Malaysia Titans 25 Index ("DJIM25 Index")
Manager	: i-VCAP Management Sdn. Bhd. ("i-VCAP")

1. Investment Objective

MyETF-DJIM25 is designed to provide investment results that closely correspond to the performance of the Benchmark Index. The Manager attempts to achieve an absolute value of tracking error of less than 3% between the Net Asset Value ("NAV") of the Fund and the Benchmark Index.

2. Benchmark Index

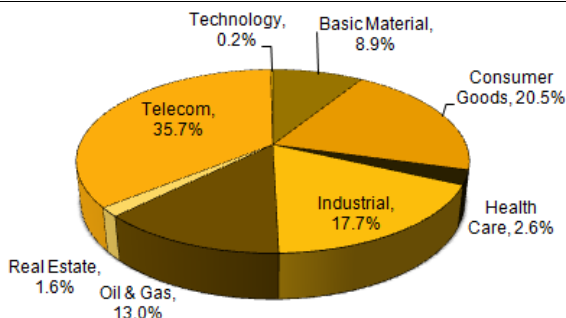
The Benchmark Index is a market capitalisation weighted and free-float adjusted index provided by S&P Dow Jones Indices ("S&P Dow Jones").

The Benchmark Index was created on 18 January 2008 and constructed based on a reference value of 1,000 as of 17 January 2008. The Benchmark Index consists of 25 Shariah-Compliant securities of companies listed on Bursa Malaysia Securities Berhad ("Bursa Securities").

The universe for selection of the DJIM25 Index components includes all equities in the Dow Jones Islamic Market Malaysia Index, an index comprised of Malaysia-based companies that conform to the methodology established by S&P Dow Jones to screen stocks for compliance with the Shariah.

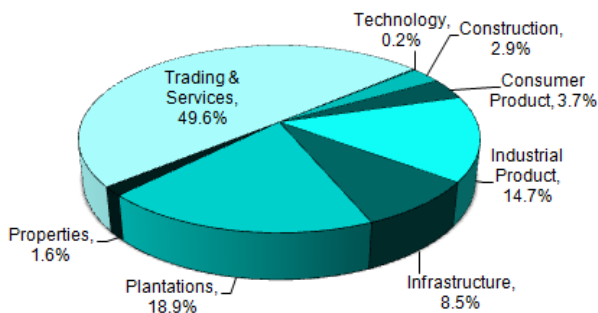
Based on the latest quarterly review (as at 13 December 2012), the sector allocation of DJIM25 Index based on S&P Dow Jones and Bursa Securities sector classifications are as follows:

Chart 1(a): Sector Classification – S&P Dow Jones



Source: S&P Dow Jones

Chart 1(b): Sector Classification - Bursa Securities



Sources: Bursa Malaysia, S&P Dow Jones

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.

4. Fund Performance

For Financial Year 2012, the Fund continued to achieve its investment objective which is to track closely the underlying benchmark, i.e. DJIM25 Index. As at 31 December 2012, the tracking error (calculated since inception and on daily basis) between the NAV per unit of the

Fund and the Benchmark Index on Price Return and Total Return basis was 1.51% and 1.26% respectively, which were within the 3% limit stipulated under the Fund's investment objective. In terms of NAV movement, the Fund's NAV per unit had increased by 12.49% from RM1.0024 to RM1.1276, in line with the general movement of the DJIM25 Index which appreciated 12.56% for the year. The Fund's NAV per unit which hit the year's low of RM0.9966 on 4 January 2012, gradually improved throughout the year. Despite intermittent pullbacks, the Fund continued to record new highs before closing the year with the NAV at its all time high of RM1.1276 per unit. Similarly, the Fund's unit price traded on the Bursa Securities moved in tandem with the NAV and closed at the year's high of RM1.12, representing a 13.13% gain. The Fund also declared two income distributions totalling 3.05 sen per unit during the year while the Management Expense ratio remained at 0.49%. Despite the Fund's better performance for the year, the Fund's total NAV however, decreased by 28.86% to RM292.61 million from RM411.30 million as a result of the reduction in Units in Circulation by 36.75% from 410.3 million to 259.5 million for the year.

Table 1: Key Statistics

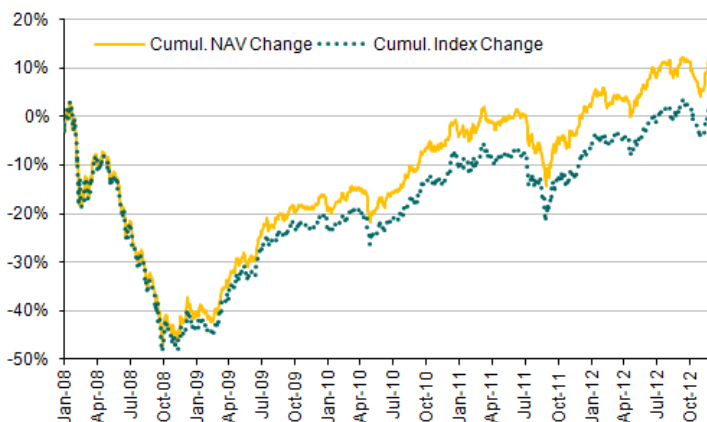
	As at 31-Dec-12	As at 31-Dec-11	YoY Change (%)	As at 31-Dec-10
NAV per unit (RM)	1.1276	1.0024	12.49	0.9522
- Highest	1.1276 (31 Dec)	1.0196 (7 Apr)		0.9581 (29 Dec)
- Lowest	0.9966 (4 Jan)	0.8557 (26 Sep)		0.7827 (26 May)
(During the period)				
Price per unit (RM)	1.120	0.990	13.13	0.953
- Highest	1.120 (31 Dec)	0.994 (1 Jul)		0.953 (30 Dec)
- Lowest	0.980 (3 Jan)	0.8470 (26 Sep)		0.787 (27 May)
(During the period)				
DJIM25 Index	994.11	883.19	12.56	847.10
Units in Circulation	259,500,000	410,300,000	(36.75)	657,500,000
Total NAV (RM)	292,616,889	411,303,163	(28.86)	626,099,613
Market Capitalisation (RM)	290,640,000	406,197,000	(28.45)	626,597,500
Tracking Error vs. Price Return DJIM25 Index (%)*	1.51	1.30		1.15
Tracking Error vs. Total Return DJIM25 Index (%)*	1.26	0.93		0.65
Management Expense Ratio (%)	0.49	0.49		0.52

Sources: Bloomberg, I-VCAP

* Unit price and net asset value per unit are shown as ex-income distribution

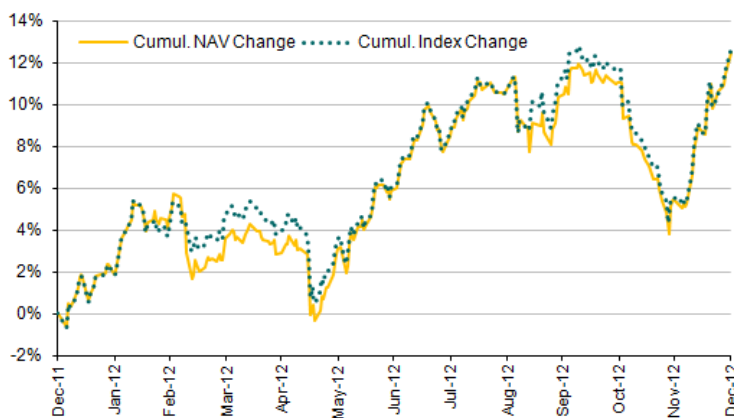
* The tracking error (calculated since inception and on daily basis) between the NAV per unit of the Fund and the Price Return and Total Return Benchmark Index

Chart 2(a): Fund NAV Per Unit vs. Benchmark Index – Performance Since Inception



Sources: Bloomberg, i-VCAP

Chart 2(b): Fund NAV Per Unit vs. Benchmark Index – Performance in 2012



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): Average and Cumulative Returns

	Average Returns ^(a)			Cumulative Returns		
	1-Year (%)	3-Year (%)	Since Inception (%)	1-Year (%)	3-Year (%)	Since Inception (%)
MyETF-DJIM25 - NAV Price Return ^(b)	12.49	11.26	2.46	12.49	37.71	12.76
DJIM25 - Price Return Index	12.56	9.80	0.62	12.56	32.38	3.10
MyETF-DJIM25 - NAV Total Return ^(b)	15.78	13.11	3.65	15.78	44.71	19.41
DJIM25 – Total Return Index	16.70	13.94	4.82	16.70	47.93	26.25

Sources: Bloomberg, i-VCAP

(a) Average returns for both MyETF-DJIM25 and DJIM25 Index are annualized figures computed based on the price and total returns for the respective period.

(b) Independently verified by Perkasa Normandy Advisers Sdn. Bhd.

Table 2(b): Annual Return

	2012 (%)	2011 (%)	2010 (%)	2009 (%)	2008 (%)
MyETF-DJIM25 - NAV Price Return ^(a)	12.49	5.27	16.29	40.95	(41.91)
DJIM25 - Price Return Index	12.56	4.26	12.81	39.46	(44.16)
MyETF-DJIM25 - NAV Total Return ^(a)	15.78	7.48	16.29	42.05	(41.91)
DJIM25 – Total Return Index	16.70	8.04	17.33	45.03	(44.16)

Sources: Bloomberg, i-VCAP

(a) Independently verified by Perkasa Normandy Advisers Sdn. Bhd.

Table 2(c): Historical Income Distribution

	2012	2011	2010	2009	
	<u>Interim</u>	<u>Final</u>	<u>Interim</u>	<u>Final</u>	<u>Final</u>
Income Distribution Per Unit (Sen)	1.25	1.80	1.00	1.00	0.55
Income Distribution Yield (%)*	1.14	1.73	1.01	1.07	0.80
Declaration Date	28 Aug 2012	23 Feb 2012	29 Jul 2011	16 Dec 2010	18 May 2009
Ex-Date	12 Sep 2012	9 Mar 2012	22 Aug 2011	6 Jan 2011	1 Jun 2009
Payment Date	9 Oct 2012	10 April 2012	19 Sep 2011	31 Jan 2011	17 Jun 2009
NAV Per Unit Before Ex-Date (RM)	1.0930	1.0498	0.9250	0.9939	0.7095
NAV Per Unit On Ex-Date (RM)	1.0805	1.0318	0.9150	0.9839	0.7040

Source: i-VCAP

* Based on market price on income distribution declared date

S&P Dow Jones performed four quarterly reviews in 2012 (in March, June, September and December) and rebalanced the composition of the Benchmark Index in accordance with its index methodology. The reviews resulted in changes to the weightings of the component stocks and stock constituents in the Benchmark Index. During the year, three stocks were removed from the DJIM25 Index at its quarterly reviews, namely KNM Group Bhd, MISC Bhd and Star Publications (M) Bhd, and were subsequently replaced by JCY International Bhd, KPJ Healthcare Bhd and United Plantations Bhd. Additionally, Kencana Petroleum Bhd was also removed from the DJIM25 Index in May prior to its merger exercise and was replaced by Bumi Armada Bhd. The Manager had undertaken rebalancing exercises during the quarterly reviews to ensure that the Fund's investment would be in line with the changes in the Benchmark Index. In terms of sectoral weightings, notable changes to the Fund's sector composition arising from the quarterly reviews were the increase in Trading/Services to 48.53% from 47.00% at the start of the year and the decline in Industrial Products from 17.10% to 14.53%. Pursuant to the inclusion of JCY International Bhd as an index constituent, the Fund currently has exposure in the Technology sector. Details of the changes for the year are as follows:

Table 3: Top Ten Holdings of the Fund as at 31 December 2012

Stock	% of NAV	Y-o-Y Δ (% holdings)
1. Sime Darby Bhd	13.10	0.46
2. Axiata Group Bhd	11.79	1.74
3. Maxis Bhd	8.56	0.85
4. IOI Corporation Bhd	8.44	(1.28)
5. Digi. Com Bhd	8.00	1.36
6. Petronas Chemicals Group Bhd	6.74	(2.88)
7. Telekom Malaysia Bhd	6.06	1.07
8. Kuala Lumpur Kepong Bhd	6.01	0.30
9. Petronas Gas Bhd	4.64	0.69
10. UMW Holdings Bhd	3.59	1.01
Top Ten Holdings' Total	76.94	3.33

Sources: Bloomberg, i-VCAP

Table 4: Change in Fund's Sector Allocation*

	As at 31 Dec 2012	As at 31 Dec 2011	Change (%)
Trading/Services	48.53%	47.00%	1.53
Plantations	19.00%	18.90%	0.10
Industrial Products	14.53%	17.10%	(2.57)
Infrastructure	8.59%	7.10%	1.49
Construction	2.73%	3.80%	(1.07)
Consumer Products	3.59%	2.40%	1.19
Property	1.49%	2.10%	(0.61)
Technology	0.19%	-	0.19
Cash & Others	1.35%	1.60%	(0.25)

Sources: Bursa Malaysia, i-VCAP

* Based on Bursa Securities classification

Details of the Fund's quoted Investments as at 31 December 2012 are as follows:

Table 5: MyETF-DJIM25's Investment in Listed Equities

	Quantity (Units)	Market Value (RM)	Market Value as a percentage of Net Asset Value (%)
<u>Trading/Services</u>			
Sime Darby Bhd	4,026,300	38,330,376	13.10
Axiata Group Bhd	5,233,800	34,490,742	11.79
Maxis Bhd	3,768,700	25,061,855	8.56
Telekom Malaysia Bhd	2,936,100	17,734,044	6.06
Petronas Dagangan Bhd	399,400	9,385,900	3.21
Bumi Armada Bhd	1,471,500	5,856,570	2.00
Dialog Group Bhd	2,353,297	5,647,913	1.93
Malaysia Marine & Heavy Engineering Bhd	670,000	2,948,000	1.01
KPJ Healthcare Bhd	442,600	2,540,524	0.87
		141,995,924	48.53
<u>Plantation</u>			
IOI Corporation Bhd	4,840,539	24,686,749	8.44
Kuala Lumpur Kepong Bhd	733,100	17,594,400	6.01
Batu Kawan Bhd	335,900	6,382,100	2.18
Genting Plantations Bhd	393,700	3,543,300	1.21
United Plantations Bhd	136,000	3,400,000	1.16
		55,606,549	19.00
<u>Industrial Products</u>			
Petronas Chemicals Group Bhd	3,082,000	19,724,800	6.74
Petronas Gas Bhd	696,000	13,585,920	4.64
Lafarge Malayan Cement Bhd	483,900	4,655,118	1.59
Top Glove Corp Bhd	589,000	3,316,070	1.13
Supermax Corp Bhd	636,800	1,229,024	0.42
		42,510,932	14.53
<u>Infrastructure</u>			
Digi.Com Bhd	4,427,800	23,423,062	8.00
Time Dotcom Bhd	431,240	1,703,398	0.58
		25,126,460	8.59
<u>Consumer Products</u>			
UMW Holdings Bhd	880,600	10,514,364	3.59
		10,514,364	3.59
<u>Construction</u>			
Gamuda Bhd	2,194,700	7,988,708	2.73
		7,988,708	2.73
<u>Properties</u>			
SP Setia Bhd	1,407,550	4,349,330	1.49
		4,349,330	1.49
<u>Technology</u>			
JCY International Bhd	890,500	561,015	0.19
		561,015	0.19
		288,653,281	98.65

Sources: Bursa Malaysia, i-VCAP

5. Distribution Policy

The Fund may distribute amongst the unitholders all, or substantially all of the dividend income that the Fund received from its stock investment, pro-rated based on the number of units held by each unitholder as at the entitlement date of the income distribution. Distributions (if any) are expected to be made semi-annually. The exact amount to be distributed will be at the absolute discretion of the Manager, subject to compliance with the Exchange-Traded Funds Guidelines issued by the Securities Commission Malaysia on 11 June 2009 which may be revised from time to time.

During the Financial Year under review, the Fund paid an income distribution amounted to RM5,254,200 in April 2012 in relation to the final distribution of 1.80 sen per unit for Financial Year Ended 2011 (declared in February 2012). The Fund also declared an interim distribution for Financial Year 2012 of 1.25 sen per unit in August 2012 with a total distribution of RM3,348,750 (paid in October 2012). The Fund has announced a final income distribution for Financial Year Ended 2012 of 2.30 sen per unit which will be paid in 2013. For the Financial Year Ended 2012, the Fund's total income distribution will amount to 3.55 sen per unit.

6. Other Information

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

7. Soft Dollar Commissions

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

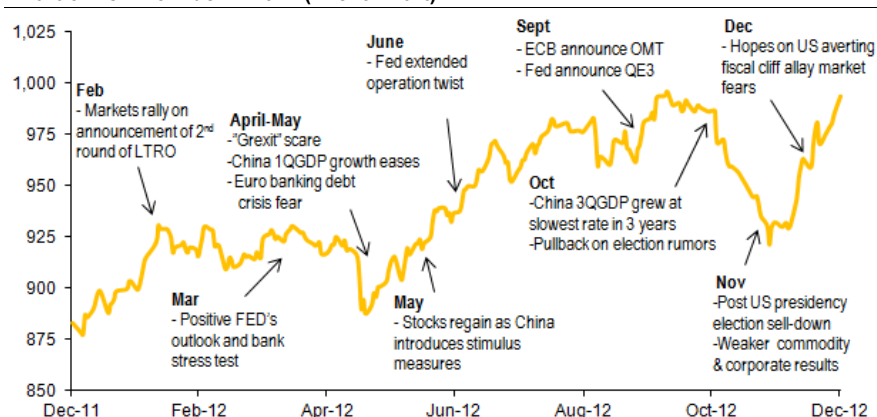
8. Market Review and Outlook

Global equity markets were relatively volatile in 2012, largely following changing sentiment on the economic condition of the developed nations. As statistical economic data signalled a sharper than expected slowdown, central bankers' were actively seeking to implement quantitative easing measures which impacted global stock market movements. The local market was not spared from the external events as sentiment was further affected by the weak quarterly earnings and commodity prices though the healthy domestic capital market and economic activities provided the spark for the year.

In line with the global market, the Fund's benchmark index started the year on an optimistic note. The DJIM25 Index stayed positive throughout the first quarter until it succumbed to selling pressure from April to May 2012. Global investors were concerned that the sovereign debt crisis in the Euro zone may result in financial meltdown in the banking system. Sentiment in the local market was also affected by Bank Negara's tightening measures on the lending guidelines which would have a negative impact on the property market and consumer spending.

As external and domestic headwinds subsided, the DJIM25 Index continued to regain upward momentum, reaching new multiple year highs in June through September 2012. The loosening monetary policy in China, European Central Bank's launch of the rescue fund (Outright Monetary Transaction) for troubled Euro zone countries and Federal Reserve's open-ended QE3 announcement helped alleviate global market sentiment. The local market was also abuzz with the mega IPO listings of Gas Malaysia, Felda Global Ventures and IHH Berhad during the period that helped put Malaysia on global investors' radar.

Chart 3: DJIM25 Index – 2012 (Event Chart)



Sources: Bloomberg, i-VCAP

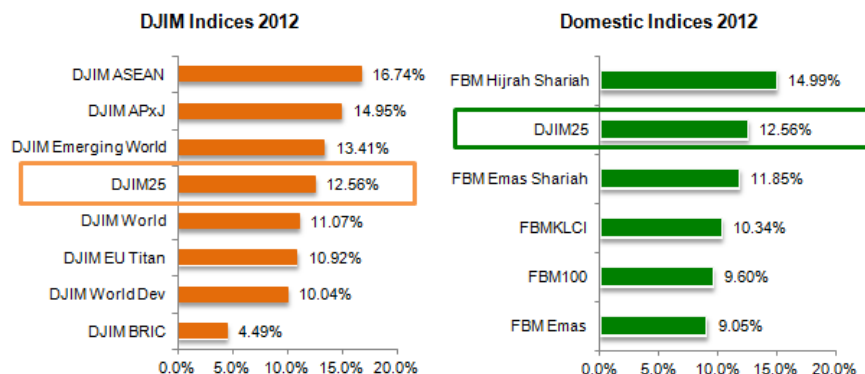
The mid-year rally however, stalled in October due to disappointing corporate earnings and falling CPO prices. Speculation on the announcement of general elections caused jitters to investors who preferred to lock in profits. Concurrently, global markets retraced following the re-election of the U.S. President in November as investors were concerned that a divided U.S. Congress may not be able to resolve its impending "Fiscal Cliff" which would have a negative impact on its economic growth in the near term.

The market nevertheless rebounded rather convincingly from its most significant pullback for the year, albeit with low volume and continuing worries over the Euro debt crisis. Bargain hunting activities returned in late November and December as optimism to resolve the potential "Fiscal Cliff" emerged while economic data releases in the U.S. and China showed positive signs of an economic recovery. The strong market rebound helped the DJIM25 Index to end the year on a high note, closing at 994.11 points or 12.56% gain for the year.

The local market had attracted strong interest from foreign investors in 2012 following active IPO activities that raised more than RM 22.9 billion. Meanwhile, foreign shareholding of Malaysian Government Bonds (MGS) was also at its highest level of 56.6% or RM 128.1 billion, lending strong support to the Ringgit that strengthened from RM3.1693 to RM3.0580 per US Dollar for the year. As Bank Negara Malaysia maintained the Overnight Policy Rate of 3.0% and backed by a benign inflation rate of 1.2% as at end of the year, the accommodative policy helped economic growth to remain healthy (forecast of 5.1% for 2012) despite uncertainties on the external front.

The DJIM25 Index performed relatively well in 2012 by outperforming global equity indices, i.e. DJIM World Index, DJIM European Union Titan as well as the DJIM World Developed Ex-U.S. The regional markets however, performed better than DJIM25 as excess liquidity flowed more into the emerging and developing markets to seek better yield and capital gains. DJIM ASEAN posted a strong 16.74% gain for the year followed by DJIM Asia Pacific Ex-Japan and DJIM Emerging World as the outperformers. Domestically, with the exception of FTSE Hijrah Shariah, the DJIM25 Index surpassed major domestic benchmarks, i.e. FTSE KLCI and FTSE Emas Shariah Index as local Shariah indices outperformed conventional benchmarks largely due to the stronger performance of the telecommunication stocks.

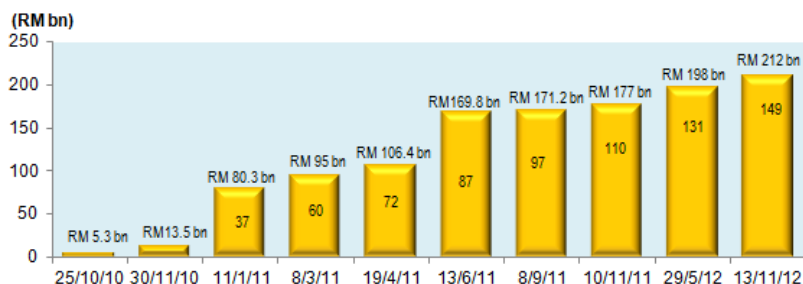
Chart 4: DJIM and Domestic Indices Performance 2012 (Year-On-Year %)



Sources: Bloomberg, i-VCAP

Moving forward, the outlook for the global economy suggests a cautiously positive undertone for 2013. Global economic condition is expected to improve following positive signs of a stable economic growth in the U.S, dissipating risk of a full-blown disintegration of the Euro zone and reports of China's economy bottoming-out.

Chart 5: Cumulative ETP Project Investments to Date



Sources: Pemandu Website

On the local front, Malaysia's robust economy is expected to remain resilient in 2013 as GDP is forecasted to be within 5.0% to 5.5% range. Domestic demand is still expected to be the growth driver with the continuing implementation of various ETP projects and regional Economic Corridors. Among the key catalyst projects to be implemented in 2013 include the Pengerang Oil and Gas Terminal, LRT extensions and MRT project, development of the Tun Razak Exchange, re-development of the Rubber Research Institute land and various marginal oil field developments. These projects are expected to provide strong momentum in domestic consumption and mitigate adverse effects of external demand. Banking on these expectations, sentiment in the domestic equity market may generally remain positive though the announcement of an imminent election may cause intermittent volatilities in the near term.

Trustee's Report

Deutsche Bank



Deutsche Trustees Malaysia Berhad
(Company No. 763590-H)

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50250 Kuala Lumpur

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Fax +603 2053 7526

TRUSTEE'S REPORT

TO THE UNITHOLDERS OF MyETF DOW JONES ISLAMIC MARKET MALAYSIA TITANS 25

We have acted as Trustee for MyETF Dow Jones Islamic Market Malaysia Titans 25 (the "Fund") for the financial year ended 31 December 2012. To the best of our knowledge, for the period under review, i-VCAP Management Sdn Bhd (the Manager) has operated and managed the Fund in accordance with the following:-

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

We confirm that the income distributions declared during the financial year ended 31 December 2012 are relevant and reflects the investment objectives of the Fund. Two distributions have been declared:-

- 1) Income distribution of 1.80 sen per unit declared ex-date on 09 March 2012 for financial year 2011; and
- 2) Income distribution of 1.25 sen per unit declared ex-date on 12 September 2012 for financial year 2012.

For Deutsche Trustees Malaysia Berhad

A stylized signature in black ink.

Chua Mee Ling
Chief Executive Officer

A stylized signature in black ink.

Mahesh Anchan
Head, Trustee Operations

Date: 25 Jan 2013

Kuala Lumpur

Shariah Adviser's Report



MyETF Dow Jones Islamic Market Malaysia Titans 25

Shariah Adviser's Report to the Unitholders of MyETF Dow Jones Islamic Market Malaysia Titans 25 For the Financial Period Ended 31 December 2012

We have acted as the Shariah Adviser of MyETF Dow Jones Islamic Market Malaysia Titans 25 ("the Fund"). Our responsibility is to ensure that the Fund has been operated and managed in accordance with the 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 and complied with the applicable guidelines, rulings or decisions issued by the Securities Commission and the Shariah Adviser pertaining to Shariah matters for the financial period ended 31 December 2012.

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.

For and on behalf of **Shariah Adviser**
CIMB Islamic Bank Berhad

A handwritten signature in black ink, appearing to read 'ABDUL GHANI ENDUT', written over a horizontal line.

.....
ABDUL GHANI ENDUT

Head, Shariah Department / Designated Person Responsible for Shariah Advisory

Date: 25 January 2013

CIMB Islamic Bank Berhad (671380-H)
34th Floor Menara Bumiputera-Commerce 11 Jalan Raja Laut
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Statement by the Manager

I, Mahdzir Bin Othman, being a Director of the Manager, do hereby state that, in the opinion of the Manager, the financial statements set out on pages 22 to 45 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 2012 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.



MAHDZIR BIN OTHMAN

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

Kuala Lumpur
7th February 2013

INDEPENDENT AUDITORS' REPORT TO THE UNIT HOLDERS OF MyETF DOW JONES ISLAMIC MARKET MALAYSIA TITANS 25

REPORT ON THE FINANCIAL STATEMENTS

We have audited the financial statements of MyETF Dow Jones Islamic Market Malaysia Titans 25 ("the Fund") on pages 22 to 45 which comprise the statements of financial position as at 31 December 2012 of the Fund, and the statements of comprehensive income, changes in equity and cash flows of the Fund for the year then ended, and a summary of significant accounting policies and other explanatory notes, as set out on Notes 1 to 25.

Manager's Responsibility for the Financial Statements

The Manager is responsible for the preparation and fair presentation of these financial statements in accordance with Malaysian Financial Reporting Standards and International Financial Reporting Standards. This responsibility includes: designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with approved standards on auditing in Malaysia. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgment, including the assessment of risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the Fund's preparation and fair presentation of the financial statements 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 Manager's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Manager, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion, the financial statements have been properly drawn up in accordance with Malaysian Financial Reporting Standards and International Financial Reporting Standards so as to give a true and fair view of the financial position of the Fund as of 31 December 2012 and of its financial performance and cash flows for the financial year then ended.

INDEPENDENT AUDITORS' REPORT TO THE UNIT HOLDERS OF MyETF DOW JONES ISLAMIC MARKET MALAYSIA TITANS 25 (CONTINUED)

REPORT ON THE FINANCIAL STATEMENTS (CONTINUED)

OTHER REPORTING RESPONSIBILITIES

The supplementary information set out in Note 24 on page 44 is disclosed to meet the requirement of Bursa Malaysia Securities Berhad and is not part of the financial statements. The Manager is responsible for the preparation of the supplementary information in accordance with Guidance on Special Matter No. 1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, as issued by the Malaysian Institute of Accountants ("MIA Guidance") and the directive of Bursa Malaysia Securities Berhad. In our opinion, the supplementary information is prepared, in all material respects, in accordance with the MIA Guidance and the directive of Bursa Malaysia Securities Berhad.

OTHER MATTERS

1. As stated in Note A to the financial statements, MyETF Dow Jones Islamic Market Malaysia Titans 25 adopted Malaysian Financial Reporting standards on 1 January 2012 with a transition date of 1 January 2011. These standards were applied retrospectively by the Manager to the comparative information in these financial statements, including the statements of financial position as at 31 December 2011 and 1 January 2011, and the statement of comprehensive income, statement changes in equity and statement of cash flows for the year ended 31 December 2011 and related disclosures. We were not engaged to report on the restated comparative information and it is unaudited. Our responsibilities as part of our audit of the financial statements of the Fund for the year ended 31 December 2012 have, in these circumstances, included obtaining sufficient appropriate audit evidence that the opening balances as at 1 January 2012 do not contain misstatements that materially affect the financial position as of 31 December 2012 and financial performance and cash flows for the year then ended.

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

PRICEWATERHOUSECOOPERS
(No. AF: 1146)
Chartered Accountants

Kuala Lumpur

Statement of Comprehensive Income

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2012

	Note	2012 RM	2011 RM
INVESTMENT INCOME			
Gross dividend income		11,188,197	19,634,408
Profit from short term Shariah compliant deposits		126,220	218,194
Net gain on financial assets at fair value through profit and loss	10	34,634,096	21,897,877
		<u>45,948,513</u>	<u>41,750,479</u>
EXPENSES			
Management fee	4	(1,199,180)	(2,239,021)
Trustee's fee	5	(149,898)	(279,878)
License fee	6	(116,721)	(226,128)
Brokerage fees		(75,093)	(228,198)
Auditors' remuneration		(26,600)	(25,600)
Tax agent's fee		(6,000)	(8,150)
Shariah adviser's fee		(20,083)	(33,833)
Purification of non Shariah-compliant income		(267,596)	(444,516)
Other expenses	7	52,683	46,984
		<u>(1,808,488)</u>	<u>(3,438,340)</u>
NET INCOME BEFORE TAXATION		44,140,025	38,312,139
TAXATION	8	143,051	(472,339)
NET INCOME AFTER TAX AND TOTAL COMPREHENSIVE INCOME		<u>44,283,076</u>	<u>37,839,800</u>
Net income after taxation is made up as follows:			
Realised amount		6,009,024	20,655,793
Unrealised amount		38,274,052	17,184,007
		<u>44,283,076</u>	<u>37,839,800</u>
Income distribution per unit to unit holders			
	9	<u>0.0305</u>	<u>0.02</u>

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

Statement of Financial Position

AS AT 31 DECEMBER 2012

		<u>31.12.2012</u>	<u>31.12.2011</u>	<u>1.1.2011</u>
	Note	RM	RM	RM
ASSETS				
Current assets				
Financial assets at fair value through profit or loss	10	288,648,829	404,765,402	614,908,751
Dividends receivable	11	70,986	72,288	1,395,995
Tax recoverable		337,888	-	-
Receivables	12	2,712	2,741	50
Shariah compliant deposits with a licensed bank	13	3,756,300	6,367,531	10,498,562
Bank balance with a licensed bank	13	17,714	815,284	1,971,180
TOTAL ASSETS		<u>292,834,429</u>	<u>412,023,246</u>	<u>628,774,538</u>
LIABILITIES				
Current liabilities				
Amount due to Manager		95,672	143,109	211,229
Amount due to Trustee		11,959	17,889	26,404
Auditors' remuneration		26,600	25,600	25,600
Tax agent's fee		6,000	8,150	7,650
Payables	14	77,309	525,335	2,404,042
TOTAL LIABILITIES		<u>217,540</u>	<u>720,083</u>	<u>2,674,925</u>
NET ASSET VALUE OF THE FUND	16	<u>292,616,889</u>	<u>411,303,163</u>	<u>626,099,613</u>
EQUITY				
Unit holders' capital		273,494,713	427,861,113	668,378,363
Accumulated gain / (losses)		19,122,176	(16,557,950)	(42,278,750)
NET ASSETS ATTRIBUTABLE TO UNIT HOLDERS		<u>292,616,889</u>	<u>411,303,163</u>	<u>626,099,613</u>
NUMBER OF UNITS IN CIRCULATION				
	16	<u>259,500,000</u>	<u>410,300,000</u>	<u>657,500,000</u>
NET ASSET VALUE PER UNIT (RM)		<u>1.1276</u>	<u>1.0024</u>	<u>0.9522</u>

The accompanying summary of significant accounting policies and 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 2012

	Note	Unit holders' Capital RM	Accumulated Gains/ (Losses) RM	Total RM
Balance as at 1 January 2012, previously stated		427,861,113	(16,557,950)	411,303,163
Adjustment for transition from FRS to MFRS	25	-	-	-
Balance as at 1 January 2012, restated		427,861,113	(16,557,950)	411,303,163
Total Comprehensive Income for the year		-	44,283,076	44,283,076
Distribution for financial year ended 31 December 2011	9	-	(5,254,200)	(5,254,200)
Distribution for financial year ended 31 December 2012	9	-	(3,348,750)	(3,348,750)
Cancellation of units		(154,366,400)	-	(154,366,400)
At 31 December 2012		273,494,713	19,122,176	292,616,889
Balance as at 1 January 2011, previously stated		668,378,363	(42,278,750)	626,099,613
Adjustment for transition from FRS to MFRS	25	-	-	-
Balance as at 1 January 2011, restated		668,378,363	(42,278,750)	626,099,613
Total Comprehensive Income for the year		-	37,839,800	37,839,800
Distribution for financial year ended 31 December 2010	9	-	(6,540,000)	(6,540,000)
Distribution for financial year ended 31 December 2011	9	-	(5,579,000)	(5,579,000)
Cancellation of units		(240,517,250)	-	(240,517,250)
At 31 December 2011		427,861,113	(16,557,950)	411,303,163

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

Cash Flow Statement

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2012

	<u>Note</u>	<u>2012</u> <u>RM</u>	<u>2011</u> <u>RM</u>
CASH FLOW FROM OPERATING ACTIVITIES			
Cash used in purchase of investments		(32,618,880)	(98,613,811)
Proceeds from sales of investments		30,358,847	91,137,423
Dividends received		10,994,662	20,372,732
Profit from short term Shariah-compliant deposits		126,220	218,194
Management fee paid		(1,246,617)	(2,307,141)
Trustee fee paid		(155,827)	(288,393)
License fee paid		(109,343)	(305,509)
Purification of non Shariah-compliant Income		(587,217)	(2,100,000)
Cash received on capital repayment of investments		910,814	1,729,038
Tax refund received		-	113,044
Redemption fee paid to Bursa		-	(1,300)
Redemption fee received from Participating Dealer		-	1,700
Payment for other fees and expenses		(136,905)	(167,032)
Net cash inflow from operating activities		<u>7,535,754</u>	<u>9,788,945</u>
CASH FLOW FROM FINANCING ACTIVITIES			
Payment of income distribution		(8,602,950)	(12,119,000)
Proceeds from units created	22	-	-
Payments for cancellation of units	22	(2,341,605)	(2,956,872)
Net cash outflow from financing activities		<u>(10,944,555)</u>	<u>(15,075,872)</u>
NET DECREASE IN CASH AND CASH EQUIVALENTS		(3,408,801)	(5,286,927)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE FINANCIAL YEAR		<u>7,182,815</u>	<u>12,469,742</u>
CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL YEAR	13	<u><u>3,774,014</u></u>	<u><u>7,182,815</u></u>
Cash and cash equivalents comprise:			
Cash and bank balances		17,714	815,284
Short term Shariah-compliant deposits		3,756,300	6,367,531
	13	<u><u>3,774,014</u></u>	<u><u>7,182,815</u></u>

The accompanying summary of significant accounting policies and 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 2012

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 the provisions of the Malaysian Financial Reporting Standards ("MFRS") and International Financial Reporting Standards.

The financial statements of the Fund for the year ended 31 December 2012 are the first set of financial statements prepared in accordance with the MFRS, including MFRS 1 'First-time adoption of MFRS'. The Fund have consistently applied the same accounting policies in its opening MFRS statement of financial position at 1 January 2011 (transition date) and throughout all years presented, as if these policies had always been in effect. Comparative figures for 2011 in these financial statements have been restated to give effect to these changes. Note 25 discloses the impact of the transition to MFRS on the Fund's reported financial position, financial performance and cash flows.

The financial statements have been prepared under the historical cost convention.

The preparation of financial statements in conformity with MFRS requires the use of certain critical accounting estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reported period. It also requires Directors to exercise their judgment in the process of applying the Fund's accounting policies. Although these estimates and judgment are based on the Directors' best knowledge of current events and actions, actual results may differ. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note L.

Standards, amendments to published standards and interpretations to existing standards that are applicable to the Fund but not yet effective

The Fund will apply the new standards, amendments to standards and interpretations in the following period:

- (i) Financial year beginning on/after 1 January 2013
 - MFRS 13 "Fair value measurement" (effective from 1 January 2013) aims to improve consistency and reduce complexity by providing a precise definition of fair value and a single source of fair value measurement and disclosure requirements for use across MFRSs. The requirements do not extend the use of fair value accounting but provide guidance on how it should be applied where its use is already required or permitted by other standards. The enhanced disclosure requirements are similar to those in MFRS 7 "Financial instruments: Disclosures", but apply to all assets and liabilities measured at fair value, not just financial ones.

Summary of Significant Accounting Policies

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2012 (CONTINUED)

BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS (CONTINUED)

Standards, amendments to published standards and interpretations to existing standards that are applicable to the Fund but not yet effective (continued)

(i) Financial year beginning on/after 1 January 2013 (continued)

- Amendment to MFRS 7 “Financial instruments: Disclosures” (effective from 1 January 2013) requires more extensive disclosures focusing on quantitative information about recognised financial instruments that are offset in the statement of financial position and those that are subject to master netting or similar arrangements irrespective of whether they are offset.

(ii) Financial year beginning on/after 1 January 2014

- Amendment to MFRS 132 “Financial instruments: Presentation” (effective from 1 January 2014) does not change the current offsetting model in MFRS 132. It clarifies the meaning of ‘currently has a legally enforceable right of set-off’ that the right of set-off must be available today (not contingent on a future event) and legally enforceable for all counterparties in the normal course of business. It clarifies that some gross settlement mechanisms with features that are effectively equivalent to net settlement will satisfy the MFRS 132 offsetting criteria.

(iii) Financial year beginning on/after 1 January 2015

- MFRS 9 “Financial instruments - classification and measurement of financial assets and financial liabilities” (effective from 1 January 2015) replaces the multiple classification and measurement models in MFRS 139 with a single model that has only two classification categories: amortised cost and fair value. The basis of classification depends on the entity’s business model for managing the financial assets and the contractual cash flow characteristics of the financial asset.
- The accounting and presentation for financial liabilities and for de-recognising financial instruments has been relocated from MFRS 139, without change, except for financial liabilities that are designated at fair value through profit or loss (“FVTPL”). Entities with financial liabilities designated at FVTPL recognise changes in the fair value due to changes in the liability’s credit risk directly in other comprehensive income (“OCI”). There is no subsequent recycling of the amounts in OCI to profit or loss, but accumulated gains or losses may be transferred within equity.

The guidance in MFRS 139 on impairment of financial assets and hedge accounting continues to apply.

MFRS 7 requires disclosures on transition from MFRS 139 to MFRS 9.

The Fund will apply these standards when effective. The adoption of these standards and amendments will not have significant impact on the results of the Fund.

Summary of Significant Accounting Policies

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2012 (CONTINUED)

B INCOME FROM SHARIAH-COMPLIANT FINANCIAL INSTRUMENTS

Revenue arising from assets yielding profit is recognised on an accruals basis (taking into account the effective yield of the asset).

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

C NON SHARIAH-COMPLIANT INCOME

Any income or distribution received by the Fund from its investment portfolio which relates to interest 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 Shariah Adviser from time to time and without limitation, 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.

D TAXATION

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

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 AMOUNT DUE TO / FROM STOCKBROKERS

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

These amounts are recognised initially at fair value and subsequently measured at amortised cost using the effective profit method, less provision for impairment for amounts due from brokers. A provision for impairment of amounts due from brokers is established when there is objective evidence that the Fund will not be able to collect all amounts due from the relevant broker. Significant financial difficulties of the broker, probability that the broker will enter bankruptcy or financial reorganisation, and default in payments are considered indicators that the amount due from brokers is impaired. Once a financial asset or a group of similar financial assets has been written down as a result of an impairment loss, profit income is recognised using the rate of profit used to discount the future cash flows for the purpose of measuring the impairment loss.

Summary of Significant Accounting Policies

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2012 (CONTINUED)

F AMOUNT DUE TO / FROM STOCKBROKERS (CONTINUED)

The effective profit method is a method of calculating the amortised cost of a financial asset or financial liability and of allocating the profit income or profit expense over the relevant period. The effective profit rate is the rate that exactly discounts estimated future cash payments or receipts throughout the expected life of the financial instrument, or, when appropriate, a shorter period, to the net carrying amount of the financial asset or financial liability. When calculating the effective profit rate, the Fund estimates cash flows considering all contractual terms of the financial instrument but does not consider future credit losses. The calculation includes all fees and points paid or received between parties to the contract that are an integral part of the effective profit rate, transaction costs and all other premiums or discounts.

G FINANCIAL INSTRUMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS

(i) Classification

The Fund designates 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.

(ii) Recognition and measurement

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

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.

Gains or losses arising from changes in the fair value of the 'financial assets at fair value through profit or loss' category 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.

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.

In accordance with the Deed, quoted investments in Malaysia are valued at the last done market price quoted on Bursa Malaysia at the date of the statement of financial position.

Summary of Significant Accounting Policies

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2012 (CONTINUED)

H CREATION AND CANCELLATION OF UNITS

The Fund issues cancellable units, which are cancelled at the unit holder's option and are classified as equity. Cancellable units can be put back to the Fund at any time for shares and cash equal to a proportionate share of the Fund's net asset value.

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 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

The financial statements are presented in Ringgit Malaysia, which is the Fund's presentation and functional currency.

J SEGMENT REPORTING

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

K REALISED AND UNREALISED PORTIONS OF NET INCOME AFTER TAX

The analysis of realised and unrealised net income after tax as disclosed in the statement of comprehensive income is prepared in accordance with the SC Guidelines on Exchange Traded Funds.

L CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

The preparation of financial statements in conformity with the Financial Reporting Standards and the SC Guidelines on Exchange Traded Funds requires the use of estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the financial year. Although these estimates are based on the Manager's best knowledge of current events and actions, actual results could differ from those estimates.

Estimates and judgments 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.

Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2012

1 INFORMATION ON THE FUND

The Exchange Traded Fund (the "Fund") was constituted under the name MyETF Dow Jones Islamic Market Malaysia Titans 25 pursuant to the execution of a trust deed dated 17 January 2008 (the "Deed") entered into between i-VCAP Management Sdn. Bhd. (the "Manager") and Deutsche Trustees Malaysia Berhad (the "Trustee").

The Fund was launched on 22 January 2008 and will continue its operations until terminated by the Trustee or the Manager as provided under Clause 25 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 Dow Jones Islamic Market Malaysia Titans 25 Index ("Benchmark Index"), regardless of its performance. The Benchmark Index is a free float-adjusted, market capitalization weighted index representing securities of 25 leading Shariah-compliant Malaysian companies listed on Bursa Malaysia Securities Berhad. 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.

2 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

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

	Financing and Receivables	Asset at fair value through profit or loss	Total
31 December 2012			
Financial Assets at fair value through profit or loss	-	288,648,829	288,648,829
Other Receivables	411,586	-	411,586
Cash and Cash Equivalents	3,774,014	-	3,774,014
Total	4,185,600	288,648,829	292,834,429
31 December 2011			
Financial Assets at fair value through profit or loss	-	404,765,402	404,765,402
Other Receivables	75,029	-	75,029
Cash and Cash Equivalents	7,182,815	-	7,182,815
Total	7,257,844	404,765,402	412,023,246
1 January 2011			
Financial Assets at fair value through profit or loss	-	614,908,751	614,908,751
Other Receivables	1,396,045	-	1,396,045
Cash and Cash Equivalents	12,469,742	-	12,469,742
Total	13,865,787	614,908,751	628,774,538

Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2012 (CONTINUED)

2 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

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

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:

	Fair Value		
	2012	2011	2010
	RM	RM	RM
Financial Assets at fair value through profit or loss	288,648,829	404,765,402	614,908,751

The table below summarises the sensitivity of the Fund's unrealized income or loss to equity price movements as at 31 December. The analysis is based on the assumptions that the Dow Jones Islamic Market Malaysia Titans 25 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 according to their historical correlation with the Index.

2012

% Change in benchmark index	Benchmark Index	Market Value RM	Change in unrealised gain RM
-10%	894.70	260,193,827	(28,455,002)
0%	994.11	288,648,829	-
10%	1,093.52	317,103,830	28,455,002

2011

% Change in benchmark index	Benchmark Index	Market Value RM	Change in unrealised gain RM
-10%	794.87	364,693,627	(40,071,775)
0%	883.19	404,765,402	-
10%	971.51	444,837,177	40,071,775

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.

Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2012 (CONTINUED)

2 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

Cash flow profit rate risk

The Fund holds a limited amount cash and cash equivalents that expose the Fund to cash flow profit rate risk. The Fund's policy requires cash and cash equivalents to comprise no more than 10% of the funds assets.

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. For amount due from stockbrokers, the settlement terms are governed by the relevant rules and regulations as prescribed by Bursa Securities. 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 at 31 December is the carrying amount of the financial assets as set out below.

	2012 RM	2011 RM	2010 RM
Cash and Cash Equivalents	3,774,014	7,182,815	12,469,742
Other Assets	411,586	75,029	1,396,045
Total	4,185,600	7,257,844	13,865,787

None of these assets is impaired nor past due but not impaired.

At 31 December 2012, all cash and cash equivalents are placed with CIMB Islamic Bank Berhad (2011: Bank Islam Malaysia Berhad, 2010: CIMB Islamic Bank Berhad).

3 CAPITAL AND LIABILITY RISK MANAGEMENT

The capital of the Fund is represented by the net assets attributable to unit holders. The amount of net asset 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 comprise 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.

Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2012 (CONTINUED)

4 MANAGEMENT FEE

The Manager is entitled to a management fee at a rate not exceeding 1.0% per annum on the Net Asset Value ("NAV") of the Fund calculated on daily basis, as provided under Clause 14.1 of the Deed.

For the financial year ended 31 December 2012, the management fee was recognised at a rate of 0.4% (2011: 0.4%) per annum on the NAV of the Fund, calculated on daily basis.

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

5 TRUSTEE'S FEE

The Trustee is entitled to an annual fee, inclusive of custodian fee, at a rate not exceeding 0.08% per annum on the Net Asset Value ("NAV") of the Fund, as provided under Clause 14.2 of the Deed.

For the financial year ended 31 December 2012, the Trustee's fee was recognised at a rate of 0.05% (2011: 0.05%) per annum on the NAV of the Fund, inclusive of local custodian fee, calculated on daily basis.

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

6 LICENSE FEE

License fee is payable to S&P Dow Jones Indices LLC, the Benchmark Index provider.

For the financial year ended 31 December 2012, the License Fee was recognised at a rate of 0.04% (2011: 0.04%) per annum of the Net Asset Value ("NAV") of the Fund, calculated on daily basis.

There will be no further liability to S&P Dow Jones Indices LLC in respect of license fee other than the amounts recognised above.

7 OTHER EXPENSES

Included in Other Expenses are professional fees, other than Management, Trustee's and License Fees, and other expenses as permitted by the Deed, paid or provided for during the year.

With effect from 11 March 2010, the rate at which Other Expenses are accrued for had been reduced from 0.05% per annum of the Net Asset Value ("NAV") of the Fund to 0.025%. Commencing 18 February 2011, the accrual has been suspended.

The expenses are reversed out from the accrual on their respective payment dates.

During the financial year, an over accrual from the previous year was reversed to offset against the current year's auditor's remuneration, tax agent's fee and shariah adviser's fee.

Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2012 (CONTINUED)

8 TAXATION

	Financial year ended <u>31.12.2012</u> RM	Financial year ended <u>31.12.2011</u> RM
Current taxation		
Current year	194,837	585,383
Overprovision in prior years	(337,888)	(113,044)
	<u>(143,051)</u>	<u>472,339</u>

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

	Financial year ended <u>31.12.2012</u> RM	Financial year ended <u>31.12.2011</u> RM
Net income before taxation	44,140,025	38,312,139
Tax at Malaysian statutory rate of 25%	11,035,006	9,578,035
Tax effect of:		
Income not subject to tax	(2,633,767)	(4,377,767)
Gains exempt from tax	(8,628,543)	(5,474,469)
Expenses not deductible for tax purposes	422,141	859,584
Overprovision in prior year	(337,888)	(113,044)
	<u>(143,051)</u>	<u>472,339</u>

Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2012 (CONTINUED)

9 INCOME DISTRIBUTION

Distribution to unit holders is from the following sources:

	<u>2012</u> RM	<u>2011</u> RM
Undistributed Net Exempt Income brought forward	5,254,200	6,540,000
Exempt Dividend Income	4,196,540	7,575,522
Profits from Money Market Placements	56,303	118,934
	<u>9,507,043</u>	<u>14,234,456</u>
Less: Expenses		
Exempt Non Shariah-compliant Income	(146,850)	(198,059)
Fund Related Expenses	(800,254)	(1,703,336)
Dividend Tax Expense	43,011	(214,061)
	<u>8,602,950</u>	<u>12,119,000</u>

The Net Asset Value per unit prior and subsequent to the income distribution was as follows:

<u>Distribution date</u>	<u>Cum-distribution</u> RM	<u>Distribution</u> <u>per unit</u> RM	<u>Ex-distribution</u> RM
9 March 2012	1.0498	0.0180	1.0318
12 September 2012	1.0930	0.0125	1.0805

Included in the above is an amount of RM 5,254,200 distribute from previous year's undistributed net realised income.

A final income distribution for the financial year ended 31 December 2011 of 1.80 sen per unit was declared on 23 February 2012 based on the financial position of the Fund as at 31 December 2011 with an ex-date on 9 March 2012 and entitlement date on 13 March 2012. The income distribution amounting to RM5,254,200 was paid on 10 April 2012.

An interim income distribution for the financial year ended 31 December 2012 of 1.25 sen per unit was declared on 28 August 2012 based on the financial position of the Fund as at 30 June 2012 with an ex-date on 12 September 2012 and entitlement date on 14 September 2012. The total amount of income distributed was RM3,348,750 based on 267,900,000 of MyETF DJIM25's units in circulation, which was paid out to unit holders on 9 October 2012.

Subsequent to 31 December 2012, a final income distribution for the financial year ended 31 December 2012 of 2.30 sen per unit was declared on 8 February 2013 based on the financial position as at 31 December 2012 with an ex-date of 27 February 2013 and entitlement date of 1 March 2013.

Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2012 (CONTINUED)

10 FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	<u>2012</u> RM	<u>2011</u> RM	<u>2010</u> RM
Designated at fair value through profit or loss at inception			
- Shares quoted in Malaysia	<u>288,648,829</u>	<u>404,765,402</u>	<u>614,908,751</u>
Net gain on financial assets at fair value through profit or loss			
- Realised	(3,568,971)	4,786,158	6,750,467
- Change in unrealised	<u>38,203,067</u>	<u>17,111,719</u>	<u>70,037,831</u>
	<u>34,634,096</u>	<u>21,897,877</u>	<u>76,788,298</u>

11 DIVIDENDS RECEIVABLE

Dividends Receivable represents dividends declared on the Fund's component stocks at the Ex-Date and not yet received at the end of the financial year.

Dividends Receivable – Non Shariah-compliant Income represents the portion of the dividends receivable which relates to income that does not comply with Shariah principles.

The level of Non Shariah-compliant Income is based on the impure ratio for each component stock as determined by S&P Dow Jones Indices.

Dividends declared are recognized on the Ex-Date and are reversed out from the receivables upon receipt by the Fund.

Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2012 (CONTINUED)

12 RECEIVABLES

	<u>2012</u> RM	<u>2011</u> RM	<u>2010</u> RM
Allotment Fee for cancellation/ creation of units due from Participating Dealers	-	-	50
Other Receivables	2,712	2,741	-
	<u>2,712</u>	<u>2,741</u>	<u>-</u>

13 CASH AND CASH EQUIVALENTS

	<u>2012</u> RM	<u>2011</u> RM	<u>2010</u> RM
Shariah compliant deposits with a licensed bank	3,756,300	6,367,531	10,498,562
Cash at Bank – From Shariah-compliant Income	12,027	490,176	996
Cash at Bank – From Non Shariah-compliant Income	5,687	325,108	1,970,184
	<u>3,774,014</u>	<u>7,182,815</u>	<u>12,469,742</u>

The effective average profit rate of short term deposits per annum as at the date of the statement of assets and liabilities is as follows:

	<u>2012</u> %pa	<u>2011</u> %pa	<u>2010</u> %pa
Shariah compliant deposits with a licensed bank	2.90	3.05	2.38

As at the end of financial year ended 31 December 2012, the Shariah-compliant deposit with a licensed bank of the Fund have a weighted average maturity period of 3 days (2011: 11.8 days, 2010: 4.91 days) and are denominated in Ringgit Malaysia.

Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2012 (CONTINUED)

14 PAYABLES

	<u>2012</u> RM	<u>2011</u> RM	<u>2010</u> RM
Amount due to Index Licensor	58,008	50,630	130,011
Amount due to Shariah Adviser	4,500	15,666	19,000
Amount due to beneficial organisations 15	6,240	325,860	1,981,344
Amount due to Bursa	-	-	1,050
Amount due to Participating Dealer	4,112	4,141	-
Other payables	4,449	129,038	272,637
	<u>77,309</u>	<u>525,335</u>	<u>2,404,042</u>

15 AMOUNT DUE TO BENEFICIAL ORGANISATIONS

Amount due to beneficial organisations is the Non Shariah-compliant Income portion of dividends received and receivable as at 31 December. It comprises the following amounts:

	<u>2012</u> RM	<u>2011</u> RM	<u>2010</u> RM
Cash at Bank – Non Shariah-compliant Income	5,687	325,108	1,970,184
Dividends Receivable – Non Shariah-compliant	553	752	11,160
	<u>6,240</u>	<u>325,860</u>	<u>1,981,344</u>

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

The level of Non Shariah-compliant Income is based on the impure ratio for each component stock as determined by S&P Dow Jones Indices.

Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2012 (CONTINUED)

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

Net Asset Value (NAV) attributable to unit holders is represented by:

	Note	<u>2012</u> RM	<u>2011</u> RM
Unit holders' Contribution	(a)	273,494,713	427,861,113
Retained Earnings/ Accumulated Losses		27,725,126	(4,438,950)
Income Distribution		(8,602,950)	(12,119,000)
		<u>292,616,889</u>	<u>411,303,163</u>

(a) UNIT HOLDERS' CONTRIBUTION / UNITS IN CIRCULATION

	2012		2011	
	No. of Units	RM	No. of Units	RM
At beginning of year	410,300,000	411,303,163	657,500,000	626,099,613
Created during the year		-	-	-
Redeemed during the year	(150,800,000)	(154,366,400)	(247,200,000)	(240,517,250)
Net Income Distribution	-	(8,602,950)	-	(12,119,000)
	259,500,000	248,333,813	410,300,000	373,463,363
Total Comprehensive Income for the year	-	44,283,076	-	37,839,800
At the end of the financial year	<u>259,500,000</u>	<u>292,616,889</u>	<u>410,300,000</u>	<u>411,303,163</u>
Approved size of Fund	<u>10,000,000,000</u>			

In accordance with the Deed, the Manager may increase the size of the Fund from time to time with the approval of the Trustee and the SC. The maximum number of units that can be issued out for circulation by the Fund is 10,000,000,000. As at 31 December 2012, the number of units not yet issued by the Fund is 9,740,500,000 (2011: 9,589,700,000).

The Manager, i-VCAP Management Sdn. Bhd., did not hold any units in the Fund as at 31 December 2012.

Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2012 (CONTINUED)

17 TRANSACTIONS WITH BROKERS

Details of transactions with the brokers as at 31 December 2012 are as follows:

Name of brokers	Value of trade	Percentage of total trades	Brokerage fees	Percentage of total brokerage
	RM	%	RM	%
CIMB Investment Bank Bhd	18,409,832	29.52	22,357	29.78
OSK Investment Bank Bhd	18,129,548	29.07	21,742	28.95
RHB Investment Bank Bhd	14,998,422	24.05	18,001	23.97
Maybank Investment Bank Bhd	10,826,886	17.36	12,992	17.30
	<u>62,364,688</u>	<u>100.00</u>	<u>75,093</u>	<u>100.00</u>

All the brokers listed above are not related to the Manager.

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

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

<u>Related parties</u>	<u>Relationship</u>
i-VCAP Management Sdn. Bhd.	The Manager
Valuecap Sdn Bhd ("Valuecap")	Holding company of the Manager
Directors of Valuecap and shareholders of Valuecap with significant influence	Other related parties

There are no units that were held by the Manager as at the end of the year.

	<u>31 December 2012</u>		<u>31 December 2011</u>	
	No. of units	RM	No. of units	RM
Valuecap and other related parties at NAV				
- Legally (direct holding)	243,110,300	274,131,174	301,580,300	302,304,093
- Beneficially (indirectly through nominee banks/ investment banks)	-	-	2,120,000	2,125,088
	<u>243,110,300</u>	<u>274,131,174</u>	<u>303,700,300</u>	<u>304,429,181</u>

Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2012 (CONTINUED)

19 MANAGEMENT EXPENSE RATIO ("MER")

	<u>2012</u> %	<u>2011</u> %
MER	<u>0.49</u>	<u>0.49</u>

MER is derived from the following calculation:

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

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

The average net asset value of the Fund for the financial year calculated on daily basis is RM299,937,754 (2011: RM558,988,582).

20 PORTFOLIO TURNOVER RATIO ("PTR")

	<u>2012</u>	<u>2011</u>
PTR (times)	<u>0.10</u>	<u>0.17</u>

PTR is derived from the following calculation:

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

where: total acquisition for the financial year = RM 30,408,736 (2011: RM98,469,815)
total disposal for the financial year = RM 31,946,501 (2011: RM91,284,286)

The average net asset value of the Fund for the financial year calculated on daily basis is RM299,937,754 (2011: RM558,988,582).

21 SEGMENT REPORTING

The Fund is designed to provide investment results that closely correspond to the performance of the Benchmark Index. The manager attempts to achieve a tracking error of less than 3% between the Net Asset Value of the fund and the Benchmark Index.

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.

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

Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2012 (CONTINUED)

22 NON CASH TRANSACTIONS

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

	<u>2012</u> RM	<u>2011</u> RM
Creation		
- Fair value of Benchmark Index shares	-	-
- Cash component	-	-
	<u>-</u>	<u>-</u>
	<u>-</u>	<u>-</u>
Cancellation		
- Fair value of Benchmark Index shares	152,024,795	237,560,378
- Cash component	2,341,605	2,956,872
	<u>154,366,400</u>	<u>240,517,250</u>
	<u>154,366,400</u>	<u>240,517,250</u>

23 FAIR VALUES OF FINANCIAL INSTRUMENTS

Fair value is the amount at which a financial asset could be exchanged or a financial liability could be settled between knowledgeable and willing parties in an arm's length transactions.

The amendment MFRS7 'Financial Instruments: Disclosures' requires the Fund to classify fair value measurement using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

- Quoted prices (unadjusted) in active markets 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 assets or liability that are not based on observable market data, (that is, unobservable inputs) (level 3).

The level in fair value hierarchy within which the fair value measurement is categorized 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 requires judgement, considering factors specific to the asset or liability.

The Fund's financial asset designated as fair value through profit or loss is an investment whose values are based on quoted market prices in active markets, and therefore classified within level 1.

Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2012 (CONTINUED)

23 FAIR VALUES OF FINANCIAL INSTRUMENTS (CONTINUED)

The following table analyses within the fair value hierarchy the financial asset measured at fair value at 31 December:

Financial Assets at fair value through profit and loss

	Level 1 RM
Quoted Shares in Malaysia	
31 December 2012	288,648,829
31 December 2011	404,765,402
31 December 2010	614,908,751

24 SUPPLEMENTARY INFORMATION DISCLOSED PURSUANT TO BURSA MALAYSIA SECURITIES BERHAD LISTING REQUIREMENTS

The following analysis of realised and unrealised retained profits / (accumulated losses) at the legal entity level is prepared in accordance with Bursa Malaysia Securities Berhad's Listing Requirements and the Guidance on Special Matter No. 1, "Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements", as issued by the Malaysian Institute of Accountants whilst the disclosure is based on the prescribed format by Bursa Malaysia Securities Berhad.

	<u>2012</u> RM
Total retained profits/accumulated losses of the Fund	
- Realised	(49,743,089)
- Unrealised	68,865,265
	<u>19,122,176</u>

The analysis between realised and unrealised above is prepared on a different basis as compared to the analysis of realised and unrealised as disclosed in the statement of comprehensive income.

25 TRANSITION FROM FRS TO MFRS

Effective from 1 January 2012, the Fund adopted MFRS 1 'First-time adoption of MFRS' (effective 1 January 2012) for the financial year ended 31 December 2012. The financial statements of the Fund for the financial year ended 31 December 2012 are the first set of financial statements prepared in accordance with the MFRS, including MFRS 1 'First-time adoption of MFRS'. The Fund has consistently applied the same accounting policies in its opening MFRS statement of financial position at 1 January 2011 (transition date) and throughout all years presented, as if these policies had always been in effect. Comparative figures for 2011 in these financial statements have been restated to give effect to these changes.

(a) MFRS 1 mandatory exceptions

Estimates

MFRS estimates as at transition date are consistent with the estimates as at the same date made in conformity with FRS.

Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2012 (CONTINUED)

25 TRANSITION FROM FRS TO MFRS (CONTINUED)

(b) Explanation of transition from FRS to MFRS

Transition from FRS to MFRS does not have any significant impact on the financial statements of the Fund.

Analysis of Unit Holdings

Summary of Unit Holders

As at 31 January 2013

Size of unit holdings	No. of unit holders	% of unit holders	No. of units held	% of units in circulation
Less than 100	2	1.54	100	0.00
100 - 1,000	39	30.00	24,100	0.01
1,001 - 10,000	55	42.31	281,100	0.11
10,001 - 100,000	19	14.61	805,900	0.31
100,001 to less than 5% of issued units	12	9.23	15,278,500	5.89
5% and above of issued units	3	2.31	243,110,300	93.68
TOTAL	130	100.00	259,500,000	100.00

Profile of Directors of the Manager & Investment Committee Members of the Fund

Directors' Profile

Name:	Y. Bhg. Dato' Azian Binti Mohd Noh
Age:	59
Nationality:	Malaysian
Designation:	<i>Non-Independent Non-Executive Chairman</i>
Qualifications:	Master in Business Administration from Universiti Kebangsaan Malaysia, Bachelor of Economics (Honours) majoring in Accounting, University Malaya. A qualified Chartered Accountant and Member of Malaysian Institute of Accountants. Attended the Harvard Advanced Management Programme at Harvard Business School in 2009.
Working Experience and Occupation:	Dato' Azian is currently the CEO of Kumpulan Wang Persaraan (Diperbadankan) ("KWAP"), a position she has held since March 2007, following the corporatisation of Kumpulan Wang Amanah Pencen. Her extensive experience in the investment industry spans over 20 years since 1991 with her involvement during the inception of Kumpulan Wang Amanah Pencen. Prior to that, she had held several positions related to finance in various government institutions. She is currently also a Director of Valuecap and Malakoff Corporation Berhad.
Date Appointed to Board:	Dato' Azian is one of the first two directors named in the Articles of Association of the Manager dated 10 October 2007 and is deemed appointed on that date.
Details of Membership of any Board Committee:	Dato' Azian is not a member of any Board Committee.
Directorship of other public companies:	Rashid Hussain Berhad (in Members Voluntary Liquidation) Malakoff Corporation Berhad

Directors' Profile (*continued*)

Family relationship with any director:	Dato' Azian has no family relationship with any of the other director(s) on the Board of the Manager.
Conflict of interest with the Fund:	Dato' Azian is a Board Member of Valuecap and CEO of KWAP both of which are unit holders of the Fund.
List of convictions for offences within the past 10 years other than traffic offences:	None
Number of Board Meetings Attended in the Financial Year:	Dato' Azian attended 12 out of 12 Board of Directors Meetings held during the financial year.

Name:	Puan Sharifatu Laila Binti Syed Ali
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Age:	50
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Nationality:	Malaysian
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Designation:	<i>Non-Independent Non-Executive Director</i>
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Qualifications:	Master in Business Administration from Universiti Malaya and Bachelor of Science (Hons) from Universiti Kebangsaan Malaysia. Attended the Harvard Advanced Management Programme at Harvard Business School.
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Working Experience and Occupation:	Puan Sharifatu Laila was appointed as CEO of Valuecap in 2002 and played a key role in the setting up of Valuecap. She has been actively involved in the investment industry for more than 25 years. Prior to joining Valuecap, she had served at various premier institutions such as Employees Provident Fund ("EPF"), Permodalan Nasional Berhad ("PNB") and Lembaga Tabung Haji ("LTH"). She began her investment career in PNB in 1985 as an Investment Executive before
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Directors' Profile (*continued*)

leaving to join EPF 3 years later. During her tenure with EPF, she held several positions from Investment Officer to Senior Portfolio Manager (Head of the Equity Investment Division) overseeing approximately RM40 billion (US\$10 billion) and also Head of the Treasury Division overseeing an approximately RM100 billion portfolio (US\$30 billion). She gained extensive experience in the field of portfolio investment both in the local and regional environment while serving EPF. At LTH, she was Head of the Investment Department / CIO.

Date Appointed to Board:

Puan Sharifatu Laila is one of the first two directors named in the Articles of Association of the Manager dated 10 October 2007 and is deemed appointed on that date.

Details of Membership of any Board Committee:

Puan Sharifatu Laila is not a member of any Board Committee.

Directorship of other public companies:

Puan Sharifatu Laila is not a director of any public companies.

Family relationship with any director:

Puan Sharifatu Laila has no family relationship with any of the other director(s) on the Board of the Manager.

Conflict of interest with the Fund:

Puan Sharifatu Laila is the CEO of Valuecap which is a unit holder of the Fund.

List of convictions for offences within the past 10 years other than traffic offences:

None

Directors' Profile (*continued*)

Number of Board Meetings Attended in the Financial Year: Puan Sharifatu Laila attended 11 out of 12 Board of Directors Meetings held during the financial year.

Name:	Encik Hassan Bin Ibrahim
Age:	61
Nationality:	Malaysian
Designation:	<i>Independent Non-Executive Director</i>
Qualifications:	Bachelor of Laws from University of Singapore.
Working Experience and Occupation:	Encik Hassan established the firm of Messrs Hassan & Associates in March 2007, focusing on corporate and conveyancing matters. Prior to that, he was a partner with Messrs Zainal Abidin & Co. since 1989, with involvement in the same areas of specialisation. During his tenure with Messrs Zainal Abidin & Co., he had attended to the preparation of several project financing facility documents based on the Shariah principle of Al-Ijarah, Murabahah and Bai-Bithaman Ajil. He has over 10 years of experience serving Bank Pembangunan Malaysia Berhad from 1976 to 1988 in Project Evaluation & Investment functions.
Date Appointed to Board:	2 November 2007
Details of Membership of any Board Committee:	Encik Hassan is a member of the Board Audit and Risk Management Committee and of the Investment Committee.
Directorship of other public companies:	Encik Hassan is not a director of any public companies.
Family relationship with any director:	Encik Hassan has no family relationship with any of the other director(s) on the Board of the Manager.

Directors' Profile (*continued*)

Conflict of interest with the Fund:

None

List of convictions for offences within the past 10 years other than traffic offences:

None

Number of Board Meetings

Encik Hassan attended 11 out of 12 Board of Directors Meetings held during the financial year.

Attended in the Financial Year:

Name: **Y.M. Tunku Afwida Binti Tunku A. Malek**

Age: 47

Nationality: Malaysian

Designation: ***Independent Non-Executive Director***

Qualifications: Bachelor in Science (Hons.) majoring in Economics and Accountancy from The City University (London). She also qualified as a Chartered Accountant from The Institute of Chartered Accountants in England and Wales.

Working Experience and Occupation:

Tunku Afwida is currently the Director / shareholder of Benih Semaian Sdn Bhd, a funding advisory house and trading company, which also owns mygroupbuy.com.my. Prior to that, she was CEO and Executive Director ("ED") of Kenanga Investment Bank Berhad (2006 to 2008), CEO and ED of MIMB Investment Bank Berhad (2003 to 2006) and ED / CIO of Commerce Asset Fund Managers Sdn Bhd (1995 to 2003). She is currently also a Director of Cagamas Berhad and Gamuda Berhad and she also serves as an Investment Committee Member of Valuecap.

Date Appointed to Board: 17 July 2009

Directors' Profile (*continued*)

Details of Membership of any Board Committee:	Tunku Afwida is a member of the Board Audit and Risk Management Committee and a member and Chairman of the Investment Committee.
Directorship of other public companies:	Cagamas Berhad Gamuda Berhad
Family relationship with any director:	Tunku Afwida has no family relationship with any of the other director(s) on the Board of the Manager.
Conflict of interest with the Fund:	Tunku Afwida is an Investment Committee Member of Valuecap which is a unit holder of the Fund.
List of convictions for offences within the past 10 years other than traffic offences:	None
Number of Board Meetings Attended in the Financial Year:	Tunku Afwida attended 10 out of 12 Board of Directors Meetings held during the financial year.

Name:	Encik Rosli Bin Abdullah
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Age:	59
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Nationality:	Malaysian
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Designation:	<i>Independent Non-Executive Director</i>
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Qualifications:	Master in Business Administration from Universiti Kebangsaan Malaysia, Post-Graduate Diploma in Accounting and Bachelor in Economics both from Universiti Malaya. Chartered Accountant and Member of Malaysian Institute of Accountants.
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Directors' Profile (*continued*)

Working Experience and Occupation:	Encik Rosli served as CEO of the Malaysian Institute of Accountants in October 2008 until January 2012. Prior to this, he had served in various capacities in the public and private sector. He was in the public sector from 1976 to 1994 and had served in the Ministry of Finance, the Accountant General's office, the Ministry of Works, the Ministry of Education, the Public Services Department's Government Pension Department, the Teachers Provident Fund and the University Putra Malaysia. Subsequently, he joined the private sector and served as the Financial Controller / General Manager Finance of Kuala Lumpur International Airport Berhad. He served as the Senior General Manager of Putrajaya Holdings Sdn Bhd. He currently serves as a Director on the Boards of Keretapi Tanah Melayu Berhad ("KTM") and KTM Group of Companies, Bank Pembangunan Malaysia Berhad, SME Growth Acceleration Fund Sdn Bhd and CapitaMalls Malaysia REIT Management Sdn Bhd.
Date Appointed to Board:	16 December 2009
Details of Membership of any Board Committee:	Encik Rosli is a member and Chairman of the Board Audit and Risk Management Committee.
Directorship of other public companies:	Keretapi Tanah Melayu Berhad Bank Pembangunan Malaysia Berhad
Family relationship with any director:	Encik Rosli has no family relationship with any of the other director(s) on the Board of the Manager.
Conflict of interest with the Fund:	None

Directors' Profile (*continued*)

List of convictions for offences within the past 10 years other than traffic offences:

Number of Board Meetings Encik Rosli attended 12 out of 12 Board of Directors Meetings held during the financial year.

Attended in the Financial Year:

Name:	Encik Mahdzir Bin Othman
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Age:	44
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Nationality:	Malaysian
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Designation:	<i>Non-Independent Executive Director / Chief Executive Officer</i>
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Qualifications:	Bachelor of Science (Hons.) in Finance from Northern Illinois University and Diploma in Accountancy from Universiti Teknologi MARA.
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Working Experience and Occupation:	Encik Mahdzir is currently the CEO and assuming the role of Chief Investment Officer ("CIO") of i-VCAP. He was previously the CIO of Valuecap. He joined Valuecap in February 2003 as a Portfolio Manager, as part of the core team in the Investment Department before being promoted to the position of CIO in July 2006. He led a team of Portfolio Managers (equities and treasury), and was responsible in strategising and overseeing the execution of investment strategy in line with Valuecap's investment objective and business plan. Prior to joining Valuecap, he had more than 10 years of working experience in the financial and capital markets at various institutions i.e. SBB Asset Management Sdn Bhd, Utama Merchant Bank Berhad, BBMB Unit Trust Management Berhad and Kassim Chan & Co. He is also currently the Chairman of the Malaysian Association of Asset Managers' Shariah Fund Management Sub Committee.
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Directors' Profile (*continued*)

**Date Appointed
to Board:** 13 December 2010

**Details of
Membership of
any Board
Committee:** None

**Directorship of
other public
companies:** Encik Mahdzir is not a director of any public companies.

**Family
relationship with
any director:** Encik Mahdzir has no family relationship with any of the other director(s) on the Board of the Manager.

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

**List of
convictions for
offences within
the past 10 years
other than traffic
offences:** None

**Number of Board
Meetings
Attended in the
Financial Year:** Encik Mahdzir has attended 12 out of 12 Board of Directors Meeting held during the financial year.

Investment Committee Members' Profile

The Investment Committee currently has four (4) members, including Y.M. Tunku Afwida Binti Tunku A. Malek (Chairman / Independent) and Encik Hassan Bin Ibrahim (Independent), whose profiles are set out in the Directors' Profile section of this Annual Report, whilst the profiles of the other two (2) members of the Investment Committee are as follows:-

Name:	Puan Nik Amlizan Binti Mohamed
Age:	44
Nationality:	Malaysian
Designation:	<i>Non-Independent Member</i>
Qualifications:	Bachelor of Arts Degree in Economics/Accounting (Claremont McKenna College).
Working Experience and Occupation:	Puan Nik Amlizan is currently a Director at KWAP, overseeing the Equity Department since June 2007. She has over 19 years of working experience, out of which 17 years are in the fund management industry. Prior to joining KWAP, she was General Manager / Head of Equity (Shariah / Ethical) at RHB Asset Management Sdn Bhd. and Head of Investment Research / Senior Portfolio Manager & Analyst at Mayban Investment Management Sdn Bhd. She also sits on the Board of Directors for Valuecap and Prima Ekuiti (UK) Limited, and serves as an Investment Committee Member of Valuecap.
Date First Appointed to Investment Committee:	7 January 2008
Conflict of interest with the Fund:	Puan Nik Amlizan sits on the Board of Directors and serves as an Investment Committee Member of Valuecap which is a unit holder of the Fund.

Investment Committee Members' Profile *(continued)*

List of convictions for offences within the past 10 years other than traffic offences:

None

Name: **Encik Shaharin Bin Md. Hashim**

Age: 43

Nationality: Malaysian

Designation: ***Non-Independent Member***

Qualifications: Bachelor of Arts in Mathematics and Economics from University of Pennsylvania, Philadelphia, USA.

Working Experience and Occupation: Encik Shaharin is currently Chief, Investment Research & Market Strategy of Valuecap. He joined in 2005 and oversees a team of specialists responsible for the provision of qualitative and quantitative assessments relevant to the Group's investment activities. He has over 18 years of working experience encompassing areas of analysis and policy and product research and development works in the Malaysian capital and financial markets through his various stints at Bank Negara Malaysia, Malaysian Technology Development Corporation and Bursa Malaysia.

Date First Appointed to Investment Committee: 18 February 2011

Conflict of interest with the Fund: Encik Shaharin is currently Chief, Investment Research & Market Strategy of Valuecap which is a unit holder of the Fund.

Investment Committee Members' Profile *(continued)*

List of
convictions for
offences within
the past 10 years
other than traffic
offences: None

Date of First Appointment on Investment Committee and Attendance at Investment Committee Meetings During 2012

<u>Name</u>	<u>Date First Appointed</u>	<u>Attendance</u>
Y.M. Tunku Afwida Binti Tunku A. Malek (Chairman)	17 July 2009	5 of 5
Encik Hassan Bin Ibrahim	7 January 2008	5 of 5
Puan Nik Amlizan Binti Mohamed	7 January 2008	4 of 5
Encik Shaharin Bin Md. Hashim	18 February 2011	4 of 5

Shariah Adviser's Profile

- Shariah Adviser** : CIMB Islamic Bank Berhad ("CIMB Islamic")
- Incorporated in Kuala Lumpur, Malaysia on 2 November 2004 as a public company (Co. No. 671380-H) under the Companies Act, 1965.
- Corporate Information** : Principal Activities
- CIMB Islamic is the global Islamic banking and finance franchise of CIMB Group Sdn. Bhd. ("CIMB Group"). Currently, CIMB Islamic provides Shariah-Compliant financial products and services in investment banking, consumer banking, asset management, private banking and takaful.
- Shareholding
- CIMB Islamic is 100% owned by CIMB Bank Berhad.
- Experience as Adviser** : CIMB Islamic provides advisory services on various Islamic banking and finance products to ensure compliance with applicable Shariah principles as well as the relevant resolutions and rulings made by the Shariah advisory councils of the regulatory bodies and CIMB Islamic Shariah Committee which is comprised of experienced and knowledgeable Shariah advisers with expertise in the field of Islamic law and jurisprudence and Islamic finance.
- During the financial year, there were four (4) Shariah Committee meetings with regards to MyETF Dow Jones Islamic Market Malaysia Titans 25 ("the Fund").
- Designated Person** : In relation to Shariah, the designated person responsible for the Fund is Encik Abdul Ghani Bin Endut who is Associate Director, Head of Shariah Department, Islamic Banking Division of CIMB Group.
- Abdul Ghani joined CIMB in January 2005 as Manager, Shariah Advisory Unit and the Secretary of CIMB Islamic Shariah Committee. Previously, he was attached to Shariah Department of the first Islamic bank in Malaysia for more than ten years. There he

Shariah Adviser's Profile (*continued*)

was Head of the Shariah Department and the Secretary of the Shariah Supervisory Council. He was actively involved in Shariah advisory activities of the Bank and other external parties, in Retail, Commercial, Corporate Banking and Debt Capital Market. He was also involved in the structuring of Islamic Venture Capital and Shariah advisor to Islamic Unit Trusts.

He holds a Bachelor of Art (Hons.) in Business Studies from the University of East London, United Kingdom and a Bachelor of Art (Hons.) in Islamic Jurisprudence and Legislation from the University of Jordan.

He now leads the overall function of Shariah Department which is responsible to provide the Shariah advisory for all type of Islamic products both to CIMB Group and external parties in asset & fund management, investment & corporate banking, retail & commercial banking, treasury & structured products, takaful, private equity and etc. He is also involved in developing curriculum for industry owned institutes dedicated for human capital development in the Islamic finance industry such as IBFIM, AIF etc. He is currently a member of AIBIM's Shariah Governance Committee and leads one of its sub-committees.

He is currently a member of Shariah Governance Working Group for the Islamic Financial Services Board (IFSB), an international standard-setting organisation that promotes and enhances the soundness and stability of the Islamic financial services industry by issuing global prudential standards and guiding principles for the industry, broadly defined to include banking, capital markets and insurance sectors.

CIMB Islamic is backed by its own respective Shariah Committee comprises of the following members:

- Sheikh Prof. Dr. Mohammad Hashim Kamali
- Sheikh Dr. Haji Mohd Na'im Bin Haji Mokhtar
- Sheikh Assoc. Prof. Dr. Shafaa Bin Musa
- Sheikh Nedham Yaqoobi
- Sheikh Dr. Yusef Abdullah Al Shubaily
- Prof. Dr. Noor Inayah Yaakub

Other Information

Other Relevant 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.
- The sanction and/or penalty was imposed on the Directors during the financial year as follows:-
 - A penalty of RM50 was imposed by the Companies Commission of Malaysia (“CCM”) for late submission of notification of change in directorship of public company by one of its directors.
- There was no material litigation involving the Fund since the last annual balance sheet date.
- The amount of non-audit fees incurred for the Financial Year 2012 for services rendered by PricewaterhouseCoopers Taxation Services Sdn. Bhd. a company affiliated to the Auditors of the Fund is RM6,000.
- There were twelve (12) Board of Directors Meetings held in the Financial Year 2012.
- There were five (5) Investment Committee Meetings held in the Financial Year 2012.

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