

MyETF DOW JONES ISLAMIC MARKET MALAYSIA TITANS 25

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

| | Note | 30 September 2008 <u>RM</u> |
|--|-------|-----------------------------------|
| ASSETS | | |
| Quoted Investments | 4 | 542,039,895 |
| Dividends Receivable | 5 | 956,617 |
| Dividends Receivable - Impure Portion | 5 | 74,044 |
| Cash At Bank | 6 | 2,641,410 |
| Short Term Placements | 6 | 4,085,000 |
| | | <hr/> |
| TOTAL ASSETS | | 549,796,966 |
| | | <hr/> |
| LIABILITIES | | |
| Amount due to Manager | 7 | 188,260 |
| Amount due to Trustee | 8 | 23,532 |
| Amount due to Index Licensor | 9 | 61,806 |
| Other Accrued Expenses | 10 | 184,346 |
| Other Payables - Impure Portion | 11 | 780,423 |
| Sundry Payables | | 1,000 |
| | | <hr/> |
| TOTAL LIABILITIES EXCLUDING NET ASSET VALUE ("NAV") ATTRIBUTABLE TO UNITHOLDERS | | 1,239,367 |
| NAV ATTRIBUTABLE TO UNITHOLDERS AS AT 30 SEPTEMBER 2008 | 12 | 548,557,599 |
| | | <hr/> |
| UNITS IN CIRCULATION | 12(a) | 829,000,000 |
| | | <hr/> |
| NET ASSET VALUE PER UNIT | 13 | 0.6617 |
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MyETF DOW JONES ISLAMIC MARKET MALAYSIA TITANS 25

STATEMENT OF INCOME AND EXPENDITURE (unaudited)

For the period ended 30 September 2008

| | Note | 1 July 2008 to 30 September 2008 <u>RM</u> | Year to Date 30 September 2008 <u>RM</u> |
|---|------|--|--|
| INVESTMENT INCOME | | | |
| Dividend Income | | 7,674,611 | 17,172,028 |
| Profit (Short Term Placements) | | 33,537 | 66,269 |
| Net Realised Loss on Sale of Quoted Investments | | (1,139,170) | (19,593,779) |
| Net Unrealised Loss on Change in Value of Quoted Investments | | (166,085,548) | (264,620,522) |
| GROSS INCOME/(LOSS) | | (159,516,570) | (266,976,004) |
| EXPENDITURE | | | |
| Manager's Fee | 7 | 618,060 | 1,940,454 |
| Trustee's Fee | 8 | 77,257 | 242,557 |
| License Fee | 9 | 77,851 | 210,090 |
| Other Expenses | 10 | 77,257 | 242,557 |
| Bank Charges | | 141 | 419 |
| TOTAL EXPENDITURE | | 850,566 | 2,636,077 |
| NET LOSS BEFORE TAXATION | | (160,367,136) | (269,612,081) |
| <i>Less: Income Tax Expense</i> | 14 | - | - |
| NET LOSS AFTER TAXATION | | (160,367,136) | (269,612,081) |
| UNDISTRIBUTED NET LOSS AT END OF PERIOD | | (160,367,136) | (269,612,081) |
| Net Loss after Taxation comprises the following | | | |
| Realised Profit | | 5,718,412 | (4,991,559) |
| Unrealised Loss | | (166,085,548) | (264,620,522) |
| | | (160,367,136) | (269,612,081) |

MyETF DOW JONES ISLAMIC MARKET MALAYSIA TITANS 25

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

| | 1 July 2008 to 30 September 2008 <u>RM</u> | Year to Date 30 September 2008 <u>RM</u> |
|--|--|--|
| Net Asset Value at Commencement / Beginning of Period | 705,405,835 | 628,862,561 |
| Net (Loss) for the Period | (160,367,136) | (269,612,081) |
| Amount Received from Units Created | 6,692,000 | 210,104,719 |
| Amount Paid for Units Redeemed | (3,173,100) | (20,797,600) |
| Net Asset Value at End of Period | 548,557,599 | 548,557,599 |

MyETF DOW JONES ISLAMIC MARKET MALAYSIA TITANS 25

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

| | 1 July 2008 to 30 September 2008 <u>RM</u> | Year to Date 30 September 2008 <u>RM</u> |
|---|--|--|
| CASH FLOWS FROM OPERATING AND INVESTING ACTIVITIES | | |
| Net Proceeds from Sale & Purchase of Investments | (2,939,542) | (2,908,869) |
| Purchase of KNM Rights Issue | - | (5,159,300) |
| Dividends Received | 7,478,611 | 16,257,089 |
| Dividends Received – Impure Portion | 306,070 | 662,596 |
| Profit from Short Term Placements Received | 35,644 | 68,376 |
| Payment for Manager’s Fee | (658,687) | (1,752,194) |
| Payment for Trustee’s Fee | (114,238) | (219,024) |
| Payment for License Fee | (148,285) | (148,285) |
| Payment for Other Expenses | (18,849) | (59,961) |
| Creation/Redemption Fee paid to Bursa Malaysia Depository Sdn. Bhd. | (730) | (730) |
| Creation/Redemption Fee received and payable to Bursa Malaysia Depository Sdn. Bhd. | 1,730 | 1,730 |
| Net Cash Generated From Operating And Investing Activities | 3,941,724 | 6,741,428 |
| CASH FLOWS FROM FINANCING ACTIVITIES | | |
| Proceeds from Creation of Units | 155,490 | 163,052 |
| Payments for Redemption of Units | (39,258) | (177,651) |
| Bank Charges | (141) | (419) |
| Net Cash Generated From/(Used In) Financing Activities | 116,091 | (15,018) |
| NET INCREASE IN CASH AND CASH EQUIVALENTS | 4,057,815 | 6,726,410 |
| CASH AND CASH EQUIVALENTS AT COMMENCEMENT / BEGINNING OF PERIOD | 2,668,595 | - |
| CASH AND CASH EQUIVALENTS AT END OF PERIOD | 6,726,410 | 6,726,410 |

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 Cost 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.

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 their respective payment dates.

6. CASH AND CASH EQUIVALENTS

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

| | 30 September 2008 |
|---|--------------------------|
| | RM |
| Short-term money market placements in Islamic financial instruments with licensed banks | 4,085,000 |
| Cash at Bank – Investment | 1,935,031 |
| Cash at Bank – Impure Portion | 706,379 |
| | <hr/> |
| | 6,726,410 |
| | <hr/> <hr/> |

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.

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 their respective payment dates.

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 September 2008. It comprises the following amounts:

| | 30 September 2008 |
|---------------------------------------|--------------------------|
| | RM |
| Cash at Bank – Impure Portion | 706,379 |
| Dividends Receivable – Impure Portion | 74,044 |
| | <hr/> |
| | 780,423 |
| | <hr/> <hr/> |

12. NET ASSET VALUE (NAV) ATTRIBUTABLE TO UNIT HOLDERS

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

| | | 30 September 2008 |
|----------------------------|-------------|--------------------------|
| | Note | RM |
| Unit holders' contribution | (a) | 818,169,680 |
| Net Loss After Taxation | | (269,612,081) |
| | | <u>548,557,599</u> |

(a) UNIT HOLDERS' CONTRIBUTION / UNITS IN CIRCULATION

| | 1 July 2008 to 30 September 2008 | | Cumulative Year to Date | |
|---|---|-------------|--------------------------------|--------------|
| | No. of Units | RM | No. of Units | RM |
| At beginning of period/ commencement | 823,000,000 | 814,650,780 | 628,869,000 | 628,862,561 |
| Created during the period | 10,000,000 | 6,692,000 | 222,131,000 | 210,104,719 |
| Redeemed during the period | (4,000,000) | (3,173,100) | (22,000,000) | (20,797,600) |
| At end of period | 829,000,000 | 818,169,680 | 829,000,000 | 818,169,680 |

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 September 2008.

13. NET ASSET VALUE (NAV) PER UNIT

The Net Asset Value (NAV) per unit is calculated by dividing the net assets of RM548,557,599 by the 829,000,000 units in circulation as at 30 September 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 RM160,367,136 for the period from 1 July 2008 to 30 September 2008, and RM269,612,081 for year to date ended 30 September 2008.

15. INCOME DISTRIBUTION

No income distribution was declared by the Fund during the financial period 22 January 2008 (date of launch) to 30 September 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 Third Quarter of 2008, the NAV per unit of the Fund fell by 22.8% while the Benchmark Index was down by 23.8%.

The Malaysian stock market, in line with most bourses globally, suffered further weakness during the period under review as investors sold down their equity holdings as the global financial turmoil worsened. Furthermore, the resultant concerns over global economic outlook contributed to expectations of weaker demand for commodities, including palm oil, and therefore to significant declines in their prices, which in turn adversely affected the share prices of listed Malaysian plantation companies, a few of which are held in the Fund.

17. PROSPECTS

As the Fund is an exchange traded fund, its future performance, which is reflected through its NAV, is expected to be similar to that of the Benchmark Index. The performance of the Benchmark Index in turn is dependent on the collective performance of its components, which are also the securities held in the Fund. Their future performance, and therefore the prospects of the Fund, will be influenced by various factors, ranging from macroeconomic to company- or security-specific issues.