

MyETF DOW JONES ISLAMIC MARKET MALAYSIA TITANS 25

STATEMENT OF ASSETS AND LIABILITIES *(unaudited)* **As at 30 June 2008**

	Note	30 June 2008 <u>RM</u>
ASSETS		
Quoted Investments	4	702,225,098
Dividends Receivable	5	718,939
Dividends Receivable - Impure Portion	5	31,459
Trades Receivable		695,554
Cash At Bank	6	366,595
Short Term Placements	6	2,302,000
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TOTAL ASSETS		706,339,645
LIABILITIES		
Amount due to Manager	7	228,886
Amount due to Trustee	8	60,513
Amount due to Index Licensor	9	132,239
Other Accrued Expenses	10	124,187
Other Payables - Impure Portion	11	387,985
TOTAL LIABILITIES EXCLUDING NET ASSET VALUE ("NAV") ATTRIBUTABLE TO UNITHOLDERS		933,810
NAV ATTRIBUTABLE TO UNITHOLDERS AS AT 30 JUNE 2008	12	705,405,835
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UNITS IN CIRCULATION	12(a)	823,000,000
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NET ASSET VALUE PER UNIT	13	0.8571
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MyETF DOW JONES ISLAMIC MARKET MALAYSIA TITANS 25

STATEMENT OF INCOME AND EXPENDITURE (unaudited)

For the period ended 30 June 2008

	Note	1 April 2008 to 30 June 2008 <u>RM</u>	Year to Date 30 June 2008 <u>RM</u>
INVESTMENT INCOME			
Dividend Income		5,991,119	9,497,418
Profit (Short Term Placements)		32,347	32,733
Net Realised Loss on sale of quoted investments		(17,542,639)	(18,451,849)
Net Unrealised Loss on change in value of quoted investments		(181,513)	(98,534,974)
Gross Income/(Loss)		(11,700,686)	(107,456,672)
EXPENDITURE			
Manager's Fee	7	731,137	1,322,393
Trustee's Fee	8	91,392	165,299
License Fee	9	73,113	132,239
Other Expenses	10	91,392	165,299
Bank Charges		233	278
TOTAL EXPENDITURE		987,267	1,785,508
NET LOSS BEFORE TAXATION		(12,687,953)	(109,242,180)
<i>Less: Income Tax Expense</i>	14	-	-
NET LOSS AFTER TAXATION		(12,687,953)	(109,242,180)
UNDISTRIBUTED NET LOSS AT END OF PERIOD		(12,687,953)	(109,242,180)
Net Loss after Taxation comprises the following			
Realised Loss		(12,506,440)	(10,707,206)
Unrealised Loss		(181,513)	(98,534,974)
		(12,687,953)	(109,242,180)

MyETF DOW JONES ISLAMIC MARKET MALAYSIA TITANS 25

STATEMENT OF CHANGES IN NET ASSET VALUE *(unaudited)* For the period ended 30 June 2008

	1 April 2008 to 30 June 2008 <u>RM</u>	Year to Date 30 June 2008 <u>RM</u>
Net Asset Value at commencement / beginning period	720,764,049	628,862,561
Adjustments to previous quarter Distribution Equalization	258,911	-
Net Income / (Loss) for the period	(12,687,953)	(109,242,180)
Amount Received from units created	841,734	203,409,954
Amount Paid for units redeemed	(3,770,906)	(17,624,500)
Net Asset Value at end of Period	705,405,835	705,405,835

MyETF DOW JONES ISLAMIC MARKET MALAYSIA TITANS 25

CASH FLOW STATEMENT (unaudited) For the period ended 30 June 2008

	1 April 2008 to 30 June 2008 <u>RM</u>	Year to Date 30 June 2008 <u>RM</u>
CASH FLOWS FROM OPERATING AND INVESTING ACTIVITIES		
Net Proceeds from Sale & Purchase of Investments	31,486	30,672
Purchase of KNM Rights Issue	(5,159,300)	(5,159,300)
Dividends Received	7,136,718	8,778,478
Dividends Received – Impure Portion	356,526	356,526
Profit from Short Term Placements Received	32,348	32,733
Payment for Manager’s Fees	(1,093,507)	(1,093,507)
Payment for Trustee’s Fees	(104,786)	(104,786)
Payment for Other Expenses	(41,112)	(41,112)
Net Cash Generated From Operating And Investing Activities	1,158,373	2,799,704
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from creation of units	2,765	7,562
Payments for release of units	(129,765)	(138,393)
Bank Charges	(233)	(278)
Net Cash Used In Financing Activities	(127,233)	(131,109)
NET INCREASE IN CASH AND CASH EQUIVALENTS	1,031,140	2,668,595
CASH AND CASH EQUIVALENTS AT COMMENCEMENT / BEGINNING QUARTER	1,637,455	-
CASH AND CASH EQUIVALENTS AT END OF PERIOD	2,668,595	2,668,595

NOTES TO THE FINANCIAL STATEMENTS

1. GENERAL INFORMATION

MyETF Dow Jones Islamic Market Malaysia Titans 25 (“the Fund”) was established pursuant to a Deed dated 17 January 2008 (“the Deed”), between *i*-VCAP Management Sdn. Bhd. as the Manager and Deutsche Trustees Malaysia Berhad as 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”) as provided by Dow Jones & Company, Inc. The Benchmark Index is a free float-adjusted, market capitalization weighted index representing securities of 25 leading Shariah-compliant Malaysian companies listed on Bursa Malaysia Securities Berhad. As provided in the Deed, the financial year shall end on 31 December. The units in the Fund were first offered for sale on 22 January 2008.

2. BASIS OF PREPARATION OF FINANCIAL STATEMENTS

The financial statements have been prepared under the historical cost convention modified by the revaluation of investments in accordance with applicable Financial Reporting Standards in Malaysia and the Securities Commission’s Guidelines on Exchange Traded Funds.

3. SIGNIFICANT ACCOUNTING POLICIES

Investments

Investments in quoted securities are stated at lower of Costs and Market Value on a portfolio basis in accordance with the provisions of the Deed. For investments in listed securities, market value is determined based on the closing price quoted on Bursa Malaysia Securities Berhad. The difference between the adjusted cost and market value is treated as unrealized gain or loss and is recognized in the statement of income and expenditure. Unrealized gain or loss recognized in the statement of income and expenditure is not distributable in nature.

On disposal of investments, the net realized gain or loss on disposal is measured as the difference between the net disposal proceeds and the carrying amount of the investments. The net realized gain or loss is recognized in the statement of income and expenditure.

Income Recognition

Dividend Income from quoted investments is recognized based on the ex-date of the dividend declared.

Profit from short term money market placements on Islamic financial instruments is recognized on an accrual basis.

Cash Flow Statement

The Fund adopts the direct method in the preparation of the cash flow statement.

Cash equivalents are short-term, highly liquid investments with maturity of three months or less from the date of acquisition and are readily convertible to cash with insignificant risk of changes in value.

Payables

The amounts are stated at cost which is the fair value of the consideration to be paid for services received.

Receivables

Sundry receivables are carried at ascertained realizable values.

Financial Assets and Liabilities

Financial assets and financial liabilities carried on the statement of assets and liabilities include cash at banks, investments, including deposits and placements with licensed financial institutions, receivables and payables. The accounting policies on recognition and measurement of these items are disclosed in the respective accounting policies.

Financial instruments are classified as assets or liabilities in accordance with the substance of the contractual arrangement. The accounting policies on the recognition of dividends, gains and losses relating to the financial instruments classified as assets are disclosed in the respective accounting policies.

4. QUOTED INVESTMENTS

	30 June 2008
	RM
At cost	
Shares quoted in Malaysia	800,760,072
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At valuation	
Shares quoted in Malaysia	702,225,098
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5. DIVIDENDS RECEIVABLE

Dividends Receivable represents dividends declared on the Fund's stock components at the Ex-Date and not yet received at the end of the financial period.

Dividends Receivable – Impure Portion represents the portion of the dividends receivable which relates to income that is not compatible with Shariah principles. The level of impure income is based on the impure ratio for each stock component as determined by Dow Jones & Company, Inc.

Dividends declared are recognized on the Ex-Date and are reversed out from the receivables on the payment date.

6. CASH AND CASH EQUIVALENTS

Cash and cash equivalents included in the cash flow statement comprise the following amounts:

	30 June 2008
	RM
Short-term money market placements in Islamic financial instruments with licensed banks	2,302,000
Cash at Bank – Investment	10,069
Cash at Bank – Impure Portion	356,526
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	2,668,595
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7. AMOUNT DUE TO MANAGER / MANAGER'S FEE

Manager's Fee was charged at a rate of 0.40% per annum of the Net Asset Value (NAV) of the Fund, calculated on a daily basis, as provided under Clause 14.1 of the Deed.

The Manager's Fee is accrued daily at the end of the day and is reversed out from the Amount Due To Manager on the payment date.

8. AMOUNT DUE TO TRUSTEE / TRUSTEE'S FEE

Trustee's Fee was charged at a rate of 0.05% per annum of the Net Asset Value (NAV) of the Fund, calculated on a daily basis, as provided under Clause 14.2 of the Deed.

The Trustee's Fee is accrued daily at the end of the day and is reversed out from the Amount Due To Trustee on the payment date.

9. AMOUNT DUE TO INDEX LICENSOR / LICENSE FEE

The Amount Due To Index Licensor is the license fee payable to Dow Jones & Company, Inc., the Benchmark Index provider.

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

The License Fee is accrued daily at the end of the day and is reversed out from the Amount Due To Index Licensor on the payment date. As at 30 June 2008, no License Fee has been paid out from the Fund.

10. OTHER ACCRUED EXPENSES / OTHER EXPENSES

Included in Other Expenses are fees, other than Manager's, Trustee's and License Fees, or expenses incurred by the Fund such as professional fees, printing and stationery, bank charges, fees payable to the independent members of the Investment Committee, lodgment fees and other expenses as permitted by the Deed.

The Other Expenses are provided for at the rate of 0.05% per annum of the Net Asset Value (NAV) of the Fund, calculated and accrued on a daily basis. The expenses are reversed out from the Other Accrued Expenses on the payment date.

11. OTHER PAYABLES – IMPURE PORTION

Included in Other Payables – Impure Portion is the total of the impure portion of dividends received and receivable as at 30 June 2008. It comprises the following amounts:

	30 June 2008
	RM
Cash at Bank – Impure Portion	356,526
Dividends Receivable – Impure Portion	31,459
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	387,985
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12. NET ASSET VALUE (NAV) ATTRIBUTABLE TO UNIT HOLDERS

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

	Note	30 June 2008
Unit holders' contribution	(a)	RM 814,648,015
Net Loss After Taxation		(109,242,180)
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		705,405,835
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(a) UNIT HOLDERS' CONTRIBUTION/UNITS IN CIRCULATION

	1 April 2008 to 30 June 2008		Cumulative Year to Date	
	No. of Units	RM	No. of Units	RM
At beginning of quarter/ commencement	826,000,000	817,577,186	628,869,000	628,862,561
Created during the period	1,000,000	841,735	212,131,000	203,409,954
Redeemed during the period	(4,000,000)	(3,770,906)	(18,000,000)	(17,624,500)
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At end of period	823,000,000	814,648,015	823,000,000	814,648,015
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As provided in the Prospectus dated 21 January 2008, the initial authorized size of the Fund shall not exceed 10 billion units.

The Manager, *i*-VCAP Management Sdn. Bhd., did not hold any units in the Fund as at 30 June 2008.

13. NET ASSET VALUE (NAV) PER UNIT

The Net Asset Value (NAV) per unit is calculated by dividing the net assets of RM705,405,835 by the 823,000,000 units in circulation as at 30 June 2008.

14. INCOME TAX EXPENSE

Income tax payable is calculated on investment income less deduction for permitted expenses as provided for under Section 63B of the Income Tax Act, 1967 ("the Act").

Dividend Income:

The Fund may receive Malaysian dividends which are tax exempt. The exempt dividends may be received from investments in companies which had previously enjoyed or are currently enjoying the various tax incentives provided under the law.

With effect from 1 January 2008, dividends received from companies under the single tier tax system would also be exempted from tax.

In some situations, where the Fund has received tax franked dividends, some portion of the tax credits attached to those dividends can be refunded to the Fund.

Profit (from Money Market Investments):

Pursuant to Paragraph 35A of Schedule 6 of the Act, profits paid or credited by any bank or financial institution licensed under the Banking and Financial Institutions Act 1989 or the Islamic Banking Act 1983 are exempt from tax.

The Fund may also be making Zakat payments. Section 44 (11A) of the Act provides that:

"There shall be deducted from the aggregate income of a person (other than an offshore company), an amount equal to the payment of *zakat perniagaan* which is paid in the basis period for that relevant year to an appropriate religious authority established under any written law or any person authorized by such religious authority. Provided that the amount to be deducted pursuant to this subsection shall not exceed one-fortieth (2.5%) of the aggregate income of that person in the relevant year."

There was no income tax payable by the Fund during the period as the Fund had incurred Net Loss Before Tax of RM12,687,953 for the period from 1 April 2008 to 30 June 2008, and RM109,242,180 for year to date ended 30 June 2008.

15. INCOME DISTRIBUTION

No income distribution was declared by the Fund during the financial period 22 January 2008 (date of launch) to 30 June 2008

16. PERFORMANCE REVIEW

The Fund 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. During the period under review, the NAV per unit of the Fund fell by 14.30% while the Benchmark Index was down by 15.10%.

The Malaysian stock market, in line with most bourses globally, registered negative returns during the period largely due to concerns over the potential impact of rising crude oil price on the economy and on corporate earnings. In addition, changes in the domestic political environment subsequent to the Malaysian general elections in March contributed to the lacklustre market performance.

17. PROSPECTS

The future performance of the Fund, which is reflected through its NAV, is dependent on the future performance of the securities held in the Fund which in turn are the components of the Benchmark Index.