



Dow Jones Islamic Market Malaysia Titans 25

Manager



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

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

Level 9, Block B, HP Towers, No. 12, Jalan Gelenggang, Bukit Damansara, 50490 Kuala Lumpur, MALAYSIA
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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.

The benchmark index for MyETF-DJIM25 is the Dow Jones Islamic Market Malaysia Titans 25 Index (“the Index”). The 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 derives from the participation of seven government-linked investment companies as its initial seeders. The seven are Khazanah Nasional Berhad, Kumpulan Wang Persaraan (Diperbadankan), Kumpulan Wang Simpanan Pekerja, Lembaga Tabung Angkatan Tentera, Lembaga Tabung Haji, Permodalan Nasional Berhad and Valuecap Sdn. Bhd.

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

Fund Information

Manager : i-VCAP Management Sdn. Bhd. ("i-VCAP") (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 36-38 for profile of the Directors)

Puan Azian Binti Mohd Noh
Chairman/Non-Independent Non-Executive Director

Dato' Dr. Aziuddin Bin Ahmad
Non-Independent Non-Executive Director

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

Encik Khairil Anuar Bin Abdullah
Independent Non-Executive Director
(resigned w.e.f. 26 November 2008)

Encik Hassan Bin Ibrahim
Independent Non-Executive Director

Encik Mohamad Hishammudin Bin Hamdan
Independent Non-Executive Director
(appointed w.e.f. 26 November 2008)

Encik Zainal Izlan Bin Zainal Abidin
CEO/Non-Independent Executive Director

Company Secretary

Kutbuddin bin Asgar Ali (LS0008532)

Fund Information (*continued*)

Investment Committee (Please refer to pages 37-39 for profile of the Members)	: Encik Mohamad Hishammudin Bin Hamdan <i>Chairman/Independent Member</i> (appointed w.e.f. 30 December 2008) Encik Khairil Anuar Bin Abdullah <i>Chairman/Independent Member</i> (resigned w.e.f. 26 November 2008) Encik Hassan Bin Ibrahim <i>Independent Member</i> Dato' Dr. Aziuddin Bin Ahmad <i>Member</i> Puan Nik Amlizan Binti Mohamed <i>Member</i> Encik Mahdzir Bin Othman <i>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 50470 Kuala Lumpur Malaysia Tel. No.: (+603) 2173 1188 Fax No.: (+603) 2173 1288
Tax Consultants	: PricewaterhouseCoopers Taxation Services Sdn Bhd (464731-M) Level 10, 1 Sentral Jalan Travers Kuala Lumpur Sentral 50470 Kuala Lumpur Malaysia Tel. No.: (+603) 2173 1188 Fax No.: (+603) 2173 1288

Fund Information (*continued*)

- Shariah Adviser** : CIMB Islamic Bank Berhad (671380-H)
1st Floor, Menara KH
Jalan Sultan Ismail
50250 Kuala Lumpur
Malaysia
Tel. No.: (+603) 2116 1200
Fax No.: (+603) 2144 4746
- Technical Adviser** : BNP Paribas Asset Management Malaysia Sdn Bhd (751833-W)
Level 21, Menara Dion
Jalan Sultan Ismail
50250 Kuala Lumpur
Malaysia
Tel. No.: (+603) 2056 0400
Fax No.: (+603) 2026 2898
- Participating Dealers** : CIMB Investment Bank Berhad (18417-M)
5th Floor, Bangunan CIMB
Jalan Semantan, Damansara Heights
50490 Kuala Lumpur
Malaysia
Tel. No.: (+603) 2084 8888
Fax No.: (+603) 2084 8899
- OSK Investment Bank Berhad (14152-V)
20th Floor, Plaza OSK
Jalan Ampang
50450 Kuala Lumpur
Malaysia
Tel. No.: (+603) 2333 8333
Fax No.: (+603) 2175 3333
- Index Provider** : Dow Jones & Company, Inc.
1 World Financial Center
200 Liberty Street
New York, NY 10281
United States of America
Tel. No.: (+1212) 416 2000 (New York)
Fax No.: (+1609) 520 7030 (New Jersey)

Manager's Report

For the Financial Period 22 January 2008 (Commencement Date) to 31 December 2008

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

1. Investment Objective

The Fund is designed to provide investment results that closely correspond to the performance of the Benchmark Index, regardless of its performance. The Manager attempts to achieve an absolute value of tracking error of less than 3% between the net asset value ("NAV") of the Fund and the Benchmark Index.

2. Benchmark Index

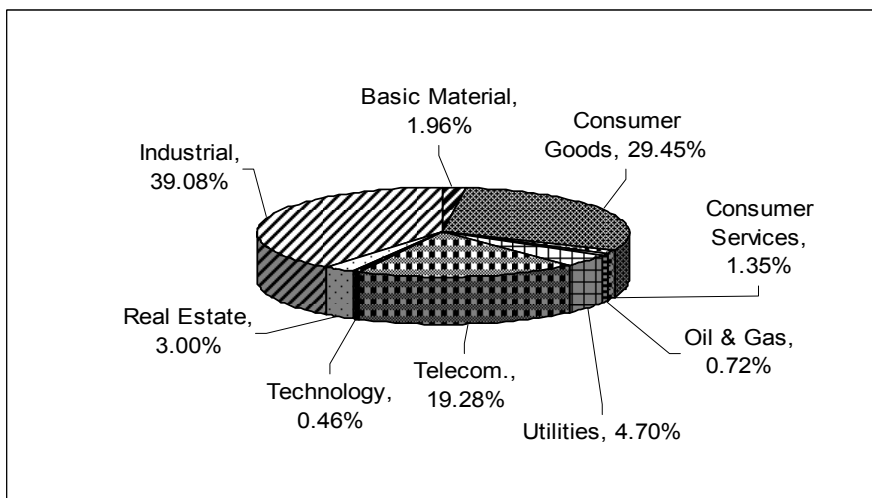
The Benchmark Index, namely the Dow Jones Islamic Market Malaysia Titans 25 ("DJIM25") Index, is a market capitalisation weighted and free-float adjusted index provided by Dow Jones & Company, Inc. ("Dow Jones").

The Benchmark Index was created on 18 January 2008 by Dow Jones and was constructed based on a reference value of 1000 as of 17 January 2008. The Benchmark Index consists of 25 Shariah-compliant securities of companies listed on Bursa Malaysia Securities Berhad, weighted by market capitalization.

The universe for selection of the components of the DJIM25 Index includes all equities in the Dow Jones Islamic Market Malaysia Index, an index comprised of Malaysia-based companies that comply with the methodology established by Dow Jones for screening stocks to comply with the Shariah principles.

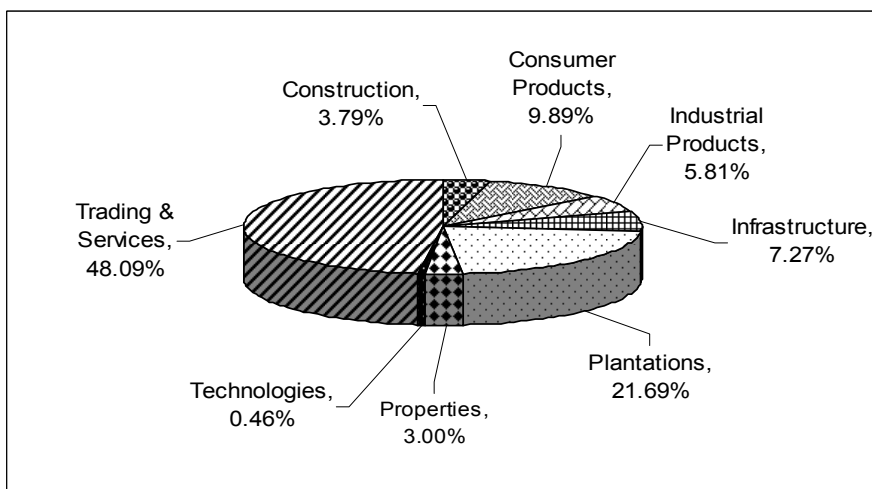
Sector Allocation of Benchmark Index as at 16 December 2008*

Dow Jones Classification



Source: Dow Jones

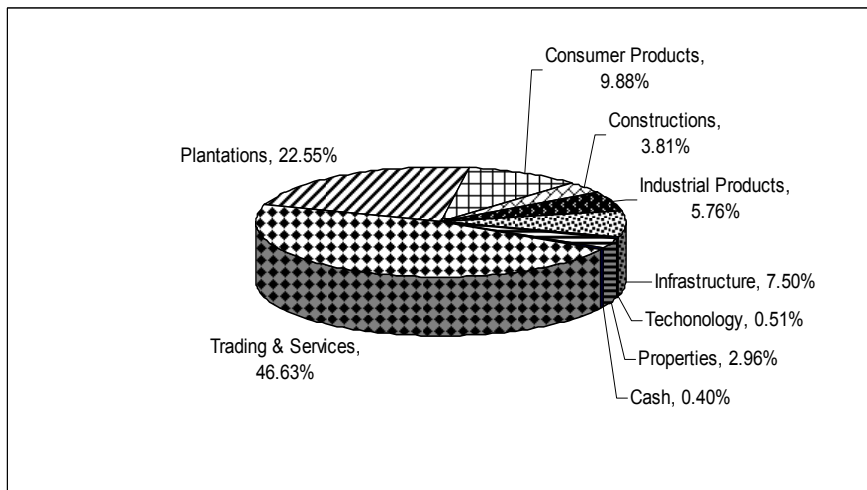
Bursa Malaysia Classification



Sources: Bursa Malaysia, Dow Jones

* Latest Quarterly Review

3. Sector Allocation of the Fund as at 31 December 2008



Sources: Bursa Malaysia, Dow Jones, i-VCAP

4. Investment Strategy

The Manager will seek to track 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 on the Benchmark Index.

The Manager may use techniques including indexing via full or partial replication and/or invest in certain authorised investments, in seeking to achieve the investment objective of the Fund, subject to conformity to the Shariah principles.

5. Fund Performance

The Fund was launched on 21 January 2008 with an initial NAV of RM1.00 when the Benchmark Index was at 964.25 points. Over the period under review, the NAV per unit of the Fund declined by 41.9% to RM0.5809 as at 31 December 2008. The performance of the Fund was comparable to that of the Benchmark Index which fell by 44.2% over the same period. Similarly, the unit price of the Fund dropped by 39.0%. As a result, the tracking error (calculated daily) between the NAV of the Fund and the Benchmark Index as at 31 December 2008 was 1.45%, which was well within the 3% limit stipulated under the Fund's investment objective.

	31 December 2008	At Commencement*	Percentage (%)
NAV per unit (RM)^	0.5809	1.0000	-41.9
Price per unit (RM)	0.6100	1.0000	-39.0
DJIM25 Index	538.48	964.25	-44.2

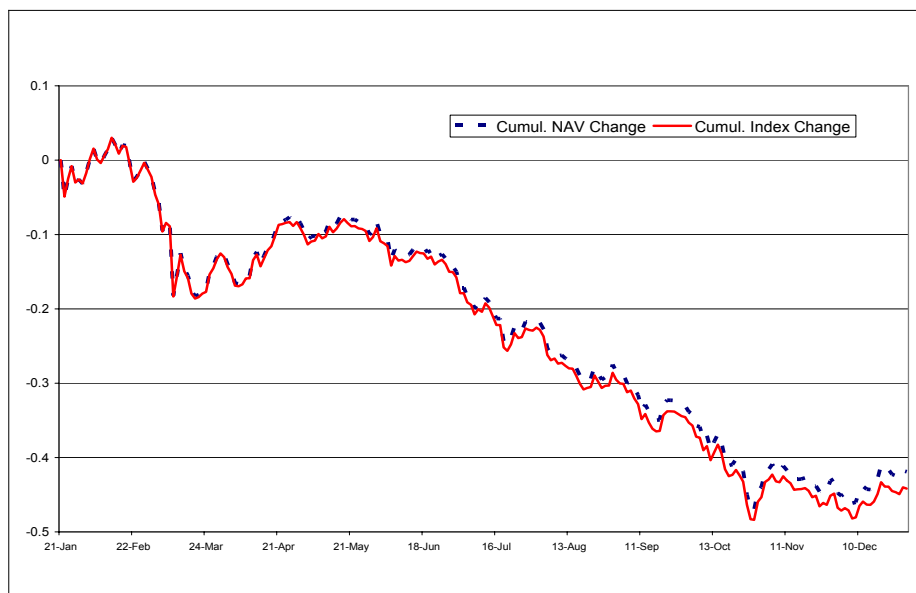
* Based on closing on 21 January 2008

^ The highest and lowest NAV per unit during the period under review were RM1.0297 (on 14 February 2008) and RM0.5293 (on 29 October 2008) respectively

Sources: Bloomberg, i-VCAP

During the period under review, Dow Jones performed four quarterly reviews (in March, June, September and December) and rebalanced the composition of the Benchmark Index, in accordance with its index methodology. Consequently, the Manager also rebalanced the Fund's composition to be in line with the changes in the Benchmark Index.

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



6. Income Distribution

The Fund may distribute amongst the unitholders all, or substantially all of the net income (after the income purification process and deduction of relevant fees, expenses and taxes) received by the Fund, pro-rated based on the number of units held by each unitholder as at the entitlement date of the income distribution. The exact amount to be distributed will be at the absolute discretion of the Manager. Distributions (if any) are expected to be made semi-annually.

The Manager did not declare any dividend during the financial year.

7. Other Information

There is no other material information to the Manager's knowledge that will adversely affect the Fund's valuation and the interest of unitholders.

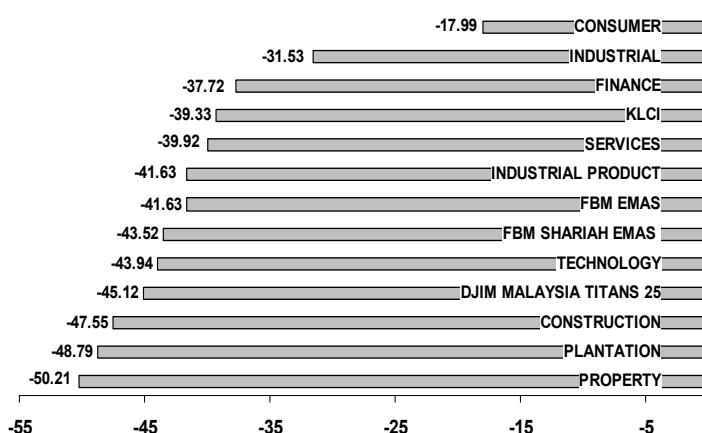
8. Soft Dollar Commissions

The Manager has not received any goods or services by way of soft commission during the period under review.

9. Market Review

It was a very difficult year for the capital markets in 2008. Stock markets across the globe fell significantly – some by as much as 70% – following the financial market turmoil led by the US and Europe. The Malaysian equity market was not spared – the KL Composite Index fell by 39.3% during the year as the Property and Plantation sectors suffered the biggest decline, while the Consumer sector was the most resilient. The following chart summarises the performance of the various sectors and selected indices in Malaysia for 2008.

Malaysia: Performance of Key Indices in 2008



The significant underperformance of the Plantation sector reflected the weakness in the prices of commodities, particularly crude palm oil, which in turn stemmed from concerns over a global economic slowdown triggered by the financial crisis. Similarly, crude petroleum prices also tumbled dramatically in the later part of the year from all-time-high levels in July.

While 2008 – especially the second half – has been an exceptionally challenging period for the global financial markets, concerted efforts have been undertaken by governments and major central banks to counter the effects of the turmoil. For instance, in the US, a US\$700 billion plan was approved to rescue the US financial system, while the European Commission and China introduced economic stimulus packages worth €200 billion (US\$254 billion) and 4 trillion Yuan (US\$586 billion) respectively. As for Malaysia, the government announced a RM7 billion (US\$2 billion) package to reinforce the economy and has also agreed to participate with its ASEAN counterparts to form a US\$120 billion regional monetary fund to aid member countries during periods of economic crisis. In addition to the fiscal measures, most major industrialised countries have also eased their monetary policy.

The various initiatives demonstrate the importance placed by all parties in addressing the global financial crisis in order to initially restore investor confidence and to eventually engineer a recovery.



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

Level 20, Menara IMC
8 Jalan Sultan Ismail
50250 Kuala Lumpur

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Fax 60 3 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 (MyETF-DJIM25) for the financial period from 22 January 2008 (date of commencement) to 31 December 2008. To the best of our knowledge, for the period under review, *i*-VCAP Management Sdn. Bhd. (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.

For Deutsche Trustees Malaysia Berhad

A handwritten signature in black ink, appearing to read 'Mohd Ridzal Sheriff'.

Mohd Ridzal Sheriff
Chief Executive Officer/Director

A handwritten signature in black ink, appearing to read 'Richard Lim'.

Richard Lim
Head, Trustee Operations

Date: 17 February 2009

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 Year Ended 31 December 2008

We have acted as the Shariah Adviser of **MyETF Dow Jones Islamic Market Malaysia Titans 25 ("MyETF-DJIM25")**. Our responsibility is to ensure that the procedures and investment processes employed by *i*-VCAP Management Sdn. Bhd. ("*i*-VCAP") are in accordance with the Shariah principles.

In our opinion, *i*-VCAP has managed and administered MyETF-DJIM25 in accordance with the Shariah principles and complied with the applicable guidelines, rulings or decisions issued by the Securities Commission pertaining to Shariah matters for the financial year ended 31 December 2008.

We also confirm that the investment portfolio of MyETF-DJIM25 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 dotted line.

Abdul Ghani Endut

Head, Shariah Advisory / Designated Person Responsible for Shariah Advisory

Date : **17 Feb 2009**

Statement by the Manager

I, being a director of the Manager, do hereby state that, in the opinion of the Manager, the accompanying financial statements give a true and fair view of the Fund as at 31 December 2008 and have been prepared in accordance with applicable Financial Reporting Standards in Malaysia, the Securities Commission's Guidelines on Exchange Traded Funds and the Deed of the Fund.



ZAINAL IZLAN BIN ZAINAL ABIDIN

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

Kuala Lumpur
18 February 2009

Auditors' Report

INDEPENDENT AUDITORS' REPORT TO THE UNITHOLDERS 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, which comprise the statement of assets and liabilities as at 31 December 2008, and the income statement, statement of changes in net assets attributable to unitholders and cash flow statement for the financial period then ended, and a summary of significant accounting policies and other explanatory notes, as set out on pages 1 to 18.

Manager's and Trustee's Responsibility for the Financial Statements

The Manager is responsible for the preparation and fair presentation of these financial statements in accordance with Financial Reporting Standards in Malaysia and the Securities Commission's Guidelines on Exchange Traded Funds. This responsibility includes: designing, implementing and maintaining internal control 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. The Trustee is responsible for ensuring that the Manager, maintains proper accounting and other records, evaluates the appropriateness of accounting policies used and the reasonableness of accounting estimates made, as are necessary to enable fair presentation of these financial statements.

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 and the Trustee, 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 Financial Reporting Standards in Malaysia and the Securities Commission's Guidelines on Exchange Traded Funds so as to give a true and fair view of the financial position of the Fund as of 31 December 2008 and of its financial performance, changes in net assets attributable to unitholders and cash flows for the financial period then ended.

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

OTHER MATTERS

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

PRICEWATERHOUSECOOPERS
(No. AF: 1146)
Chartered Accountants

Kuala Lumpur

Income Statement

For the financial period from 22 January 2008 (date of launch) to 31 December 2008

	Note	RM Capital	RM Revenue	2008 RM Total
INVESTMENT INCOME				
Gross dividend income		-	30,869,532	30,869,532
Profit from short term Shariah compliant deposits		-	117,103	117,103
Net realised loss on sale of investments	4	(33,785,879)	-	(33,785,879)
Net unrealised loss on fair value changes of investments		(324,410,033)	-	(324,410,033)
		(358,195,912)	30,986,635	(327,209,277)
Less: Non-Shariah income		-	(891,004)	(891,004)
		(358,195,912)	30,095,631	(328,100,281)
EXPENSES				
Management fee	5	-	2,416,804	2,416,804
Trustee's fee	6	-	302,100	302,100
License fee	7	-	257,726	257,726
Auditors' remuneration		-	25,000	25,000
Tax agent's fee		-	5,500	5,500
Shariah adviser's fee		-	85,200	85,200
Administrative expenses		-	186,401	186,401
		-	3,278,731	3,278,731
NET LOSS BEFORE TAXATION		(358,195,912)	26,816,900	(331,379,012)
TAXATION	9	-	(5,217,933)	(5,217,933)
DECREASE IN NET ASSETS ATTRIBUTABLE TO UNITHOLDERS		(358,195,912)	21,598,967	(336,596,945)
Net income after taxation is made up of the following:				
Realised amount		(33,785,879)	20,311,577	(13,474,302)
Unrealised amount		(324,410,033)	1,287,390	(323,122,643)
		(358,195,912)	21,598,967	(336,596,945)

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

Statement of Assets and Liabilities

As at 31 December 2008

	Note	<u>2008</u> RM
INVESTMENTS		
Quoted investments	10	480,805,992
LIQUID ASSETS		
Short term Shariah compliant deposits	11	1,103,000
Cash and bank balances	11	884,991
OTHER ASSETS		
Dividend receivable	12	1,287,390
Receivables	13	50
TOTAL ASSETS		<u>484,081,423</u>
LIABILITIES		
Payables	14	<u>1,368,755</u>
LIABILITIES (EXCLUDING NET ASSETS ATTRIBUTABLE TO UNITHOLDERS)		<u>1,368,755</u>
NET ASSETS ATTRIBUTABLE TO UNITHOLDERS	15	<u><u>482,712,668</u></u>
NUMBER OF UNITS IN CIRCULATION	15	<u><u>831,000,000</u></u>
NET ASSET VALUE PER UNIT		<u><u>0.5809</u></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 Net Assets Attributable to Unitholders

For the financial period from 22 January 2008 (date of launch) to 31 December 2008

	Note	<u>2008</u> RM
NET ASSETS ATTRIBUTABLE TO UNITHOLDERS AT THE BEGINNING OF THE FINANCIAL PERIOD		-
Movement due to units created and cancelled during the financial period		
Creation of units	15	840,107,213
Cancellation of units	15	(20,797,600)
		<hr/> 819,309,613
Net decrease in net assets attributable to unitholders during the financial period		
Net loss after taxation		(336,596,945)
NET ASSETS ATTRIBUTABLE TO UNITHOLDERS AT THE END OF THE FINANCIAL PERIOD	15	<hr/> 482,712,668 <hr/>

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 period from 22 January 2008 (date of launch) to 31 December 2008

	Note	2008 RM
CASH FLOW FROM INVESTING AND OPERATING ACTIVITIES		
Net proceeds from sales and purchase of investments		(14,553,180)
Purchase of rights issue		(5,159,300)
Dividends received		24,364,209
Profit from short term Shariah compliant deposits		117,103
Management fee paid		(2,252,785)
Trustee fee paid		(281,598)
License Fee paid		(148,285)
Payment for other fees and expenses		(118,362)
Net cash inflow from investing and operating activities		1,967,802
CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from units created		199,283
Payments for cancellation of units		(179,094)
Net cash outflow from financing activities		20,189
NET INCREASE IN CASH AND CASH EQUIVALENTS		1,987,991
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE FINANCIAL PERIOD		-
CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL PERIOD	11	1,987,991
Cash and cash equivalents comprise:		
Cash and bank balances		884,991
Short term shariah compliant deposits		1,103,000
	11	1,987,991

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 period from 22 January 2008 (date of launch) to 31 December 2008

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

A BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS

The financial statements of the Fund have been prepared under the historical cost convention, unless otherwise indicated, in accordance with the Deeds, the Financial Reporting Standards ("FRS"), the MASB approved accounting standards in Malaysia for entities other than private entities, and the Securities Commission's ("SC") Guidelines on Exchange Traded Funds

- (i) Standards and amendments to published standards and interpretations that are effective.

The amendments to published standards effective for the Fund's financial period beginning on or after 1 January 2008 are as follows:

- Revised standards that have no significant changes compared to the original standards
 - FRS 107 Cash Flows Statements
 - FRS 111 Construction Contracts
 - FRS 118 Revenue
 - FRS 134 Interim Financial Reporting
 - FRS 137 Provisions, Contingent Liabilities and Contingent Assets.
- FRS 112 Income Taxes
- FRS 120 Accounting for Government Grants and Disclosure of Government Assistance.
- Amendment to FRS 121 The Effects of Changes in Foreign Exchange Rates – Net Investment in Foreign Operation.

All changes in accounting policies have been made in accordance with the transitional provisions in the respective standard.

The adoption of the new standards did not have a material impact on the financial statements of the Fund.

- (ii) A new standard that has been issued which is relevant to the Fund and has not been early adopted is:

FRS 139 Financial Instruments: Recognition and measurement (effective date 1 January 2010). The new standard establishes principles for recognising and measuring financial assets, financial liabilities and some contracts to buy and sell non-financial items. Hedge accounting is permitted only under strict circumstances. The Fund will apply this standard when effective.

Summary of Significant Accounting Policies

For the financial period from 22 January 2008 (date of launch) to 31 December 2008
(continued)

B INCOME RECOGNITION

Profit from short term Shariah compliant deposits is recognised on an accrual basis.

Dividend income is recognised on the ex-dividend date, when the right to receive the dividend has been established.

Realised gains and losses on sales of listed investments are accounted for as the difference between the net disposal proceeds and the carrying amount of investments, determined on a weighted average cost basis for equities.

C FINANCE COST - DISTRIBUTION

Proposed distributions to unitholders are recognised in the income statement upon approval by the Board of Directors of the Manager. The distribution to the unitholders is recognised as finance cost in the income statement.

D TAXATION

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

E PRESENTATION AND FUNCTIONAL CURRENCY

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

F INVESTMENTS

Investments are initially recorded at cost, which include transaction costs, and subsequently revalued to their fair values as at the date of the statement of assets and liabilities.

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 assets and liabilities.

Unrealised gains or losses are transferred to the income statement and are not distributable.

G CASH AND CASH EQUIVALENTS

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

Summary of Significant Accounting Policies

For the financial period from 22 January 2008 (date of launch) to 31 December 2008
(continued)

H CREATION AND CANCELLATION OF UNITS

The Fund issues cancellable units, which are cancelled at the unitholder's option and are classified as financial liability. 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. The outstanding units is carried at the redemption amount that is payable at the balance sheet date if the holder exercises the right to put the unit back to the Fund.

Units are created and cancelled at the holder's option at prices based on the Fund's net asset value per unit at the time of creation or cancellation. The Fund's net asset value is calculated by dividing the net assets attributable to unitholders 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 NON-SHARIAH INCOME

Any income or distribution received by the Fund from its investment portfolio which relates to interest income or income from "fortuitous" activities (not compatible with the Shariah principles) of the underlying companies is considered non-Shariah income. This non-Shariah income is subject to an income purification process as determined by the Shariah Adviser from time to time and without limitation. The non-Shariah 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.

J AMOUNT DUE FROM STOCKBROKERS

Amount due from stockbrokers is carried at approved transaction amount as stated in the contract notes.

K SEGMENTAL INFORMATION

A business segment is a group of assets and operations engaged in providing products or services that are subject to risks and returns that are different from those of other business segments. A geographical segment is engaged in providing products or services within a particular economic environment that are subject to risks and returns that are different from those of segments operating in other economic environments. In the opinion of the Manager, all activities of the Fund are in the single business of investment activities conducted mainly in Malaysia.

Summary of Significant Accounting Policies

For the financial period from 22 January 2008 (date of launch) to 31 December 2008
(continued)

L FINANCIAL INSTRUMENTS

Financial instruments comprise financial assets and financial liabilities. Fair value is the amount at which a financial asset could be exchanged or a financial liability settled, between knowledgeable and willing parties in an arm's length transaction. The information presented herein represents the estimates of fair values as at the statement of assets and liabilities date.

Where available, quoted and observable market prices are used as the measure of fair values. Where such quoted and observable market prices are not available, fair values are estimated based on a range of methodologies and assumptions regarding risk characteristics of various financial instruments, discount rates, estimates of future cash flows and other factors. Changes in the uncertainties and assumptions could materially affect these estimates and the resulting fair value estimates.

A range of methodologies and assumptions had been used in deriving the fair values of the Fund's financial instruments as at the statement of assets and liabilities date. The total fair value of each financial instrument is not materially different from the total carrying value.

The fair values are based on the following methodologies and assumptions:

(a) Short term deposits

For deposits and placements with financial institutions with maturities of less than three months, the carrying value is a reasonable estimate of fair value. For deposits and placements with maturities three months and above, estimated fair value is based on discounted cash flows using prevailing money market interest rates at which similar deposits and placements would be made with financial institutions of similar credit risk and remaining period to maturity.

(b) Quoted investments

The estimated fair value is based on quoted and observable market prices.

(c) Other short term financial instruments

Other short term financial instruments comprise profit receivable, dividends receivable, receivables, payables and accruals.

The carrying value of these assets and liabilities are assumed to approximate their fair value due to short tenure of less than one year.

M 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 period. 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 period from 22 January 2008 (date of launch) to 31 December 2008
(continued)

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 Deed dated 17 January 2008 (the "Deed") entered into between iVCAP 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") as provided by Dow Jones & Company, Inc. 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 investment management services.

2 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Fund is exposed to a variety of risks which include market risk, stock/issuer risk, fund management risk, liquidity risk, interest rate risk and credit/default risk.

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

Market risk

This risk refers to changes and developments in regulations, politics and the economy of the country. The very nature of a 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.

Stock/issuer risk

Consistent with the performance objective of the Fund, the securities which make up the investments of the Fund are in most instances the same as the constituent stocks of the Benchmark Index.

Fund management risk

The investment scope and restrictions of the Fund, which have been approved by the Securities Commission of Malaysia, are intended to ensure that the Fund is managed in line with its investment objective.

Notes to the Financial Statements

For the financial period from 22 January 2008 (date of launch) to 31 December 2008
(continued)

2 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

Liquidity risk

The Fund maintains sufficient level of liquid assets, after consultation with the Trustee, to meet anticipated payments and cancellations of units by unitholders. Liquid assets comprise cash, deposits with licensed financial institutions and other instruments which are capable of being converted into cash within 7 days. The Fund is allowed to hold up to ten percent (10%) of its net asset value in cash or cash equivalents

Interest rate risk

Interest rate is a general economic indicator that will have an impact on the management of the Fund regardless of whether it is a Shariah-based fund or otherwise. It does not in any way suggest that the Fund will invest in conventional instruments. All investments carried out for the Fund are in accordance with Shariah requirements.

As at the date of the statement of assets and liabilities, the net asset value of the Fund can be analysed into return and non-return bearing balances, as follows:

	Up to 1 year RM	1 - 5 years RM	Over 5 years RM	Non-return bearing RM	Total RM
<u>As at 31 December 2008</u>					
<u>Assets</u>					
Quoted investment	-	-	-	480,805,992	480,805,992
Short term Shariah compliant deposits	1,103,000	-	-	-	1,103,000
Cash and bank balances	884,991	-	-	-	884,991
Dividends receivable	-	-	-	1,287,390	1,287,390
Receivables	-	-	-	50	50
	1,987,991	-	-	482,093,432	484,081,423
<u>Liabilities</u>					
Amount due to Trustee	-	-	-	164,019	164,019
Amount due to Manager	-	-	-	20,502	20,502
Amount due to Index Licensor	-	-	-	109,441	109,441
Payable to charitable Organizations	-	-	-	891,004	891,004
Other payables and Accruals	-	-	-	183,789	183,789
	-	-	-	1,368,755	1,368,755
Total return sensitivity gap	1,987,991	-	-		

Notes to the Financial Statements

For the financial period from 22 January 2008 (date of launch) to 31 December 2008
(continued)

2 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

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

2008
% p.a.

Deposits with licensed financial institutions

2.75

The deposits have an average maturity of less than 1 year

Credit/Default risk

Credit risk refers to the ability of an issuer or counterparty to make timely payments of interest, principals and proceeds from realisation of investments. The Fund, as required by the Guidelines and Deed, maintains a minimum liquidity level of its net asset value to meet redemption requests.

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 Securities Commission'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.

At the balance sheet date, there is a significant concentration of credit risk in the balances of short term Shariah compliant deposits as all deposits are placed with a single licensed financial institution.

3 NET ASSETS ATTRIBUTABLE TO UNITHOLDERS

In accordance with the provisions of the Fund's Deed, investments are stated at the last traded price on the valuation date for the purpose of determining the net asset value per unit for creations and cancellations and for various fee calculation. Net assets attributable to unitholders represent a liability in the balance sheet, carried at the redemption amount that would be payable at the balance sheet date if the unitholder exercised the right to redeem unit of the Fund.

Notes to the Financial Statements

For the financial period from 22 January 2008 (date of launch) to 31 December 2008
(continued)

4 NET REALISED GAINS ON SALES OF INVESTMENTS

	<u>2008</u> RM
Realised gains on sales of investments	1,222,355
Realised losses on sales of investments	<u>(35,008,234)</u>
	<u>(33,785,879)</u>

5 MANAGEMENT FEE

The Manager is entitled to a management fee at a rate not exceeding 1.0% per annum on the net asset value of the Fund calculated on daily basis, as provided under Clause 14.1 of the Deed.

For the financial period ended 31 December 2008, the management fee was recognised at a rate of 0.4% per annum on the net asset value of the Fund, calculated on daily basis.

6 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 of the Fund, as provided under Clause 14.2 of the Deed.

For the financial period ended 31 December 2008, the Trustee's fee was recognised at a rate of 0.05% per annum on the net asset value of the Fund, inclusive of local custodian fee, calculated on daily basis.

7 LICENSE FEE

License fee is payable to Dow Jones & Company, Inc., the Benchmark Index provider.

License Fee was charged at a rate of 0.04% per annum of the Net Asset Value (NAV) of the Fund, calculated on a daily basis.

8 DISTRIBUTIONS

No income distribution was declared by the Fund during the financial period 22 January 2008 (date of launch) to 31 December 2008.

Notes to the Financial Statements

For the financial period from 22 January 2008 (date of launch) to 31 December 2008
(continued)

9 TAXATION

	<u>2008</u> RM
Current taxation	<u>5,217,933</u>

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

	<u>2008</u> RM
Net loss before taxation	<u>331,379,012</u>
Tax at Malaysian statutory rate of 26%	(86,158,543)
Tax effect of:	
Income not subject to tax	(2,773,020)
Losses exempt from tax	93,168,386
Expenses not deductible for tax purposes	<u>981,110</u>
Tax expense	<u>5,217,933</u>

10 QUOTED INVESTMENTS

Name of Counter	Quantity Units	Market Value RM	Average Purchase Cost RM	Market value as a percentage of net asset value %
<u>Trading/Services</u>				
Sime Darby Bhd	13,343,700	69,387,240	149,623,705	14.37
MISC Bhd	6,110,000	52,240,500	57,191,804	10.82
PLUS Expressways Bhd	7,227,400	21,537,652	22,919,293	4.46
Kencana Petroleum Bhd	2,475,600	3,243,036	5,323,101	0.67
Dialog Group Bhd	4,972,100	3,952,820	7,929,037	0.82
Malaysian Bulk Carriers Bhd	1,822,000	4,354,580	6,687,513	0.90
Telekom Malaysia	8,310,600	25,596,648	26,963,163	5.30
TM International	8,719,500	31,564,590	59,953,870	6.54
Star Publications (M) Bhd	1,775,900	5,753,916	6,119,010	1.19
Sarawak Energy Bhd	3,228,900	7,491,048	6,963,717	1.55
	<u>57,985,700</u>	<u>225,122,030</u>	<u>349,674,213</u>	<u>46.64</u>

Notes to the Financial Statements

For the financial period from 22 January 2008 (date of launch) to 31 December 2008
(continued)

10 QUOTED INVESTMENTS (continued)

Name of Counter	Quantity	Market Value	Average Purchase Cost	Market value as a percentage of net asset value
<u>Plantations</u>				
IOI Corp. Bhd	18,914,800	67,336,688	142,525,568	13.95
Kuala Lumpur Kepong Bhd	2,996,800	26,671,520	51,952,898	5.53
Batu Kawan Bhd	1,192,400	9,419,960	13,633,414	1.95
Asiatic Development Bhd	1,527,600	5,407,704	12,458,452	1.12
	<u>24,631,600</u>	<u>108,835,872</u>	<u>220,570,332</u>	<u>22.55</u>
<u>Industrial Products</u>				
KNM Group Bhd	17,140,675	6,941,973	34,918,176	1.44
Lafarge Malayan Cement Bhd	1,609,100	6,339,854	8,153,545	1.31
Petronas Gas Bhd	1,481,800	14,521,640	15,661,593	3.01
	<u>20,231,575</u>	<u>27,803,467</u>	<u>58,733,314</u>	<u>5.76</u>
<u>Consumer Products</u>				
PPB Group Bhd	3,328,600	30,955,980	34,957,378	6.41
UMW Holdings Bhd	3,109,600	16,014,440	21,967,123	3.32
Lion Diversified Holdings Bhd	2,054,400	719,040	3,014,015	0.15
	<u>8,492,600</u>	<u>47,689,460</u>	<u>59,938,516</u>	<u>9.88</u>
<u>Infrastructure</u>				
DiGi.com Bhd	1,661,700	36,225,060	39,173,989	7.50
	<u>1,661,700</u>	<u>36,225,060</u>	<u>39,173,989</u>	<u>7.50</u>
<u>Constructions</u>				
Gamuda Bhd	9,004,000	17,017,560	43,534,768	3.53
Zelan Bhd	1,533,300	1,349,304	7,035,606	0.28
	<u>10,537,300</u>	<u>18,366,864</u>	<u>50,570,374</u>	<u>3.80</u>
<u>Properties</u>				
SP Setia Bhd	4,608,500	14,286,350	22,962,245	2.96
	<u>4,608,500</u>	<u>14,286,350</u>	<u>22,962,245</u>	<u>2.96</u>
<u>Technology</u>				
Malaysian Pacific Industries Bhd	423,400	2,476,889	3,593,042	0.51
	<u>423,400</u>	<u>2,476,889</u>	<u>3,593,042</u>	<u>0.51</u>
	<u>128,572,375</u>	<u>480,805,992</u>	<u>805,216,025</u>	<u>99.61</u>

Notes to the Financial Statements

For the financial period from 22 January 2008 (date of launch) to 31 December 2008
(continued)

11 CASH AND CASH EQUIVALENTS

	<u>Note</u>	<u>2008</u> RM
Short-term money market placements in Islamic financial instruments with licensed banks		1,103,000
Cash at Bank – From Shariah income		22,181
Cash at Bank – From non-Shariah income	14(i)	862,810
		<u>1,987,991</u>

12 DIVIDENDS RECEIVABLE

Dividends Receivable represents dividends declared on the Fund's component stocks at the Ex-Date which are not yet received at the end of the financial period. These amounts are reversed out on their respective payment dates.

13 RECEIVABLES

	<u>2008</u> RM
Allotment fee for creation of units due from Participating Dealers	50
	<u>50</u>

14 PAYABLES

	<u>Note</u>	<u>2008</u> RM
Amount due to Manager:		164,019
Amount due to Trustee		20,502
Amount due to Index Licensor		109,441
Auditors' remuneration		25,000
Tax agent's fee		5,500
Amount due to Shariah adviser		42,400
Non-Shariah income payable	(i)	891,004
Other payables		110,889
		<u>1,368,755</u>

Notes to the Financial Statements

For the financial period from 22 January 2008 (date of launch) to 31 December 2008
(continued)

14 PAYABLES (CONTINUED)

- (i) This represent the total non-Shariah income portion of dividends received and receivable which has not been paid out under the income purification process as at 31 December 2008. It comprises the following amounts:

	2008 RM
Dividend received - Cash at Bank	862,810
Dividend receivable	28,194
	<u>891,004</u>

The quantum of non-Shariah dividend income is determined by Dow Jones & Company, Inc in accordance with the Fund's policy.

15 NUMBER OF UNITS IN CIRCULATION AND NET ASSETS ATTRIBUTABLE TO UNITHOLDERS

	2008 No. of units	RM
At beginning of the financial period	-	-
Unitholder's contribution		
Creation of units during the financial period	853,000,000	840,107,213
Cancellation of units during the financial period	(22,000,000)	(20,797,600)
	<u>831,000,000</u>	<u>819,309,613</u>
Net increase in net assets attributable to unitholders	-	(336,596,945)
At end of the financial period	<u>831,000,000</u>	<u>482,712,668</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 2008, the number of units not yet issued by the Fund is 9,169,000,000.

Notes to the Financial Statements

For the financial period from 22 January 2008 (date of launch) to 31 December 2008
(continued)

16 TRANSACTIONS WITH BROKERS

Details of transactions with the top 10 brokers are as follows:

Name of brokers	Value of trade RM	Percentage of total trades %	Brokerage fees RM	Percentage of total brokerage %
<u>2008</u>				
CIMB Investment Bank Bhd	101,156,126	40.4	122,131	39.8
OSK Investment Bank Bhd	130,165,065	52.0	161,983	52.8
RHB Investment Bank Bhd	18,901,466	7.6	22,810	7.4
	<u>250,222,657</u>	<u>100.00</u>	<u>306,924</u>	<u>100.00</u>

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

17 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 period end.

	<u>2008</u>	
	No. of units	RM
Valuecap and other related parties	<u>419,572,600</u>	<u>243,729,723</u>

The transactions above were conducted on an arm's length basis.

Notes to the Financial Statements

For the financial period from 22 January 2008 (date of launch) to 31 December 2008
(continued)

18 MANAGEMENT EXPENSE RATIO ("MER")

2008
%

MER 0.51

MER is derived from the following calculation:

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

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

The average net asset value of the Fund for the financial period calculated on daily basis is RM639,408,391.68.

19 PORTFOLIO TURNOVER RATIO ("PTR")

2008

PTR (times) 0.20

PTR is derived from the following calculation:

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

where: total acquisition for the financial period = RM 132,387,919
total disposal for the financial period = RM 117,834,737.83

The average net asset value of the Fund for the financial period calculated on daily basis is RM639,408,391.68

20 SEGMENTAL INFORMATION

Segmental information has been provided by virtue of disclosing the investments undertaken by the Fund disclosed in Note 10 to the financial statements.

21 COMPARATIVE FIGURES

There are no comparative figures as this is the first set of statutory financial statements prepared.

Analysis of Unit Holdings

Summary of Unit Holders

As at 31 January 2009

Size of holdings	No. of unit holders	% of unit holders	No. of units held	% of units in circulation
Less than 100	1	0.20	1	0.000
100 - 1,000	47	9.59	40,699	0.005
1,001 - 10,000	211	43.06	1,223,800	0.147
10,001 - 100,000	134	27.35	5,640,300	0.677
100,001 to less than 5% of issued units	90	18.37	117,669,500	14.126
5% and above of issued units	7	1.43	708,425,700	85.045
	490	100.00	833,000,000	100.000

Note: 5% of issued units = 41,650,000 units

Profile of Directors of the Manager & Investment Committee Members

Directors' Profile

Puan Azian Binti Mohd Noh, 55, a Malaysian, is a Non-Independent Non-Executive Chairman of *i*-VCAP Management Sdn. Bhd. and is one of the first two directors named in the Articles of Association of *i*-VCAP Management Sdn. Bhd. dated 10 October 2007. Puan Azian holds degrees in Master in Business Administration (Universiti Kebangsaan Malaysia) and Bachelor of Economics (University of Malaya), and an Advanced Diploma in Accounting (University of Malaya). She is also a member of the Malaysian Institute of Accountants. She is currently the Chief Executive Officer 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 public service spanned over 27 years where she has served as a Treasury Accountant at the Accountant General's Department and Ministry of Public Enterprise, Senior Accountant of Kraftangan Malaysia and Deputy Director of Finance of SIRIM. Prior to joining KWAP, she was at the Accountant General's Department in 1991 as Deputy Director and subsequently promoted to Director of KWAP in 1997. She currently sits as a Director on the Board of Rashid Hussain Berhad, TIME dotCom Berhad, Malakoff Corporation Berhad and Valuecap Sdn. Bhd. ("Valuecap").

Puan Sharifatu Laila Binti Syed Ali, 47, a Malaysian, is a Non-Independent Non-Executive Director of *i*-VCAP Management Sdn. Bhd. and is one of the first two directors named in the Articles of Association of *i*-VCAP Management Sdn. Bhd. dated 10 October 2007. She was appointed as CEO of Valuecap in 2002 and played a key role in the setting up of Valuecap. Puan Sharifatu holds a Master's degree in Business Administration (University Malaya) and a Bachelor of Science (Universiti Kebangsaan Malaysia). She has been actively involved in the investment industry for more than 22 years. Prior to joining Valuecap, she had served at various premier institutions i.e. Employees Provident Fund Board ("EPF"), Permodalan Nasional Berhad ("PNB") and Lembaga Tabung Haji ("LTH"). She began her investment career in PNB in 1985 as an Investment Executive before 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) and also Head of the Treasury Division. She has extensive experience in the field of portfolio investment both in the local and regional environment. Whilst at EPF she was also responsible for the monitoring of portfolio fund performance on funds out-sourced to EPF's external fund managers and was also involved in the task force responsible for the assessment of EPF's strategic asset allocation model. At LTH, she was the Chief Investment Officer.

Directors' Profile (continued)

Dato' Dr. Aziuddin Bin Ahmad, 53, a Malaysian, was appointed a Non-Independent Executive Director of i-VCAP Management Sdn. Bhd. on 2 November 2007. Subsequently, he was redesignated as a Non-Independent Non-Executive Director on 17 February 2009. He studied law at Kings College (London) and was awarded Cameron Waller Prize in Law. He also obtained a PhD in Reactor Neutron Physics, Master in Nuclear Reactor Science & Engineering and B. Sc. (Hons) in Electrical and Electronics Engineering from University of London. He obtained his Fund Manager's Representative's License in 1994. Since March 2007, he is Professor at the Graduate School of Management Universiti Putra Malaysia, having left the private sector after more than 20 years. He was an Adjunct Professor at the Faculty of Engineering Universiti Putra Malaysia and Centre for Civilizational Dialogue University of Malaya. He was a member of the Investment Panel at Lembaga Tabung Haji from October 2001 to September 2007. At Amanah Raya Asset Management Sdn Bhd, he served as Director and also Chairman of the Investment Committee. His other financial services experiences include Group Financial Advisor of Sapura Holdings Sdn Bhd, Executive Chairman of Intrinsic Capital Management Sdn Bhd and Corporate Services Advisor of Innosabah Securities Sdn Bhd. He served as Director in Malaysia Mining Corporation Bhd, Express Rail Link Sdn Bhd, Eastern Pacific Industrial Corporation Bhd and AlBukhary Corporation Sdn Bhd. He was also a Director in Bank Muamalat Malaysia Bhd, where he sat as a member on the Board Risk Management Committee, Board Veto (Credit) Committee, and Board Remuneration & Nomination Committee.

Encik Hassan Bin Ibrahim, 57, a Malaysian, was appointed an Independent Non-Executive Director of i-VCAP on 2 November 2007. He holds a Bachelor of Laws from University of Singapore. He established the firm of Messrs Hassan & Associates in March 2007, focusing in 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. He has over 10 years of experience serving Bank Pembangunan Malaysia Berhad from 1976 to 1988 in Project Evaluation & Investment functions.

Directors' Profile (continued)

Encik Mohamad Hishammudin Bin Hamdan, 41, a Malaysian, was appointed an Independent Non-Executive Director of *i*-VCAP on 26 November 2008. He holds Bachelors' Degrees in Chemical Engineering and in Industrial Management, both from Purdue University. He is currently the Executive Vice President, Group Strategy & Business Development at Sime Darby Berhad, and prior to the said position he was attached to Dresdner Kleinwort Wasserstein as the Vice President, Corporate Finance & Advisory, at Malakoff Berhad as Senior Manager, Corporate Finance, and at Swiss Bank Corp/PB Securities, Peregrine, Santander and Dresdner Kleinwort Benson as an Equity Research Analyst. He is also a Director in Sime Darby Holdings Berhad and Kuala Lumpur Golf & Country Club Berhad.

Encik Zainal Izlan Bin Zainal Abidin, 41, a Malaysian, was appointed as Non-Independent Executive Director of *i*-VCAP on 13 December 2007. He holds Bachelor of Science in Economics degree (dual concentration in Accounting & Finance) from University of Pennsylvania and is a Chartered Financial Analyst ("CFA") charterholder. He is currently the Chief Executive Officer of *i*-VCAP. He began his career with Citibank Berhad where his last position was as Assistant Manager, Risk Management Group, before joining MIDF Amanah Asset Management Berhad ("MIDF Asset") in 1993. During his tenure with MIDF Asset, he held several positions covering both research and portfolio management. He was seconded to Schroder Investment Management Limited, London as a Fund Manager from October 1994 to November 1996. His most recent position prior to joining *i*-VCAP was the CEO/Director of MIDF Asset. He also held directorships in several companies in the MIDF Group. He was also the Chairman/President of the CFA Malaysia from 2001 to 2005 and Secretary of the Malaysian Association of Asset Managers in 2007.

Investment Committee Members' Profile

The Investment Committee has five (5) members, comprising Encik Mohamad Hishammudin Bin Hamdan (Chairman/Independent), Encik Hassan Bin Ibrahim (Independent) and Dato' Dr. Aziuddin Bin Ahmad, whose profiles are set out in the Directors' Profile section of this Annual Report, whilst the other two members of the Committee are Puan Nik Amlizan Binti Mohamed and Encik Mahdzir Bin Othman whose profiles are as follows:-

Puan Nik Amlizan Binti Mohamed, 40, holds a Bachelor of Arts Degree in Economics/Accounting (Claremont McKenna College). She is currently the Senior General Manager at KWAP overseeing the Equity Department since June 2007. She is Alternate Director to Puan Azian Mohd Noh, Director of Valuecap Sdn Bhd. She has over 17 years of experience, out of which 14 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, Head of Investment Research/Senior Portfolio Manager & Analyst at Mayban Investment Management Sdn Bhd. She had also served at BBMB Unit Trust Management Berhad and Georgiou Incorporated, U.S.

Encik Mahdzir Bin Othman, 40, holds B. Sc. (Hons) in Finance (Northern Illinois University) and Diploma in Accounting (Mara Institute of Technology). He is currently the Chief Investment Officer of Valuecap Sdn Bhd. 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 current position in July 2006. Leading a team of Portfolio Managers (equities and treasury), he is 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 has more than 9 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.

Other Information

Other Relevant Information

- There are no sanctions and/or penalties imposed on the Fund by the relevant regulatory bodies during the financial year and up to the date of this report.
- All of the directors of the Manager do not have a family relationship with any director and/or major shareholder of the Manager nor any personal interest in any business arrangement involving the Manager.
- All of the directors of the Manager have had no convictions for any offences within the past ten (10) years.
- None of the directors of the Manager hold an executive position except for Encik Zainal Izlan Bin Zainal Abidin.
- There were no material contracts subsisting at the end of the financial year involving the interest of the Directors or major shareholders of the Manager.

Directors' Training

All Directors of the Manager have attended the Mandatory Accreditation Programme ("MAP") organised by Bursatra Sdn Bhd, the sole accredited trainer for the programme, except for newly appointed Director Encik Mohamad Hishammudin Bin Hamdan who will attend the MAP in 2009.

The Directors of the Manager have also attended other training programmes during the year.

Other Information (*continued*)

Attendance At Investment Committee Meetings During 2008

<u>Name</u>	<u>Attendance</u>
Encik Mohamad Hishammudin Bin Hamdan (appointed w.e.f. 30 December 2008)	N/A
Encik Khairil Anuar Bin Abdullah (resigned w.e.f. 26 November 2008)	3 of 3
Encik Hassan Bin Ibrahim	3 of 3
Dato' Dr. Aziuddin Bin Ahmad	3 of 3
Puan Nik Amlizan Binti Mohamed	2 of 3
Encik Mahdzir Bin Othman	3 of 3