



Dow Jones Islamic Market Malaysia Titans 25

ANNUAL REPORT 2014



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 initial seeding by government linked investment companies and entity that include Khazanah Nasional Berhad, Kumpulan Wang Persaraan (Diperbadankan) and Valuecap.

MyETF-DJIM25 was listed on the Main Market of Bursa Securities on 31 January 2008. The stock short name and stock number 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 52-60 for profile of the Directors)

Encik Wan Kamaruzaman Bin Wan Ahmad
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 61-63 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 Email: cisops.dtmdb@db.com
Auditors and Reporting Accountants	: PricewaterhouseCoopers (AF 1146) Level 15, 1 Sentral Jalan Travers Kuala Lumpur Sentral PO Box 10192 50706 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 PO Box 10192 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 64-72 for corporate information, experience and details of the designated person for the Shariah Adviser)
13th Floor, Menara CIMB
Jalan Stesen Sentral 2
Kuala Lumpur Sentral
50470 Kuala Lumpur
Malaysia
Tel. No.: (+603) 2261 8888
- Participating Dealers** : CIMB Bank Berhad (13491-P)
13th Floor, Menara CIMB
Jalan Stesen Sentral 2
Kuala Lumpur Sentral
50470 Kuala Lumpur
Malaysia
Tel. No.: (+603) 2261 8888
Fax No.: (+603) 2261 8889
- RHB Investment Bank Berhad (19663-P)
10th Floor, Tower One
RHB Centre
Jalan Tun Razak
50400 Kuala Lumpur
Malaysia
Tel. No.: (+603) 9287 8888
Fax No.: (+603) 9280 6507
- 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 Registrars** : Symphony Share Registrars Sdn. Bhd. (378993-D)
Level 6, Symphony House Pusat
Dagangan Dana 1
Jalan PJU 1A/46
47301 Petaling Jaya
Selangor
Malaysia
Helpdesk No.: (+603) 7849 0777
Fax No.: (+603) 7841 8151 / 8152



For the Financial Period 1 January to 31 December 2014

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-Compliant 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, 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

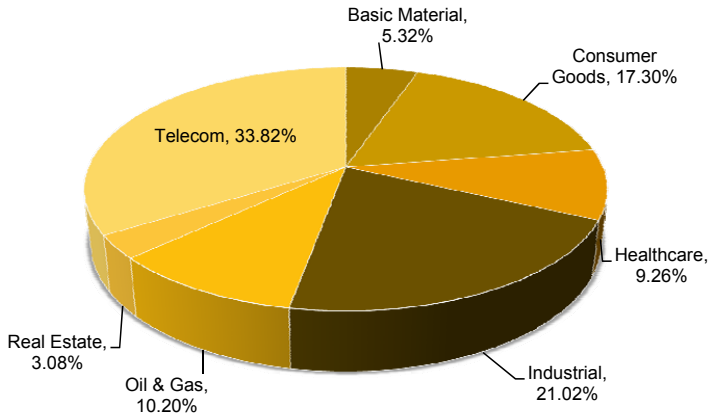
The Benchmark Index is a market capitalisation weighted and free-float adjusted index provided by S&P Dow Jones Indices (“S&P Dow Jones”).

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.

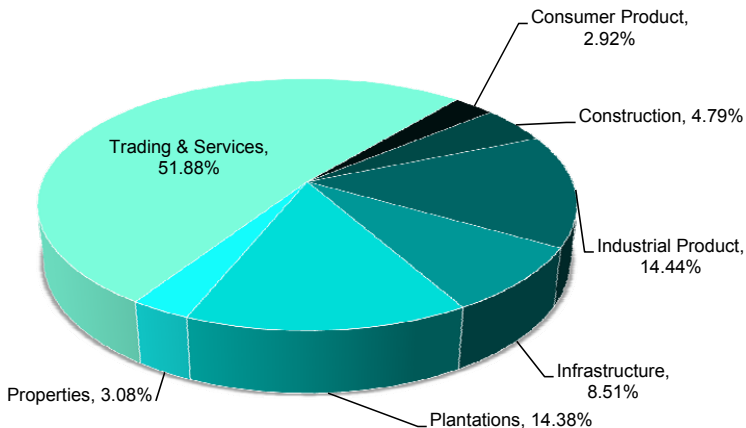
Based on the latest quarterly review (as at 12 December 2014), the sector allocation of DJIM25 Index based on S&P Dow Jones and Bursa Securities sector classifications are as follows:

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

During the period under review, S&P Dow Jones had changed its index screening methodology for the Dow Jones Islamic Market Index Family of which DJIM25 Index is included in the series.

- a) S&P Dow Jones Indices had announced the change to the methodology used for business activity screening effective at the March 2014 quarterly rebalancing. Previously, security exclusion was defined by the Dow Jones Proprietary Industry Classification System with companies from the following sectors deemed ineligible.

Defense	Restaurants & Bars
Brewers	Banks
Distillers & Vintners	Full Line Insurance
Food Products	Insurance Brokers
Recreational Products	Property & Casualty Insurance
Tobacco	Reinsurance
Food Retailers & Wholesalers	Life Insurance
Broadcasting & Entertainment	Consumer Finance
Media Agencies	Specialty Finance
Gambling	Investment Services
Hotels	Mortgage Finance
Recreational Services	

Going forward, all companies will be reviewed individually for business activity compliance.*

- b) In order to be compliant, a company must derive less than 5% of total revenue from the following impure sources:
- Alcohol
 - Tobacco
 - Pork-related products
 - Conventional financial services (banking, insurance, etc.)
 - Weapons and defense
 - Entertainment (hotels, casinos/gambling, cinema, pornography, music, etc.)

The change in methodology primarily resulted in additional companies becoming Shariah-compliant due to more extensive research being done within previously excluded industries. The non-compliant business activities remain consistent with the Shariah principles governing the existing Dow Jones Islamic Market Indices. Notwithstanding the above, MYETF-DJIM25 has to comply with the Securities Commission’s Shariah Advisory Council (SC SAC) Shariah security screening criteria.

*Note: * S&P Dow Jones Indices has contracted with Ratings Intelligence, a provider of research and consulting services to the Islamic Finance community, to perform the Shariah screening for the Dow Jones Islamic Market Indices.*

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 2014, the Fund continued to achieve its investment objective which is to track closely the underlying Benchmark Index, i.e. DJIM25 Index. As at 31 December 2014, 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 1.77% and 1.57% 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 decreased by 2.95% for the year from RM1.1854 to RM1.1504 while the Benchmark Index and Benchmark's Total Return Index (DJIM25T Index) dropped by 4.90% and 1.62% respectively for the year.

After a weak start to the year, the Fund recovered gradually towards mid year with its NAV per unit reaching its all-time high of RM1.2054 on 7 July. However, as sentiment in the equity market turned bearish, the Fund eased in the second half of the year. The Fund's NAV registered its year low of RM1.0874 per unit on 16 December before rebounding towards year end and closed at RM1.1504. Meanwhile, the Fund's unit price traded on Bursa Securities moved in tandem with the DJIM25 Index and closed the year at RM1.1450, representing a decrease of 3.78% for the year. As at end of December, total NAV of the Fund stood at RM289.79 million with 251.9 million units in circulation. The key statistics and comparative performance of the Fund as compared to the previous years are summarized as follows:



Table 1: Key Statistics

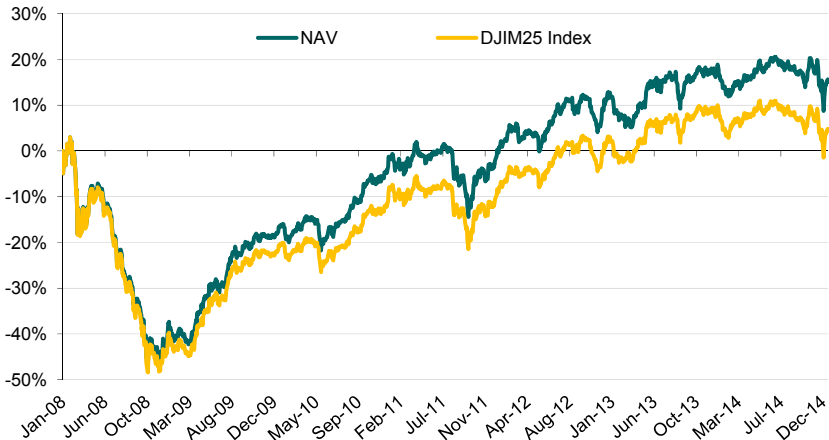
	As at 31-Dec-14	As at 31-Dec-13	YoY Change	As at 31-Dec-12
NAV per unit (RM) #	1.1504	1.1854	(2.95%)	1.1276
- Highest	1.2054 (7 Jul)	1.1887 (30 Dec)		1.1276 (31 Dec)
- Lowest	1.0874 (16 Dec)	1.0516 (18 Mar)		0.9966 (4 Jan)
<i>(During the period)</i>				
Price per unit (RM) #	1.1450	1.1900	(3.78%)	1.1200
- Highest	1.2000 (24 June)	1.1900 (31 Dec)		1.1200 (31 Dec)
- Lowest	1.1100 (15 Dec)	1.0600 (7 Feb)		0.9800 (3 Jan)
<i>(During the period)</i>				
Units in Circulation	251,900,000	256,700,000	(1.87%)	259,500,000
Total NAV (RM)	289,788,360	304,292,308	(4.77%)	292,616,889
Market Capitalisation (RM)	288,425,500	305,473,000	(5.58%)	290,640,000
DJIM25 Index	1,005.75	1,057.59	(4.90%)	994.11
DJIM25T Index	1,315.33	1,336.96	(1.62%)	1,217.38
Tracking Error vs. Price Return DJIM25 Index (%)*	1.77	1.78		1.51
Tracking Error vs. Total Return DJIM25 Index (%)*	1.57	1.58		1.26
Management Expense Ratio (%)	0.56	0.55		0.49

Sources: Bloomberg, i-VCAP

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

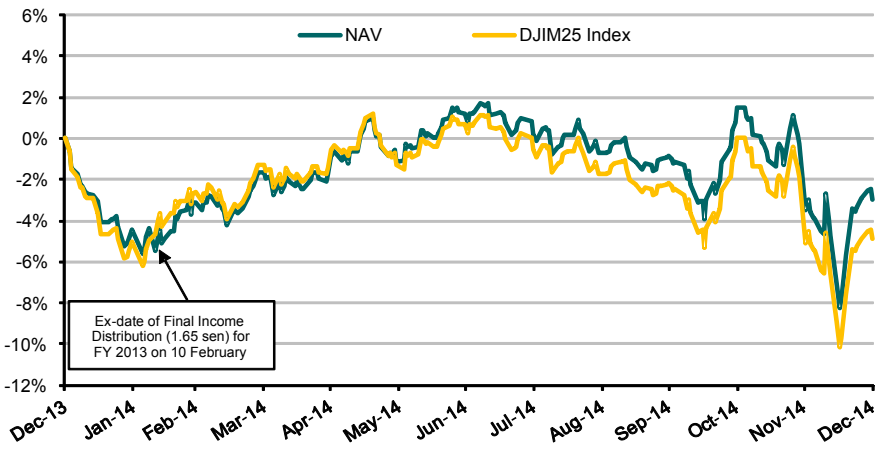
* The tracking error (calculated since inception and on daily basis) between the NAV per unit of the Fund and the Price Return and Total Return Benchmark Index

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 2014



Sources: Bloomberg, i-VCAP

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

Table 2(a): Annual Return

	2014	2013	2012	2011	2010
	(%)	(%)	(%)	(%)	(%)
MyETF-DJIM25 - NAV Price Return ^(a)	(2.95)	5.13	12.49	5.27	16.29
DJIM25 - Price Return Index	(4.90)	6.39	12.56	4.26	12.81
MyETF-DJIM25 - NAV Total Return ^(a)	(1.52)	8.82	15.78	7.48	16.29
DJIM25 – Total Return Index	(1.62)	9.82	16.70	8.04	17.33

Sources: Bloomberg, i-VCAP

(a) Independently verified by Novagni Analytics and Advisory Sdn. Bhd.

Table 2(b): Cumulative Returns

	Cumulative Returns ^(b)			
	1-Year (%)	3-Year (%)	5-Year (%)	Since Inception (%)
MyETF-DJIM25 - NAV Price Return ^(a)	(2.95)	14.76	40.50	15.04
DJIM25 - Price Return Index	(4.90)	13.88	33.93	4.30
MyETF-DJIM25 - NAV Total Return ^(a)	(1.52)	24.07	55.08	27.97
DJIM25 – Total Return Index	(1.62)	26.08	59.84	36.41

Sources: Bloomberg, i-VCAP

(a) Independently verified by Novagni Analytics and Advisory Sdn. Bhd.

(b) Cumulative returns are up to 31 December 2014.

Table 2(c): Average Returns (Annualised)

	Average Returns ^(b)			
	1-Year (%)	3-Year (%)	5-Year (%)	Since Inception (%)
MyETF-DJIM25 - NAV Price Return ^(a)	(2.95)	4.70	7.04	2.04
DJIM25 - Price Return Index	(4.90)	4.43	6.02	0.61
MyETF-DJIM25 - NAV Total Return ^(a)	(1.52)	7.45	9.17	3.61
DJIM25 – Total Return Index	(1.62)	8.03	9.83	4.57

Sources: Bloomberg, i-VCAP

(a) Independently verified by Novagni Analytics and Advisory Sdn. Bhd.

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

Table 2(d): Historical Income Distribution

	2013		2012	
	<u>Final</u>	<u>Interim</u>	<u>Final</u>	<u>Interim</u>
Income Distribution Per Unit (Sen)	1.65	1.50	2.30	1.25
Income Distribution Yield (%)*	1.45	1.28	2.15	1.14
Declaration Date	21 Jan 2014	30 Jul 2013	8 Feb 2013	28 Aug 2012
Ex-Date	10 Feb 2014	15 Aug 2013	27 Feb 2013	12 Sep 2012
Payment Date	10 Mar 2014	12 Sep 2013	26 Mar 2013	9 Oct 2012
NAV Per Unit Before Ex-Date (RM)	1.1334	1.1678	1.0751	1.0930
NAV Per Unit On Ex-Date (RM)	1.1210	1.1528	1.0521	1.0805

Source: i-VCAP

* Based on market price on income distribution declared date.

S&P Dow Jones performed four quarterly reviews in 2014 (in March, June, September and December) and rebalanced the composition of the Benchmark Index in accordance with its index methodology. The quarterly reviews had resulted in changes to the weightings of the component stocks and stock constituents in the Benchmark Index. During the year, four stocks were removed from the DJIM25 Index at its quarterly reviews, namely Batu Kawan Bhd, Malaysia Marine and Heavy Engineering Bhd, Time DotCom Bhd, and United Plantations Bhd, and were replaced by Telekom Malaysia Bhd, UMW Oil & Gas Corporation Bhd, IOI Properties Group Bhd and Westports Holdings Bhd. Additionally, UMW Holdings Bhd which was removed from the DJIM25 Index in March, was re-included during the Index's June rebalancing exercise.

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 as compared to the previous year were the increase in Trading/Services from 43.94% to 51.51% and Property from 1.57% to 3.02%. On the other hand, the weighting of Plantation sector decreased from 20.75% to 14.45% while Industrial Products reduced from 16.18% to 14.57%. Details of the key changes for the year are as follows:

Table 3: Top Ten Holdings of the Fund as at 31 December 2014

Stock	% of NAV	Y-o-Y Δ (% holdings)
1. Axiata Group Bhd	12.81	(0.20)
2. Sime Darby Bhd	12.10	(0.24)
3. Digi. Com Bhd	8.38	1.45
4. IOI Corporation Bhd	7.11	0.12
5. Telekom Malaysia Bhd	6.64	-
6. Maxis Bhd	5.72	(0.72)
7. IHH Healthcare Bhd	5.64	1.49
8. Petronas Chemicals Group Bhd	5.54	(1.28)
9. Kuala Lumpur Kepong Bhd	4.89	(0.43)
10. Gamuda Bhd	4.70	0.66
Total	73.53	0.85

Sources: Bloomberg, i-VCAP

Table 4: Change in Fund's Sector Allocation *

	As at 31 Dec 2014	As at 31 Dec 2013	Change (%)
Trading/Services	51.51%	43.94%	7.57
Industrial Products	14.57%	16.18%	(1.61)
Plantation	14.45%	20.75%	(6.30)
Infrastructure	8.38%	7.41%	0.97
Construction	4.70%	4.04%	0.66
Property	3.02%	1.57%	1.45
Consumer Products	2.92%	3.18%	(0.26)
Cash & Others	0.45%	2.93%	(2.48)

Sources: Bursa Malaysia, i-VCAP

* Based on Bursa Securities classification

Details of the Fund's quoted Investments as at 31 December 2014 are as follows:

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

	Quantity	Market Value	Market Value as a percentage of Net Asset Value (%)
	(Units)	(RM)	
<u>Trading/Services</u>			
1. Axiata Group Berhad	5,267,400	37,135,170	12.81
2. Sime Darby Berhad	3,815,700	35,066,283	12.10
3. Telekom Malaysia Berhad	2,796,900	19,242,672	6.64
4. Maxis Berhad	2,419,100	16,570,835	5.72
5. IHH Healthcare Berhad	3,388,900	16,334,498	5.64
6. Dialog Group Berhad	4,943,840	7,415,760	2.56
7. Petronas Dagangan Berhad	365,900	6,264,208	2.16
8. Westports Holdings Berhad	1,779,300	5,978,448	2.06
9. UMW Oil & Gas Corporation Berhad	1,327,200	3,118,920	1.08
10. KPJ Healthcare Berhad	575,546	2,129,520	0.73
		149,256,314	51.51
<u>Industrial Products</u>			
11. Petronas Chemicals Group Berhad	2,946,600	16,058,970	5.54
12. Petronas Gas Berhad	607,400	13,459,984	4.64
13. Lafarge Malaysia Berhad	521,600	5,090,816	1.76
14. Hartalega Holdings Berhad	605,200	4,254,556	1.47
15. Top Glove Corporation Berhad	495,300	2,238,756	0.77
16. Supermax Corporation Berhad	665,000	1,117,200	0.39
		42,220,282	14.57
<u>Plantation</u>			
17. IOI Corporation Berhad	4,295,339	20,617,627	7.11
18. Kuala Lumpur Kepong Berhad	621,000	14,158,800	4.89
19. Felda Global Ventures Holdings Berhad	1,903,600	4,149,848	1.43
20. Genting Plantations Berhad	295,300	2,953,000	1.02
		41,879,275	14.45
<u>Infrastructure</u>			
21. DiGi.Com Berhad	3,937,600	24,294,992	8.38
		24,294,992	8.38
<u>Construction</u>			
22. Gamuda Berhad	2,720,300	13,628,703	4.70
		13,628,703	4.70
<u>Property</u>			
23. IOI Properties Group Berhad	2,236,900	5,413,298	1.87
24. UEM Sunrise Berhad	2,367,600	3,338,316	1.15
		8,751,614	3.02
<u>Consumer Products</u>			
25. UMW Holdings Berhad	771,000	8,450,160	2.92
		8,450,160	2.92
		288,481,340	99.55

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 RM4,209,150 in March 2014 in relation to the final distribution of 1.65 sen per unit for Financial Year Ended 2013 (declared in January 2014). For Financial Year Ended 2014, the Fund has announced the first and final income distribution of 3.30 sen per unit, to be paid to the unitholders in 2015. The income distribution for Financial Year Ended 2014 represent an increase of 0.15 sen per unit or 4.76% when compared to the total income distribution in the previous financial year.

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.

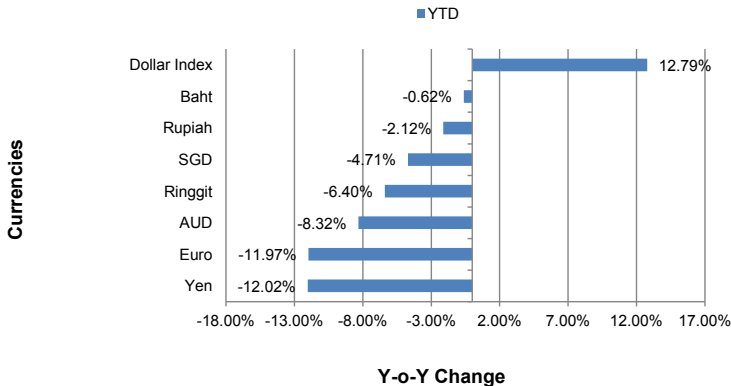
8. Market Review and Outlook

In 2014, global equity markets generally delivered positive returns within a very volatile year, led by the US market which broke a number of record highs and several Developed Markets. However, Emerging Markets were more of a mixed bag, underpinning a "less homogenous" view of Emerging Markets as a whole. China, India as well as Emerging ASEAN clearly outperformed Emerging EMEA and Latin America. The year started with the looming threat of possible fund outflows from Emerging Markets due to the Federal Reserve's (Fed) plan to taper off its monetary easing activities in 2014. This led to rising concern on the prospect of reduced liquidity and giving rise to speculation on the Fed's next interest rate move. As the

year progressed, what became increasingly apparent was the sub-trend and divergent nature of the recovery in global growth. The diverging monetary policies as well as the rise of geopolitical risks also led to heightened volatility in the capital markets. However, what took the markets by complete surprise during the year was the collapse in oil prices of more than 50% from the peak of USD115/barrel in June 2014 to levels last seen during the Global Financial Crisis in 2008. The speed at which crude oil prices plunged was further compounded by OPEC's reluctance to cut its production level. The collapse in crude oil prices combined with the other factors mentioned earlier had led to a shift in the investment climate and stirred up even greater volatility across all other asset classes which include currency, fixed income, commodities and equities.

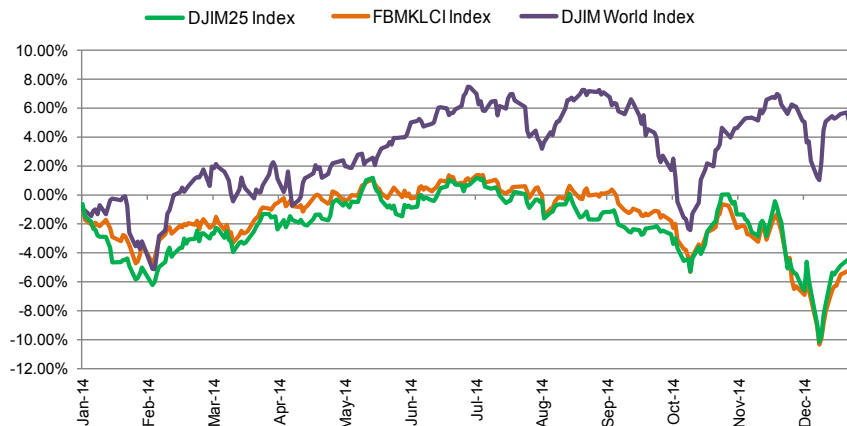
While Emerging ASEAN outperformed other Emerging markets with some markets within ASEAN even posting greater than 20% returns, Malaysia bucked the regional trend while registering its first yearly negative performance post-Global Financial Crisis. Despite being deemed as a defensive market, investors viewed the heavy fall in commodity prices (oil and crude palm oil) and the disappointing corporate earnings as major headwinds faced by the domestic equity market. This had also resulted to net selling activities of approximately RM7 billion by foreign investors on Bursa Securities during the year. Meanwhile, the massive fund pullout towards year end also saw sharp depreciation of Ringgit against the US Dollar. Ringgit, which earlier remained stable at around RM3.20 level, weakened to a low of RM3.50 by the end of the year. Pursuant to the weakening Ringgit and taking into consideration the expected lower revenue projection following the collapse in oil prices, the government had also revised its 2015 Budget to lower expenditure and adjust downward its real GDP forecast to 4.5-5.5% for 2015 from the earlier 5.0-6.0%.

Chart 3: Currencies Performance vs US Dollar in 2014 (Year-on-Year %)



Sources: Bloomberg, i-VCAP

Chart 4: DJIM25 Index Performance against FBMKLCI and DJIM World Index in 2014

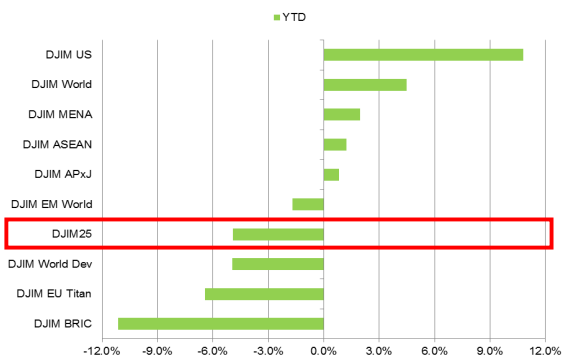


Sources: Bloomberg, i-VCAP

The Fund's benchmark index, i.e DJIM25 Index, moved in tandem with the domestic equity market during the year. The Benchmark Index chalked its all-time high of 1,070.23 points on 19 May before experiencing volatile performances with negative bias in the second half of the year. DJIM25 Index reached its year low of 950.35 points on 16 December before rebounding to close the year at 1,005.75 points, translating to a decrease of 4.90% year-on-year.

On a comparative performance within Dow Jones Islamic Market ("DJIM") index series, the DJIM25 Index lagged most of the major developed and regional benchmark indices. The US market, which posted a spectacular return of 10.82% for the year, led the global equity markets while the emerging markets ex-Asia emerged as amongst the worst performers.

Chart 5: DJIM Indices Performance 2014 (Year-on-Year %)



Sources: Bloomberg, i-VCAP

Moving forward, 2015 will be a challenging year for the global economy as the low growth environment is expected to persist longer. The year will continue to be characterized by diverging growth prospects and monetary policies, a slowdown in the commodity cycle and weaker Emerging Market currencies. While this should lead to exports from Emerging economies becoming more competitive, demand may remain muted while imports of commodities could see constrained growth. Meanwhile, developing economies may continue to face the risk of further capital outflows, emanating from the expectations of a US policy rate hike. As the exact period of the policy rate tightening is still uncertain given the fluidity of several factors, risk tolerance and risk taking may be compromised. In addition, growing concern on deflationary threat particularly in Eurozone, may pose a risk to the global economic stability. Notwithstanding the cautious market sentiment surrounding emerging markets' potential export growth, investors would look at any domestic demand-led growth and structural reforms in the respective economies for positive leads in 2015.

On this front, the Malaysian Government is forecasting the nation's GDP to register a growth of 4.5% to 5.5% in 2015 (2014: 6.0%) with domestic demand to remain the key driver of growth. The pressure on Ringgit however is expected to persist in the short-term but may strengthen in the second half of the year should economic conditions improve and oil prices stabilise. Moving forward, the ongoing structural reforms with the implementation of Economic Transformation Programme, subsidy rationalisation plan as well as Goods and Services Tax (GST) may lead to improving economic resilience for Malaysia. Meanwhile, Bank Negara's monetary policy remains accommodative and is viewed to be appropriate given the development in the global economic and financial conditions. The accommodative policies may also result in positive surprises for corporate earnings in the second half of the year. The factors above combined with ample domestic liquidity provide a possible upside bias for the domestic equity market. However, the main risks remain in the external environment and the more volatile short-term capital flows which can lead to a rather choppy 2015.





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

TRUSTEE'S REPORT

TO THE UNITHOLDERS OF MyETF 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 2014. To the best of our knowledge, for the year under review, i-VCAP Management Sdn. Bhd. ("the Manager") has operated and managed the Fund in accordance with the following:-

- (a) limitations imposed on the investment powers of the Manager 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 cancellation of units for the Fund have been carried out in accordance with the Deed of the Fund and applicable regulatory requirements.

We are of the view that the distribution made during this financial year ended 31 December 2014 by the Manager are consistent with the objectives of the Fund.

For Deutsche Trustees Malaysia Berhad

A handwritten signature in black ink, appearing to read 'Wong Mun Loong'.

Wong Mun Loong
Manager, Trustee Operations

A handwritten signature in black ink, appearing to read 'Nadzathul Shera Jadhli'.

Nadzathul Shera Jadhli
Head, Trustee Operations

Date: 13 Feb 2015

Kuala Lumpur



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 2014

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 year ended 31 December 2014.

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 "AG", with a horizontal line drawn above it.

.....
ABDUL GHANI ENDUT

Co-Head, Group Shariah and Islamic Legal / Designated Person Responsible for Shariah Advisory

Date: 11 February 2015



Statement by the Manager >>

I, Mahdzir Othman, being a Director of the Manager, do hereby state that, in the opinion of the Manager, the financial statements set out on pages 25 to 50 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 2014 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
13 February 2015

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") which comprise the statement of financial position as at 31 December 2014 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 22.

Manager's Responsibility for the Financial Statements

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

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 entity's preparation of financial statements that give a true and fair view 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 entity'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.



Independent Auditors' Report (contd.) >>

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

REPORT ON THE FINANCIAL STATEMENTS (CONTINUED)

Opinion

In our opinion, the financial statements give a true and fair view of the financial position of the Fund as of 31 December 2014 and of its financial performance and cash flows for the financial year then ended in accordance with Malaysian Financial Reporting Standards and International Financial Reporting Standards.

OTHER REPORTING RESPONSIBILITIES

The supplementary information set out in Note 23 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

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
13 February 2015

STATEMENT OF COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014

	Note	<u>2014</u> RM	<u>2013</u> RM
INVESTMENT INCOME			
Gross dividend income		10,126,953	10,031,610
Profit from short term Shariah-compliant deposits		90,446	99,967
Net (loss)/gain on financial assets at fair value through profit and loss	10	(13,158,796)	16,519,289
		<u>(2,941,397)</u>	<u>26,650,866</u>
EXPENSES			
Management fee	4	(1,182,501)	(1,166,441)
Trustee's fee	5	(147,813)	(145,805)
License fee	6	(118,250)	(115,244)
Transaction cost		(124,823)	(155,077)
Auditors' remuneration		(28,770)	(27,400)
Tax agent's fee		(9,380)	(8,600)
Shariah adviser's fee		(18,000)	(18,000)
Purification of non Shariah-compliant income		(109,811)	(133,556)
Other expenses	7	(45,224)	(119,695)
		<u>(1,784,572)</u>	<u>(1,889,818)</u>
NET (LOSS)/INCOME BEFORE TAXATION			
		(4,725,969)	24,761,048
TAXATION	8	31,491	(110,789)
NET (LOSS)/INCOME AFTER TAX FOR THE FINANCIAL YEAR, REPRESENTING TOTAL COMPREHENSIVE (LOSS)/INCOME FOR THE FINANCIAL YEAR			
		<u>(4,694,478)</u>	<u>24,650,259</u>
Net (loss)/income after taxation is made up as follows:			
Realised amount		18,213,199	21,906,091
Unrealised amount		(22,907,677)	2,744,168
		<u>(4,694,478)</u>	<u>24,650,259</u>

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

MyETF DOW JONES ISLAMIC MARKET MALAYSIA TITANS 25 >>

STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2014

	Note	2014 RM	2013 RM
ASSETS			
Current Assets			
Financial assets at fair value through profit or loss	10	288,481,340	299,288,048
Dividends receivable	11	1,211,719	1,133,720
Tax recoverable		50,291	18,801
Other receivables		2,401	2,562
Cash and cash equivalents	12	267,522	4,148,348
TOTAL ASSETS		290,013,273	304,591,479
LIABILITIES			
Current Liabilities			
Amount due to Manager		103,416	102,288
Amount due to Trustee		12,927	12,786
Auditors' remuneration		28,770	27,400
Tax agent's fee		9,380	8,600
Other payables	13	70,420	148,097
TOTAL LIABILITIES		224,913	299,171
NET ASSET VALUE OF THE FUND		289,788,360	304,292,308
EQUITY			
Unit holders' capital		264,729,353	270,329,673
Retained earnings		25,059,007	33,962,635
NET ASSETS ATTRIBUTABLE TO UNIT HOLDERS	15	289,788,360	304,292,308
NUMBER OF UNITS IN CIRCULATION	15	251,900,000	256,700,000
NET ASSET VALUE PER UNIT (RM)		1.1504	1.1854

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 2014

	Note	Unit holders' Capital RM	Retained Earnings RM	Total RM
Balance as at 1 January 2014		270,329,673	33,962,635	304,292,308
Total comprehensive loss for the financial year		-	(4,694,478)	(4,694,478)
Distribution for financial year ended 31 December 2013	9	-	(4,209,150)	(4,209,150)
Cancellation of units		(5,600,320)	-	(5,600,320)
At 31 December 2014		264,729,353	25,059,007	289,788,360
Balance as at 1 January 2013		273,494,713	19,122,176	292,616,889
Total comprehensive income for the financial year		-	24,650,259	24,650,259
Distribution for financial year ended 31 December 2012	9	-	(5,959,300)	(5,959,300)
Distribution for financial year ended 31 December 2013	9	-	(3,850,500)	(3,850,500)
Cancellation of units		(3,165,040)	-	(3,165,040)
At 31 December 2013		270,329,673	33,962,635	304,292,308

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

STATEMENT OF CASH FLOW

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014

	Note	<u>2014</u> RM	<u>2013</u> RM
CASH FLOW FROM OPERATING ACTIVITIES			
Cash used in purchase of investments		(49,402,192)	(63,232,472)
Proceeds from sales of investments		41,330,178	65,906,804
Dividends received		10,048,955	8,801,634
Profit from short term Shariah-compliant deposits		90,447	99,967
Management fee paid		(1,181,373)	(1,159,825)
Trustee fee paid		(147,672)	(144,978)
License fee paid		(88,879)	(148,035)
Purification of non Shariah-compliant Income		(116,363)	(129,724)
Tax refund received		-	375,541
Payment for other fees and expenses		(199,560)	(159,848)
Net cash generated from operating activities		<u>333,541</u>	<u>10,209,064</u>
CASH FLOW FROM FINANCING ACTIVITIES			
Payment of income distribution		(4,209,150)	(9,809,800)
Payments for cancellation of units	21	(5,217)	(24,930)
Net cash used in financing activities		<u>(4,214,367)</u>	<u>(9,834,730)</u>
NET (DECREASE)/ INCREASE IN CASH AND CASH EQUIVALENTS			
		(3,880,826)	374,334
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE FINANCIAL YEAR			
		<u>4,148,348</u>	<u>3,774,014</u>
CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL YEAR			
	12	<u><u>267,522</u></u>	<u><u>4,148,348</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 2014

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

A BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS

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

The financial statements have been prepared under the historical cost convention, as modified by the financial assets at fair value through profit or loss.

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

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

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

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

A number of new standards and amendments to standards and interpretations are effective for annual periods beginning after 1 January 2014. None of these is expected to have a significant effect on the financial statements of the Fund.

Standards and amendments to published standards that are applicable to the Fund but not yet effective:

- (MFRS 9 'Financial Instruments' (effective from 1 January 2018) will replace MFRS 139 "Financial Instruments: Recognition and Measurement". The complete version of MFRS 9 was issued in November 2014.

MFRS 9 retains but simplifies the mixed measurement model in MFRS 139 and establishes three primary measurement categories for financial assets: amortised cost, fair value through profit or loss and fair value through other comprehensive income ("OCI"). The basis of classification depends on the entity's business model and the contractual cash flow characteristics of the financial asset. Investments in equity instruments are always measured at fair value through profit or loss with a irrevocable option at inception to present changes in fair value in OCI (provided the instrument is not held for trading). A debt



SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014 (CONTINUED)

A 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)

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

instrument is measured at amortised cost only if the entity is holding it to collect contractual cash flows and the cash flows represent principal and interest.

For liabilities, the standard retains most of the MFRS 139 requirements. These include amortised cost accounting for most financial liabilities, with bifurcation of embedded derivatives. The main change is that, in cases where the fair value option is taken for financial liabilities, the part of a fair value change due to an entity's own credit risk is recorded in other comprehensive income rather than the income statement, unless this creates an accounting mismatch.

There is now a new expected credit losses model on impairment for all financial assets that replaces the incurred loss impairment model used in MFRS 139. The expected credit losses model is forward-looking and eliminates the need for a trigger event to have occurred before credit losses are recognised.

- MFRS 15 'Revenue from contracts with customers' (effective from 1 Jan 2017) deals with revenue recognition and establishes principles for reporting useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flows arising from an entity's contracts with customers. Revenue is recognised when a customer obtains control of a good or service and thus has the ability to direct the use and obtain the benefits from the good or service. The standard replaces MFRS 118 'Revenue' and MFRS 111 'Construction contracts' and related interpretations.

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

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014 (CONTINUED)

B INCOME FROM SHARIAH-COMPLIANT FINANCIAL INSTRUMENTS

Revenue arising from assets yielding profit is recognised on a time proportionate basis using the effective yield method on an accruals basis.

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 profit income or dividend income from fortuitous activities (does not comply with the Shariah principles) of the underlying companies is considered Non Shariah-compliant Income.

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

D TAXATION

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

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 FROM/ TO STOCKBROKERS

Amounts due from/to stockbrokers represent receivables for securities sold/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 broker. 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 2014 (CONTINUED)

F AMOUNT DUE FROM/TO 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 year. 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.

Financing and receivables are non-derivative financial assets with fixed or determinable payment that are not quoted in an active market and have been included in current assets. The Fund's financing and receivables comprise cash and cash equivalent and dividend receivable which are all due within 12 months.

(ii) Recognition and measurement

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

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

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

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.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014 (CONTINUED)

G FINANCIAL INSTRUMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS (CONTINUED)

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

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

(iii) Impairment of financial assets

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

The amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective profit rate. The asset's carrying amount of the asset is reduced and the amount of the loss is recognised in profit or loss. If 'financing and receivables' has a variable profit rate, the discount rate for measuring any impairment loss is the current effective profit rate determined under the contract. As a practical expedient, the Fund may measure impairment on the basis of an instrument's fair value using an observable market price.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised (such as an improvement in the debtor's credit rating), the reversal of the previously recognised impairment loss is recognised in profit or loss. When an asset is uncollectible, it is written off against the related allowance account. Such assets are written off after all the necessary procedures have been completed and the amount of the loss has been determined.



SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014 (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. The outstanding units are carried at the redemption amount that is payable at each financial year if unitholder exercises the right to put the unit back to the Fund.

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

I PRESENTATION AND FUNCTIONAL CURRENCY

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 (LOSS) / INCOME AFTER TAX

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

L DISTRIBUTION

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

M UNITHOLDERS' CAPITAL

The unitholders' contributions to the Fund meet the definition of puttable instruments classified as equity instruments under MFRS 132 "Financial Instruments: Presentation".

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014

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 21 January 2008 and will continue its operations until terminated by the Trustee.

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.

These financial statements were authorised for issue by the Manager on 13 February 2015.

2 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

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

	Financing and Receivables	Financial asset at fair value through profit or loss	Total
	RM	RM	RM
31 December 2014			
Financial assets at fair value through profit or loss	-	288,481,340	288,481,340
Other Receivables	1,214,120	-	1,214,120
Cash and Cash Equivalents	267,522	-	267,522
Total	1,481,642	288,481,340	289,962,982
31 December 2013			
Financial assets at fair value through profit or loss	-	299,288,048	299,288,048
Other Receivables	1,136,282	-	1,136,282
Cash and Cash Equivalents	4,148,348	-	4,148,348
Total	5,284,630	299,288,048	304,572,678

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014 (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:

	<u>2014</u> RM	<u>2013</u> RM
Financial Assets at fair value through profit or loss	288,481,340	299,288,048

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.

2014

% Change in benchmark index	Benchmark Index	Market Value RM	Change in unrealised gain RM
-10%	905.18	261,023,686	(27,457,654)
0%	1,005.75	288,481,340	-
10%	1,106.33	315,938,994	27,457,654

2013

% Change in benchmark index	Benchmark Index	Market Value RM	Change in unrealised gain RM
-10%	951.83	271,319,580	(27,968,468)
0%	1,057.59	299,288,048	-
10%	1,163.35	327,256,516	27,968,468

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 2014 (CONTINUED)

2 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

Profit rate risk

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

Fair value profit rate risk is the risk that the value of a financial instrument will fluctuate due to changes in market profit rates.

The Fund's exposure to fair value profit rate risk arises from investment in money market instruments. The profit rate risk is expected to be minimal as the Fund's investments comprise mainly short term deposits with approved licensed financial institutions. The Fund is not exposed to cash flow profit rate risk as the Fund does not hold any financial instruments at variable profit rate.

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.

	Cash and <u>cash equivalent</u> RM	other <u>receivables</u> RM	<u>Total</u> RM
<u>31.12.2014</u>			
Financial institutions - AAA	5,180	-	5,180
Financial institutions - AA3	262,342	-	262,342
Others	-	1,214,120	1,214,120
	<u>267,522</u>	<u>1,214,120</u>	<u>1,481,642</u>
<u>31.12.2013</u>			
Financial institutions - AAA	6,508	-	6,508
Financial institutions - AA3	4,141,840	-	4,141,840
Others	-	1,136,282	1,136,282
	<u>4,148,348</u>	<u>1,136,282</u>	<u>5,284,630</u>

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014 (CONTINUED)

3 CAPITAL AND LIQUIDITY RISK MANAGEMENT

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

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

<u>2014</u>	Within <u>one month</u> RM	Between one month <u>to one year</u> RM	<u>Total</u> RM
Amount due to Manager	103,416	-	103,416
Amount due to Trustee	12,927	-	12,927
Auditors' remuneration	-	28,770	28,770
Tax agent's fee	-	9,380	9,380
Other payables and accruals	-	70,420	70,420
	<u>116,343</u>	<u>108,570</u>	<u>224,913</u>

<u>2013</u>	Within <u>one month</u> RM	Between one month <u>to one year</u> RM	<u>Total</u> RM
Amount due to Manager	102,288	-	102,288
Amount due to Trustee	12,786	-	12,786
Auditors' remuneration	-	27,400	27,400
Tax agent's fee	-	8,600	8,600
Other payables and accruals	89,449	58,648	148,097
	<u>204,523</u>	<u>94,648</u>	<u>299,171</u>

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014 (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 2014, the management fee was recognised at a rate of 0.4% (2013: 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 2014, the Trustee's fee was recognised at a rate of 0.05% (2013: 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 2014, the License Fee was recognised at a rate of 0.04% (2013: 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 financial year.

For the financial year ended 31 December 2014, the Other Expenses was recognised at a rate of 0.065% (2013: Nil) per annum of the Net Asset Value ("NAV") of the Fund, calculated on daily basis.

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

An over accrual of other expenses in the previous year was reversed to the statement of comprehensive income during the financial year ended 31 December 2014.



NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014 (CONTINUED)

8 TAXATION

	<u>2014</u> RM	<u>2013</u> RM
Current taxation		
Current year	-	167,242
Overprovision in prior years	(31,491)	(56,453)
	<u>(31,491)</u>	<u>110,789</u>

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

	<u>2014</u> RM	<u>2013</u> RM
Net income before taxation	(4,725,968)	24,761,048
Tax at Malaysian statutory rate of 25% (2013:25%)	(1,181,492)	6,190,262
Tax effect of:		
Investment income not subject to tax	751,200	(6,490,659)
Restriction on tax deductible expenses for exchange-traded funds	287,917	286,796
Expenses not deductible for tax purposes	142,375	180,843
Overprovision in prior years	(31,491)	(56,453)
	<u>(31,491)</u>	<u>110,789</u>

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014 (CONTINUED)

9 INCOME DISTRIBUTION

Distribution to unit holders is from the following sources:

	<u>2014</u> RM	<u>2013</u> RM
Undistributed Net Exempt Income brought forward	4,209,150	5,959,300
Exempt Dividend Income	-	4,839,922
Profits from Money Market Placements	-	45,734
	<hr/> 4,209,150	<hr/> 10,844,956
Less: Expenses		
Exempt Non Shariah-compliant Income	-	(87,714)
Fund Related Expenses	-	(844,506)
Dividend Tax Expense	-	(102,936)
	<hr/> 4,209,150	<hr/> 9,809,800
Total amount of Income Distribution	<hr/> <hr/> 4,209,150	<hr/> <hr/> 9,809,800

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 per unit</u> RM	<u>Ex-distribution</u> RM
<u>2014</u>			
10 February 2014	1.1375	0.0165	1.1210
<u>2013</u>			
27 February 2013	1.0751	0.0230	1.0521
15 August 2013	1.1678	0.0150	1.1528
		<hr/> 0.0380	

Included in the above is an amount of RM4,209,150 distribute from previous year's undistributed net realised exempt income.

A final income distribution for the financial year ended 31 December 2013 of 1.65 sen per unit was declared on 21 January 2014 based on the financial position of the Fund as at 31 December 2013 with the ex-date of 10 February 2014 and entitlement date of 12 February 2014. The total amount of income distributed was RM4,209,150 based on 255,100,000 of MyETF-DJIM25's units in circulation, which was paid out to unit holders on 10 March 2014.

There is no interim income distribution declared for the financial year ended 31 December 2014.

Subsequent to 31 December 2014, the first and final income distribution for the financial year ended 31 December 2014 of 3.30 sen per unit was declared on 16 February 2015 based on the financial position of the Fund as at 31 December 2014 with the ex-date of 5 March 2015 and entitlement date of 9 March 2015.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014 (CONTINUED)

10 FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	<u>2014</u> RM	<u>2013</u> RM
Designated at fair value through profit or loss at inception		
- Shares quoted in Malaysia	288,481,340	299,288,048
	<u>288,481,340</u>	<u>299,288,048</u>
Net gain on financial assets at fair value through profit or loss		
- Realised gain	10,960,600	14,908,842
- Unrealised (loss)/gain	(24,119,396)	1,610,447
	<u>(13,158,796)</u>	<u>16,519,289</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 recognised 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 2014 (CONTINUED)

12 CASH AND CASH EQUIVALENTS

	<u>2014</u> RM	<u>2013</u> RM
Shariah compliant deposits with a licensed bank	262,342	4,141,840
Cash at Bank – From Shariah-compliant Income	1,679	3,116
Cash at Bank – From Non Shariah-compliant Income	3,501	3,392
	<u>267,522</u>	<u>4,148,348</u>

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

	<u>2014</u> %pa	<u>2013</u> %pa
Shariah compliant deposits with a licensed bank	<u>3.34</u>	<u>3.00</u>

As at the end of financial year ended 31 December 2014, the Shariah-compliant deposit with a licensed bank of the Fund have a weighted average maturity period of 4 days (2013: 2 days) and are denominated in Ringgit Malaysia.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014 (CONTINUED)

13 OTHER PAYABLES

	<u>2014</u> RM	<u>2013</u> RM
Amount due to Index Licensor	54,588	25,217
Amount due to Shariah Adviser	4,500	4,500
Amount due to beneficial organisations (Note 14)	3,519	10,070
Amount due to Participating Dealer	3,763	-
Other payables	4,050	108,310
	<u>70,420</u>	<u>148,097</u>

Included in other payables is an amount of RM nil (2013: RM89,449) in relation to the rights issue of the new ordinary shares in KPJ Healthcare Bhd.

14 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>2014</u> RM	<u>2013</u> RM
Cash at Bank – Non Shariah-compliant Income	3,501	3,392
Dividends Receivable – Non Shariah-compliant Income	18	6,678
	<u>3,519</u>	<u>10,070</u>

Cash at bank – Non Shariah-compliant Income represents the portion of dividends already received during the financial year 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 2014 (CONTINUED)

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

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

	Note	2014 RM	2013 RM
Unit holders' contribution	(a)	264,729,353	270,329,673
Retained earnings		25,059,007	33,962,635
		<u>289,788,360</u>	<u>304,292,308</u>

(a) UNIT HOLDERS' CONTRIBUTION / UNITS IN CIRCULATION

	2014		2013	
	No. of Units	RM	No. of Units	RM
At beginning of year	256,700,000	270,329,673	259,500,000	273,494,713
Cancellation during the financial year	(4,800,000)	(5,600,320)	(2,800,000)	(3,165,040)
At the end of the financial year	<u>251,900,000</u>	<u>264,729,353</u>	<u>256,700,000</u>	<u>270,329,673</u>
Approved size of Fund	<u>10,000,000,000</u>		<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 2014, the number of units not yet issued by the Fund is 9,748,100,000 (2013: 9,743,300,000).

The Manager, i-VCAP Management Sdn. Bhd., held 913,600 units in the Fund as at 31 December 2014 (2013: 1,319,000 units).

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014 (CONTINUED)

16 TRANSACTIONS WITH BROKERS

Details of transactions with the brokers as at 31 December 2014 are as follows:

Name of brokers	Value of trade	Percentage of total trades	Brokerage fees	Percentage of total brokerage
	RM	%	RM	%
Maybank Investment Bank Bhd	35,883,517	36.31	47,276	38.48
CIMB Investment Bank Bhd	31,777,969	32.16	38,134	31.04
RHB Investment Bank Bhd	18,502,701	18.72	22,242	18.10
BIMB Securities Sdn Bhd	12,658,702	12.81	15,207	12.38
	<u>98,822,889</u>	<u>100.00</u>	<u>122,859</u>	<u>100.00</u>

Details of transactions with the brokers as at 31 December 2013 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	46,392,648	35.92	55,647	35.88
Maybank Investment Bank Bhd	45,276,083	35.06	54,451	35.12
RHB Investment Bank Bhd	37,470,545	29.02	44,979	29.00
	<u>129,139,276</u>	<u>100.00</u>	<u>155,077</u>	<u>100.00</u>

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
Shareholders of Valuecap with significant influence on Valuecap	Shareholders of Valuecap

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014 (CONTINUED)

17 UNITS HELD BY THE MANAGER AND PARTIES RELATED TO THE MANAGER (CONTINUED)

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

	<u>2014</u>		<u>2013</u>	
	No. of units	RM	No. of units	RM
The Manager at NAV	913,600	1,051,005	1,319,000	1,563,543
Valuecap at NAV	-	-	45,000,000	53,343,000
Shareholders of Valuecap at NAV	243,110,300	279,674,089	198,110,300	234,839,950
	<u>244,023,900</u>	<u>280,725,094</u>	<u>244,429,300</u>	<u>289,746,493</u>

(b) Transactions with Government-related entities

Shareholders of Valuecap are entity controlled by the Government of Malaysia ("GOM"). Management considers that, for the purpose of MFRS 124 "Related Party Disclosures", GOM is in the position to exercise control over the Fund. As a result, the GOM and GOM-related entities (collectively referred to as "government-related entities") are related parties of the Fund.

The Fund has collectively, but not individually, entered into significant transactions with other government-related entities which include but not limited to the investment transactions and investment income of the Fund.

18 MANAGEMENT EXPENSE RATIO ("MER")

	<u>2014</u>	<u>2013</u>
	%	%
MER	0.56	0.55

MER is derived from the following calculation:

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

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

The average net asset value of the Fund for the financial year calculated on daily basis is RM295,684,367 (2013: RM291,615,664)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014 (CONTINUED)

19	PORTFOLIO TURNOVER RATIO ("PTR")	<u>2014</u>	<u>2013</u>
	PTR (times)	<u>0.16</u>	<u>0.20</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 = RM55,049,804 (2013: RM63,321,921)
total disposal for the financial year = RM36,829,104 (2013: RM54,217,372)

The average net asset value of the Fund for the financial year calculated on daily basis is RM295,684,367 (2013: RM291,615,664)

20 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 financial year.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014 (CONTINUED)

21 NON CASH TRANSACTIONS

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

	<u>2014</u> RM	<u>2013</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	5,595,103	3,140,110
- Cash component	5,217	24,930
	<u>5,600,320</u>	<u>3,165,040</u>
	<u>5,600,320</u>	<u>3,165,040</u>

22 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 Fund classifies 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 asset 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 2014 (CONTINUED)

22 FAIR VALUES OF FINANCIAL INSTRUMENTS (CONTINUED)

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

	<u>Level 1</u> RM	<u>Level 2</u> RM	<u>Level 3</u> RM	<u>Total</u> RM
<u>31.12.2014</u>				
Financial assets at fair value through profit or loss	<u>288,481,340</u>	<u>-</u>	<u>-</u>	<u>288,481,340</u>
<u>31.12.2013</u>				
Financial assets at fair value through profit or loss	<u>299,288,048</u>	<u>-</u>	<u>-</u>	<u>299,288,048</u>

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

The following analysis of realised and unrealised retained profits 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>2014</u> RM	<u>2013</u> RM
Total retained earnings of the Fund		
- Realised	(28,472,168)	(36,519,608)
- Unrealised	53,531,175	70,482,243
	<u>25,059,007</u>	<u>33,962,635</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.

Analysis of Unit Holdings >>

Summary of Unit Holders

As at 30 January 2015

Size of unit holdings	No. of unit holders	% of unit holders	No. of units held	% of units in circulation
Less than 100	2	1.74	100	0
100 - 1,000	41	35.65	26,400	0.01
1,001 - 10,000	45	39.13	205,600	0.08
10,001 - 100,000	13	11.30	513,800	0.20
100,001 to less than 5% of issued units	9	7.83	8,043,800	3.19
5% and above of issued units	5	4.35	243,110,300	96.51
TOTAL	115	100.00	251,900,000	100.00



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

Name:	Wan Kamaruzaman Bin Wan Ahmad
Age:	55
Nationality:	Malaysian
Designation:	<i>Non-Independent Non-Executive Chairman</i>
Qualifications:	Bachelor of Economics majoring in Analytical Economic (Hons) from University of Malaya.
Working Experience and Occupation:	Encik Wan Kamaruzaman was appointed as Kumpulan Wang Persaraan (Diperbadankan) ("KWAP")'s Chief Executive Officer ("CEO") on 2 May 2013. He previously served as the General Manager of the Treasury Department at Employees Provident Fund ("EPF") since October 2007. He started his working career with Malayan Banking Berhad (Maybank) since 1981, mostly in the Treasury Department with two overseas postings at Hamburg, Germany as Chief Dealer and London, United Kingdom ("UK") as Treasury Manager. After leaving Maybank in 1994, Encik Wan Kamaruzaman served as CEO and Director with several companies within the Affin Group for 11 years until 2005. He then briefly served Kemuncak Facilities Management Sdn Bhd and Izoma (M) Sdn Bhd, both as Executive Director of Finance from 2005 until 2007 before joining EPF. In addition, he is also a Board Member of Valuecap Sdn Bhd and Malakoff Corporation Bhd as well as the Director of Prima Ekuiti (UK) Limited, a subsidiary of KWAP.
Date Appointed to Board:	23 July 2013
Details of Membership of any Board Committee:	Encik Wan Kamaruzaman is not a member of any Board Committee.
Directorship of other public companies:	Malakoff Corporation Berhad

Directors' Profile *(continued)* >>

Family relationship with any director:	Encik Wan Kamaruzaman has no family relationship with any of the other director(s) on the Board of the Manager.
Conflict of interest with the Fund:	Encik Wan Kamaruzaman is the CEO of KWAP of 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:	Encik Wan Kamaruzaman attended 7 out of 7 Board of Directors Meetings held from the date of his appointment.

Name:	Puan Sharifatu Laila Binti Syed Ali
Age:	52
Nationality:	Malaysian
Designation:	<i>Non-Independent Non-Executive Director</i>
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.
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 the company by the Malaysian government as an initiative to enhance institutional liquidity pools in the market. She has extensive experience in the field of portfolio investing, both in the domestic and regional market environments.

Directors' Profile *(continued)* >>

Puan Sharifatu Laila began her career in PNB's Investment Operations Department and later held various positions at the Employees Provident Fund, including Head, Treasury Division overseeing a portfolio of RM100 billion and subsequently Head of Equity Investments, overseeing over RM35 billion and RM43 billion worth of equity portfolio and money investments, respectively. She subsequently served as Head of Investment at Lembaga Tabung Haji prior to her appointment as CEO of Valuecap. Puan Sharifatu Laila also sits on the Board of VCAP Asset Managers, Valuecap's wholly owned subsidiary, managing the Group's conventional asset management business.

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:

None

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 6 out of 7 Board of Directors Meetings held during the financial year.

Name:	Encik Hassan Bin Ibrahim
Age:	63
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 and completion 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. He is currently a Director of Syarikat Perumahan Negara Berhad.
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:	Syarikat Perumahan Negara Berhad

Directors' Profile *(continued)* >>

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

Conflict of interest with the Fund: None

Number of Board Meetings Attended in the Financial Year: Encik Hassan attended 7 out of 7 Board of Directors Meetings held during the financial year.

Name:	Y.M. Tunku Afwida Binti Tunku A. Malek
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Age:	49
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Nationality:	Malaysian
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Designation:	<i>Independent Non-Executive Director</i>
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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.
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Working Experience and Occupation:	Tunku Afwida is currently the Director / shareholder of Benih Semaian Sdn Bhd, a funding advisory company. 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 Gamuda Berhad and PUC Founder (MSC) Berhad and Export-Import Bank of Malaysia Berhad.
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Date Appointed to Board:	17 July 2009
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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:	Gamuda Berhad PUC Founder (MSC) Berhad Export-Import Bank of Malaysia 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:	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:	Tunku Afwida attended 6 out of 7 Board of Directors Meetings held during the financial year.

Name:	Encik Rosli Bin Abdullah
Age:	61
Nationality:	Malaysian
Designation:	<i>Independent Non-Executive Director</i>
Qualifications:	Master in Business Administration from Universiti Kebangsaan Malaysia, Post-Graduate Diploma in Accounting and Bachelor in Economics (Honours) both from Universiti Malaya. Chartered Accountant and Member of Malaysian Institute of Accountants.

Directors' Profile *(continued)* >>

Working Experience and Occupation: Encik Rosli is currently serving as Director on the Boards of Keretapi Tanah Melayu Berhad ("KTM") and Group, Bank Pembangunan Malaysia Berhad ("BPMB") and Group, SME Growth Acceleration Fund Sdn Bhd, CapitaMalls Malaysia REIT Management Sdn Bhd ("CapitaMalls REIT"), Dagang NeXchange Berhad (formerly known as Time Engineering Berhad) and Malaysia Airports Holdings Berhad and Group.

Encik Rosli was the Registrar of MIA for 5 years until 2012, where he also served as the CEO. He has served in various capacities in the public sector as the Chief Accountant of the Ministry of Works, Chief Accountant of the Ministry of Education, Chief Accountant of the Public Services Department (Pension Division), the Secretary to the Teachers Provident Fund, the Bursar of the University Putra Malaysia and the Director of Corporate Services, Accountant General Department, Ministry of Finance Malaysia. Subsequently, he joined the private sector and served as the Financial Controller/General Manager Finance of Kuala Lumpur International Airport Berhad and the Senior General Manager of Putrajaya Holdings Sdn Bhd (a company under the Petronas group). He also served as an Adviser to the Economic Planning Unit of the Prime Ministers Department upon his retirement in 2008/2009.

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 and Group
Bank Pembangunan Malaysia Berhad and Group
Dagang NeXchange Berhad (formerly known as Time Engineering Berhad)
Malaysia Airports Holdings Berhad and Group
Global Maritime Venture Berhad

Directors' Profile (*continued*) >>

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

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 Rosli attended 7 out of 7 Board of Directors Meetings held during the financial year.

Name: Encik Mahdzir Bin Othman

Age: 46

Nationality: Malaysian

Designation: *Non-Independent Executive Director / Chief Executive Officer*

Qualifications: Bachelor of Science (Hons.) in Finance from Northern Illinois University and Diploma in Accountancy from Universiti Teknologi MARA.

Working Experience and Occupation: Encik Mahdzir is currently the CEO and assumes the role of Chief Investment Officer ("CIO") of i-VCAP since December 2010. He is also a holder of Capital Market Services Representative's Licence. He was previously with Valuecap, which he joined in February 2003 as a Portfolio Manager before assuming the position of CIO in July 2006. Together with the stint in Valuecap, Encik Mahdzir has more than 20 years of working experience in the asset management, financial and capital market services at various institutions which include SBB Asset Management Sdn Bhd, Utama Merchant Bank Berhad, BBMB Unit Trust Management Berhad and Kassim Chan & Co.

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 7 out of 7 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:	46
Nationality:	Malaysian
Designation:	<i>Non-Independent Member</i>
Qualifications:	Bachelor's Degree in Economics/Accounting from Claremont McKenna College, U.S.
Working Experience and Occupation:	<p>Puan Nik Amlizan joined KWAP in 2007 as Director/Head of Equity and subsequently became Senior Director, Equity in February 2014, before assuming her current role of Chief Investment Officer ("CIO") in September 2014. Her responsibilities involve formulating the Fund's investment strategies across all asset classes that include Equity, Fixed Income, Property, Private Equity and Infrastructure.</p> <p>She currently sits on Board of Director for Prima Ekuiti (UK) Limited, a wholly owned subsidiary of KWAP. She is also the Alternate Director on the Board of Directors of Valuecap, Director for VCAP Asset Managers Sdn. Bhd., an Investment Committee member of Metropolitan JV Unit Trust in Jersey.</p> <p>She has over 20 years of experience in the fund management industry, with most of it spent in Equity market. Prior to joining KWAP, she was General Manager/Head of Equity (Ethical/ Syariah) at RHB Asset Management Sdn Bhd, and Senior Portfolio Manager/Head of Investment Research at Mayban Investment Berhad.</p>
Date First Appointed to Investment Committee:	7 January 2008

Investment Committee Members' Profile *(continued)* >>

Conflict of interest with the Fund: Puan Nik Amlizan is the CIO of KWAP of which is a unit holder of the Fund.

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

Name: Encik Shaharin Bin Md. Hashim

Age: 45

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, Group Corporate & Business Planning of Valuecap. He joined Valuecap in 2005 and is involved in various strategic initiatives relevant to the Group. He has over 20 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 Berhad.

Date First Appointed to Investment Committee: 18 February 2011

Conflict of interest with the Fund: None

Investment Committee Members' Profile >>

Name:	Encik Shaharin Bin Md. Hashim
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 2014

<u>Name</u>	<u>Date First Appointed</u>	<u>Attendance</u>
Y.M. Tunku Afwida Binti Tunku A. Malek (Chairman)	17 July 2009	6 of 6
Encik Hassan Bin Ibrahim	7 January 2008	6 of 6
Puan Nik Amlizan Binti Mohamed	7 January 2008	6 of 6
Encik Shaharin Bin Md. Hashim	18 February 2011	4 of 6



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 Director, Co-Head of Group Shariah and Islamic Legal, Group 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 the 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 adviser 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 is now the Co-Head of the Group Shariah and Islamic Legal 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 Islamic Banking and Finance Institute of Malaysia (IBFIM), Asian Institute of Finance (AIF), etc. He is currently a member of Association of Islamic Banking Institutions Malaysia (AIBIM) Shariah Governance Committee and leads one of its sub-committees. He is also a member of one of the sub-committees of Association of Shariah Advisor in Islamic Finance (ASAS).

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.

He is also a moderator and Accreditation Panel Member for Finance Accreditation Agency (FAA)'s Learning Standards. FAA is an international and independent quality assurance and accreditation body for the financial services industry supported by Bank Negara Malaysia and Securities Commission, Malaysia.

Shariah Adviser's Profile (*continued*) >>

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

- **Sheikh Assoc. Professor Dr. Mohamed Azam Mohamed Adil**
Deputy Chief Executive Officer ("CEO") cum Principal Fellow of the International Institute of Advanced Islamic Studies (IAIS) Malaysia

Assoc. Professor Dr. Mohamed Azam, was appointed as Independent Director of CIMB Islamic Bank Berhad on 5 November 2014 and is the Chairman of the Group Shariah Committee. He currently serves as Deputy CEO cum Principal Fellow of the International Institute of Advanced Islamic Studies (IAIS) Malaysia.

He began his career as a lecturer at Universiti Teknologi MARA (UiTM), Shah Alam, Malaysia since 1990 and was later promoted to Associate Professor in 2008. He held several administration posts in UiTM, where he was the Head of Islamic Studies Unit, Centre for Preparatory Studies from 1997 until 2001, the Coordinator for Minor and Elective Programmes at ACIS from 2006 until 2011 and later became the Head of Programme for Minor, Elective and Postgraduate Studies from 2011 until 2012.

Assoc. Professor Dr. Mohamed Azam is also a Fellow of the Accounting Research Institute (ARI) and Institute of Zakat Studies, UiTM and member of the Research Ethics Committee, UiTM. He sits on the Selangor Religious Council (MAIS) Legal Committee, Shari'ah Community of Attorney General Chambers and on several Editorial Boards such as Shari'ah Journal, University of Malaya, Global Journal of al-Thaqafah, Kolej Universiti Sultan Azlan Shah, Jurnal Fikrah, UiTM and ESTEEM Journal, UiTM, Penang.

Assoc. Professor Dr. Mohamed Azam was appointed on the panel of the Industrial Court of Malaysia from 2007 until 2009, and was awarded the Fulbright Visiting Award by the Council for International Exchange of Scholars (CIES), Washington, DC, USA in 2007. He is currently the President, Academy of Islamic Studies, University of Malaya's Alumni (ALIM).

Shariah Adviser's Profile (*continued*) >>

He obtained his Bachelor degree in Shar'ia and Law from the University of Malaya, and his Master of Laws (LLM) and PhD degrees from the School of Oriental and African Studies (SOAS), University of London.

- **Sheikh Prof. Dr. Mohammad Hashim Kamali**

Founding Chief Executive Officer ("CEO") of the International Institute Of Advanced Islamic Studies (IAIS) Malaysia

Prof. Dr. Mohammad Hashim is a Canadian and Malaysia permanent resident. He is currently the Chairman and CEO of the International Institute of Advanced Islamic Studies. He formerly served as a Professor of International Institute of Islamic Thought and Civilisation (ISTAC) and Ahmad Ibrahim Kulliyah of Laws, International Islamic University, Malaysia (IIUM).

He has been teaching Islamic law and jurisprudence since 1985. He holds a 1st Class, BA Honours degree in Law and Political Science from Kabul University, Afghanistan, LL.M degree from the London School of Economics, England and a PhD in Islamic Law from the School of Oriental & African Studies, University of London, England. He is also a renowned writer in the area of Islamic law and jurisprudence and has written many books and articles on the subject.

- **Sheikh Dr. Haji Mohd Na'im Bin Haji Mokhtar**

Chief Judge of Selangor Syariah Court and the Director of the Family Support Division, Malaysian Shariah Judiciary Department, Prime Minister's Department, Malaysia

Dr. Mohd Nai'm, a Malaysian, is the Chief Judge of Selangor Syariah Court and the Director of the Family Support Division, Malaysian Shariah Judiciary Department, Prime Minister's Department. He received his LLB degree from International Islamic University, Malaysia (IIUM), LL.M from University of London, United Kingdom and PhD in Shariah from National University of Malaysia. He also holds a Diploma in Shariah Law & Practice and a Diploma in Administration & Islamic Judiciary both from Islamic International University, Malaysia (IIUM).

He served as a lecturer at Ahmad Ibrahim Kulliyah of Laws, International Islamic University, Malaysia from 1990 – 1997. He then joined Messrs. Zulkifli Yong, Azmi & Co as a Shariah Lawyer before being appointed as a Shariah Judge in 1998. He was also assigned as a Research Officer at the Malaysian Shariah Judiciary Department, Prime Minister's Department from 2003 – 2004 as well as Shariah Subordinate Court

Shariah Adviser's Profile (*continued*) >>

Judge for Federal Territory from 2007 – 2008 and Shariah Prosecutor for Federal Territory in 2008. He also served as Visiting Fellow, Islamic Legal Studies Program at Harvard Law School, Harvard University, USA and as Chevening Visiting Fellow, Oxford Centre for Islamic Studies, Oxford University in 2008/2009.

- **Sheikh Dr. Shafaai Bin Musa**

Chief Executive Officer, Johor Institute of Integrity, Leadership and Training

Associate Professor Dr. Shafaai Musa is a Malaysian, currently serving as Chief Executive Officer at *Johor Institute of Integrity, Leadership and Training*, an institute under Johor Chief Minister Office. He is the Chairman of Sun Life Malaysia Takaful Berhad Shariah Committee. He has more than fifteen years of experience in teaching Islamic law and jurisprudence and wrote several researches and articles. He also served as a member of Shariah Expert Panel for the Department of Islamic Development Malaysia since 2005. He formerly served as Executive Director, Centre for Continuing Education International Islamic University Malaysia and Chief Executive Officer, International Islamic College cum Chief Executive Officer, International Islamic University Malaysia Higher Education Sdn. Bhd.

He received his Degree in Shariah from University of Al-Azhar, Egypt, Master in Comparative Laws from IIUM and Ph.D. from Glasgow Caledonian University, United Kingdom.

He has more than 10 years of experience in teaching Islamic law and jurisprudence and wrote several researches and articles. He served as a Shariah adviser for Department of Islamic Development Malaysia in 2005.

- **Sheikh Dr. Nedham Yaqoobi**

Independent Shariah Adviser

Sheikh Dr. Nedham Yaqoobi is a Bahrain national and is an International Shariah Scholar. He sits on the Shariah Supervisory Boards including the Dow Jones Islamic Market Indexes (DJIM), the Accounting and Auditing Organization for Islamic Financial Institutions (AAOIFI) and the International Islamic Financial Market (IIFM). He is the author of several articles and publications on Islamic finance and other sciences, in English and Arabic.

Shariah Adviser's Profile (*continued*) >>

He was educated in the classical Shariah in his native Bahrain and in Makkah under the guidance of eminent scholars, including Sheikh Abdulla al-Farisi, Sheikh Yusuf al-Siddiqi, Sheikh Muhammed Saleh al-Abbasi, Sheikh Muhhammed Yasin al Fadani (Makkah), Shaikh Habib-ur-Rahman A. Zaini (India), Sheikh Abdulla bin Al-Siddiq Al-Ghumar (Morocco), and others. He has a BA in Economics and Comparative Religion and M.Sc. in Finance from McGill University, Montreal, Canada and a Ph.D in Islamic Law at the University of Wales, United Kingdom.

- **Sheikh Dr. Yousef Bin Abdullah Al Shubaily**

Associate Professor, Comparative Jurisprudence Department, High Institute of Judiciary, Imam Muhammad Bin Saud Islamic University, Kingdom of Saudi Arabia

Dr. Yousef, a citizen of the Kingdom of Saudi Arabia is currently attached as a Associate Professor at the Comparative Jurisprudence Department, High Institute of Judiciary, Imam Muhammad Bin Saud Islamic University in the Kingdom. He also serves as a Co-operating professor for the American Open University.

He obtained a Bachelor Degree from the Faculty of Shariah and Fundamentals of Islam and a Masters Degree from the Department of Comparative Jurisprudence at Muhammad bin Saud Islamic University in 1993 and 1996, respectively. In 2001, he obtained a Ph.D in Islamic Jurisprudence from the same university. Beyond his academic career, he has an extensive experience in serving on various Shariah boards of a number of banks and financial institutions in the Kingdom of Saudi Arabia, Bahrain, Kuwait, UAE, Qatar, United States of America and Britain. He also holds advisory functions in numerous religious and charitable organisations within and outside the Kingdom.

Dr. Yousef has written many books, academic papers and articles on Islamic jurisprudence and commercial law and has actively participated in numerous seminars and conventions in related areas. He also participates in religious and economic programs on television and radio broadcasts in the Kingdom and abroad. He is a permanent guest for various television programmes including programmes aired by Al Majd, MBC and CNBC channels.



Shariah Adviser's Profile (*continued*) >>

- **Prof. Dr. Noor Inayah Yaakub**

Professor, Pusat Kebijaksanaan Sejagat (Global Wisdom Centre), Universiti Islam Malaysia

Prof. Dr. Noor Inayah is a Malaysian, currently attached as a Professor at Pusat Kebijaksanaan Sejagat (Global Wisdom Centre), Universiti Islam Malaysia. She received her Bachelor of Shariah Law (Hons) and Bachelor of Law (Hons) from International Islamic University, Malaysia, LLM (Master of Comparative Conventional & Banking Law) from University of Bristol, United Kingdom and Ph.D (Comparative Conventional & Islamic Banking Law of Guarantee) from the University of Manchester, United Kingdom. She holds a certificate of Product Management from "ISIS INNOVATION" Centre, University of Oxford, United Kingdom.

She was admitted to the Malaysian Bar as an Advocate & Solicitor of the High Court of Malaya in 1996 and in the same year she was a qualified Shariah Lawyer. She practiced law with Messrs. Abraham & Ooi and Co. from 1996-1997 before joining UKM as a lecturer in 1998.

She has more than 15 years of experience in teaching Islamic Law, Islamic and Conventional Banking Law, Takaful and Insurance Law, Equity & Trust Law and Business Law and Ethics. She has produced several academic research papers and articles mainly on the subject of Islamic and conventional banking law and takaful and insurance law of which some were presented in Islamic banking and finance proceedings and conferences and published in Malaysian and International high refereed / impact journals.

- **Sheikh Muhamad Taufik Ridlo**

Faculty lecturer, Department of Islamic Banking, SEBI School of Islamic Economics, Depok, West Java

Sheikh Muhamad Taufik Ridlo is an Indonesian Islamic scholar who is currently a Chairman of Yayasan Bina Tsaqofah Legal Institution of SEBI (Shariah Economic Banking Institute) College. He is also a Senior Consultant in SEBI Consulting as well as Senior Trainer at the Management Zakat Institute (IMZ), Indonesia. He is teaching Islamic Jurisprudence, Islamic law of transaction, Islamic Banking Management, Introduction to Islamic economic and any subject about Zakat and waqf. He received his first degree of Islamic studies from University of Mu'tah, Jordan

Shariah Adviser's Profile (*continued*) >>

in 1996 and obtained his postgraduate of Islamic Banking from Arab Academy for Banking and Financial Sciences, Jordan in 1999.

In the area of Islamic finance, he has been actively involved in its development domestically and international arena besides participating as speakers for conferences and seminar. He is currently a Pleno member at National Shariah Board (Dewan Syariah Nasional) (DSN-MUI), the Chairman of Syariah Supervisory Board (DPS) at - P.T Asuransi Sinar Mas Syariah, a Member of Shariah Supervisory Board at CNAF (CIMB NIAGA Auto Finance) Shariah and also the Chairman of Shariah Supervisory Board at P T Permodalan BMT Ventura.

- **Sheikh Professor Dato' Dr. Sudin Haron**

Special Adviser to University College Bestari, Terengganu and Founding Chairman of the Malaysian Waqaf Federation

Professor Dato' Dr.Sudin was appointed as Independent Director of CIMB Islamic Bank Berhad on 5 November 2014 and is a Member of the Group Shariah Committee. He is currently the Special Adviser to University College Bestari, Terengganu and Founding Chairman of the Malaysian Waqaf Federation. He is one of the world's renowned scholars in Islamic banking &finance and business & management. He has published more than 10 books and 70 articles in international journals.

Professor Dato' Dr.Sudin was the founding CEO of Perbadanan Tabung Pendidikan Tinggi Nasional (PTPTN) and in 2006, was appointed as Deputy Chief Executive of INCEIF (International Centre for Education in Islamic Finance).He was previously attached to BNM as a Specialist in the Islamic Banking and Takaful Department from 2005 to 2006.Before joining BNM, he served in various capacities as an academician and administrator at the Northern University of Malaysia. Prior to that, he was a banker for more than 12 years and his last post was as branch manager. Professor Dato' Dr. Sudin was also a consultant with the Asian Institute of Finance, an organisation established by the BNM for the purpose of elevating human capital in the Malaysian financial industry.



Shariah Adviser's Profile (*continued*) >>

Professor Dato' Dr. Sudin sits on the Board of Trustee of the Malaysian Waqf Foundation and is a Member of the Shariah Committee for Bank Persatuan Malaysia Berhad and an Independent Director of Melati Ehsan Holdings Berhad, a public company listed on Bursa Malaysia. On the international level, Professor Dato' Dr. Sudin was previously the Chairman of the International Advisory Panel of the Russian International Centre for Islamic Economics and Finance, and in several occasions, was appointed by Islamic Development Bank, Jeddah as their resource person in training related to Islamic banking and finance. He has made an important contribution to the world by writing a landmark text book entitled "Islamic Banking and Finance System", and this book is also available in Russian, Mandarin and Uzbekistan versions.

Professor Dato' Dr. Sudin obtained his Bachelor in Economics – General degree and Bachelor of Economics (Accounting) (Hons.) from the National University of Malaysia (Universiti Kebangsaan Malaysia). He obtained his Master of Business Administration from Northrop University, Los Angeles, USA and PhD (Economic Studies-Finance and Banking) from University of New England, Australia.

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.
- There was no sanction and/or penalty imposed on the Directors during the financial year and up to the date of this report.
- There was no material litigation involving the Fund since the last annual balance sheet date.
- The amount of non-audit fees incurred for the Financial Year 2014 for services rendered by PricewaterhouseCoopers Taxation Services Sdn. Bhd. a company affiliated to the Auditors of the Fund is RM9,380.
- There were seven (7) Board of Directors Meetings held in the Financial Year 2014
- There were six (6) Investment Committee Meetings held in the Financial Year 2014.





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

Level 9, Block B, HP Towers

No. 12, Jalan Gelenggang, Bukit Damansara

50490 Kuala Lumpur, MALAYSIA

Tel: (+603) 2093 7119 **Fax:** (+603) 2094 7119

Email: info@myetf.com.my **Website:** www.myetf.com.my