

Manager's Report

For the Financial Period 1 January 2011 to 31 March 2011

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

1. Investment Objective

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

2. Benchmark Index

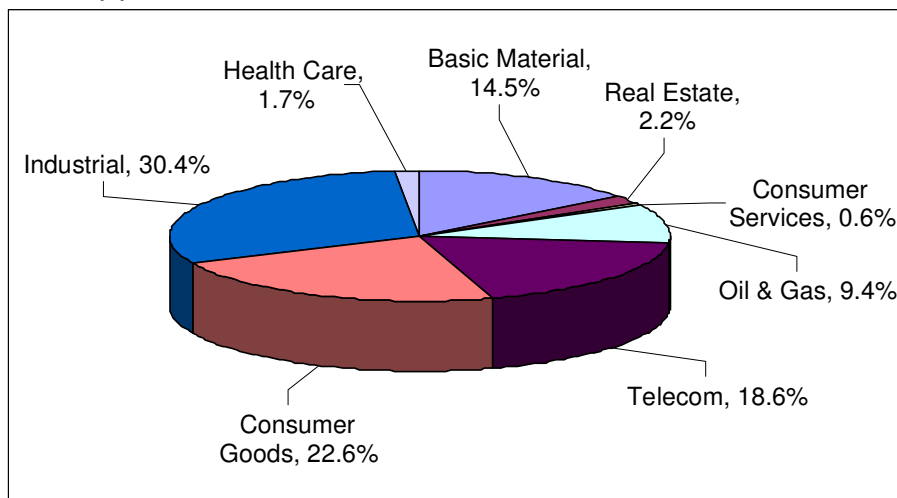
The Benchmark Index is a market capitalisation weighted and free-float adjusted index provided by Dow Jones Indexes ("Dow Jones").

The Benchmark Index was created on 18 January 2008 and constructed based on a reference value of 1000 as of 17 January 2008. The Benchmark Index consists of 25 Shariah-Compliant securities of companies listed on Bursa Malaysia Securities Berhad ("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 Dow Jones to screen stocks for compliance with the Shariah.

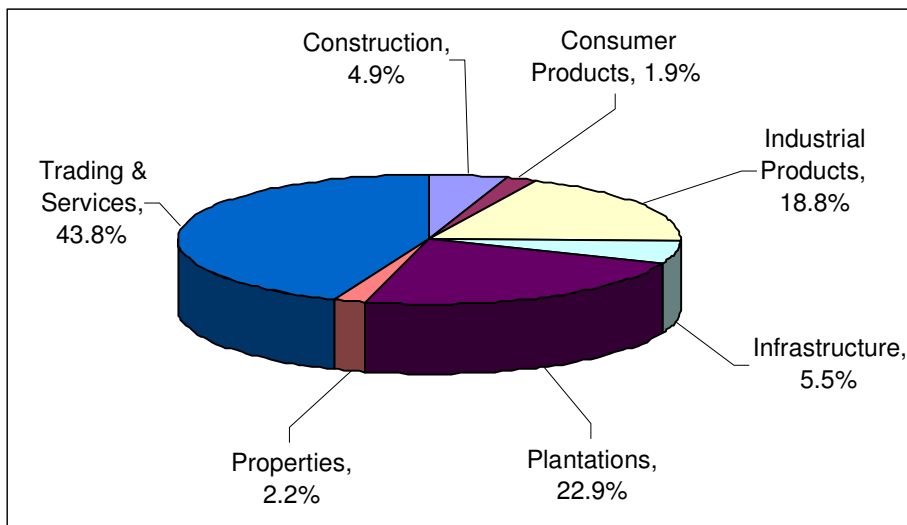
Based on the latest quarterly review (as at 10 March 2011), the sector allocation of DJIM25 Index based on Dow Jones and Bursa Securities sector classifications are as follows:

Chart 1(a): Sector Classification - Dow Jones



Source: Dow Jones

Chart 1(b): Sector Classification - Bursa Securities



Sources: Bursa Securities, Dow Jones

3. Investment Strategy

During the period under review, the Manager tracked the performance of the Benchmark Index by investing all, or substantially all, of the Fund's assets in the constituents of the Benchmark Index in substantially the same weightings as they appear in the Benchmark Index.

The Manager used techniques including indexing by way of full or partial replication and/or investing in certain authorised investments, in seeking to achieve the investment objective of the Fund, subject to conformity to the Shariah.

4. Fund Performance

For the quarter under review, the Fund continued to achieve its investment objective which is to track closely the underlying benchmark, i.e. DJIM25 Index. As at 31 March 2011, 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 were 1.27% and 0.85% respectively, which were within the 3% limit stipulated under the Fund's investment objective. In terms of NAV movement, the NAV per unit of the Fund increased by 5.71% to RM1.0066. The increase in NAV per unit however was lower than the DJIM25 Index which rose by 6.21% to close at 899.69 points at the end of the quarter. The NAV per unit has taken into consideration the dividend distribution for FY2010 of 1 sen per unit which was paid on 31 January 2011. Meanwhile, the Fund's unit price traded on Bursa Securities ended the quarter at RM0.945, representing a 0.84% retracement for the period.

The key statistics and performance of the Fund for the first quarter 2011 and in the fourth quarter 2010 are summarized as follows:

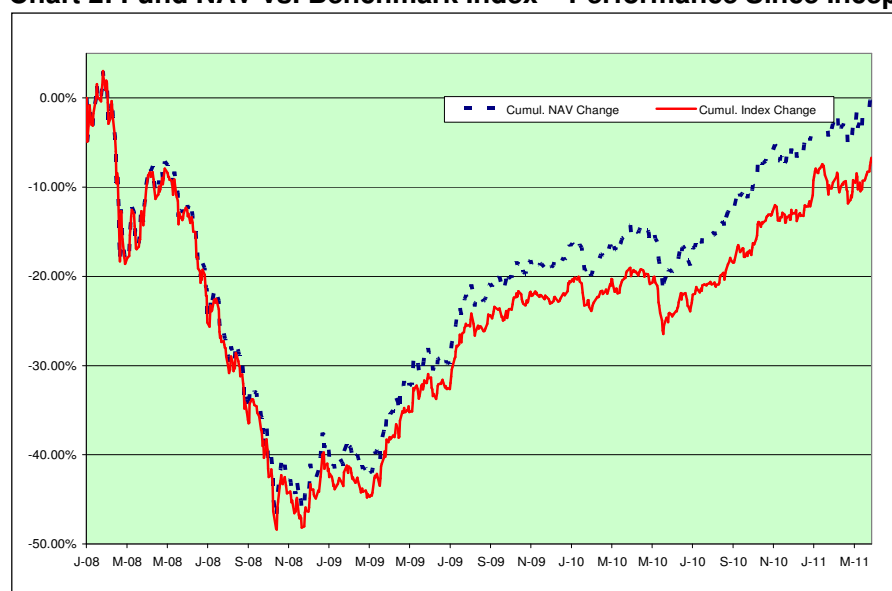
Table 1: Key Statistics

	As at 31 March 2011	As at 31 December 2010	QoQ Change (%)
NAV per unit (RM)	1.0066	0.9522	5.71
- Highest	1.0066 (31 Mar)	0.9581 (29 Dec)	
- Lowest	0.9487 (24 Feb)	0.7827 (26 May)	
Price per unit (RM)	0.945	0.953	-0.84
- Highest	0.982 (17 Jan)	0.953 (30 Dec)	
- Lowest	0.924 (29 Mar)	0.787 (27 May)	
DJIM25 Index	899.69	847.10	6.21
DJIM25 Total Return Index	1033.91	965.57	7.08
Units in Circulation	636,300,000	657,500,000	-3.22
Total NAV (RM)	640,519,011	626,099,613	2.30
Market Capitalisation (RM)	601,303,500	626,597,500	-4.04
Tracking Error vs. Price Return DJIM25 Index (%)*	1.27	1.15	
Tracking Error vs. Total Return DJIM25 Index (%)*	0.85	0.65	

Sources: Bloomberg, iVCAP

*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: Fund NAV vs. Benchmark Index – Performance Since Inception



Sources: Bloomberg, iVCAP

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

Table 2(a): Average Total Return

	1-Year	3-Year	Since Inception
MyETF-DJIM25 – NAV Per Unit (%)	19.04	4.88	0.21
DJIM25 – Price Return Index (%)	16.89	2.38	-2.15
DJIM25 – Total Return Index (%)	21.33	7.02	2.21

Source: i-VCAP

Average total returns are annualized figures computed based on the absolute returns for the respective period

Table 2(b): Historical Performance

	2010	2009	2008
MyETF-DJIM25 – NAV Per Unit (%)	16.29	40.95	-41.91
DJIM25 – Price Return Index (%)	12.81	39.46	-44.16
DJIM25 – Total Return Index (%)	17.33	45.03	-41.16
Tracking Error vs. Price Return Index (%)*	1.15	1.33	1.45
Tracking Error vs. Total Return Index (%)*	0.65	0.74	0.51
Management Expense Ratio (%)	0.52	0.54	0.51

Source: i-VCAP

* 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

During the period under review, Dow Jones performed its First Quarter 2011 Review (quarterly review) of the DJIM25 Index in accordance with its index methodology. The quarterly review resulted in changes to the weightings of the component stocks in the DJIM25 Index. Pursuant to the quarterly review, the Manager had undertaken rebalancing exercise for the Fund in order to be in line with the changes in the Benchmark Index. In terms of weightings, notable changes to the Fund's sector composition arising from the quarterly review were the increase in Industrial Products to 19.1% from 16.9% at the start of the year and the decrease in Plantations from 24.4% to 22.3%. Details of the changes for the first quarter are as follows:

Table 3: Change in Fund's Sector Allocation*

	As at 31 Mar 2011	As at 31 Dec 2010	Change (percentage points)
Trading/Services	42.9%	42.8%	0.1
Plantations	22.3%	24.4%	-2.1
Industrial Products	19.1%	16.9%	2.2
Consumer Products	1.9%	1.9%	0.0
Infrastructure	5.6%	5.0%	0.6
Construction	4.9%	5.1%	-0.2
Property	2.1%	2.1%	0.0
Cash & Others	1.2%	1.8%	-0.6

Source: i-VCAP

* Based on Bursa Securities classification

Table 4: Top Ten Holdings of the Fund as at 31 March 2011

	Stock	% of NAV
1	Sime Darby Bhd	14.37
2	Petronas Chemicals Group Bhd	12.72
3	IOI Corporation Bhd	12.21
4	Maxis Bhd	8.58
5	Kuala Lumpur Kepong Bhd	6.05
6	Digi.com Bhd	5.55
7	MISC Bhd	4.98
8	Gamuda Bhd	4.89
9	Telekom Malaysia Bhd	3.92
10	PLUS Expressways Bhd	3.78
	Top Ten Holdings' Total	77.05

Sources: Bloomberg, i-VCAP

5. Distribution Policy

The Fund may distribute amongst the unitholders all, or substantially all of the net income (after the income purification process and deduction of relevant fees, expenses and taxes) received by the Fund, pro-rated based on the number of units held by each unitholder as at the entitlement date of the income distribution. 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 quarter, the Fund paid its income distribution of 1 sen per unit which was declared on 16 December 2010. The distribution was made on 31 January 2011 amounting to RM6.54 million.

6. Other Information

Effective 24 January 2011, the Creation/Redemption Unit Block of the Fund has been reduced from 500,000 units to 400,000 units. As a result, the quantity of the Fund's units that will be issued or delivered to the Trustee upon a successful Creation or Redemption application will be 400,000 units or multiples thereof.

There was no material litigation involving 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 unitholders.

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

On YTD basis, the DJIM25 Index rose 6.21% to 899.69 points as at end March 2011. Comparatively, the DJIM25 Index out-performed other domestic Shariah equity indices with the FTSE Bursa Malaysia Hijrah Index gaining 3.64%, while the broader Shariah Index of FTSE Bursa Malaysia EMAS Shariah gained 3.13%.

Chart 3: DJIM25 Index



Source: Bloomberg

It has been a volatile market since the start of the year with the DJIM25 Index experiencing a short rally in early part of January before fizzling off and traded within a band. Market sentiment was largely influenced by external events as investors re-assessed the risk appetite on equities following the strong performance in the last two years. The pullback started on the back of inflationary concern in the emerging markets including Malaysia. This was exacerbated by series of unrest in the Middle East and North Africa region particularly in Egypt and Libya followed by the Japanese earthquake and tsunami. The events also led to a spike in oil prices which in turn raised concern over the possibility of a global economic downturn. After a 2.3% m-o-m increase in January, the DJIM25 Index suffered 1.4% retracement in February due to market uncertainties. However, the DJIM25 Index regained its upward momentum with a 5.4% m-o-m increase in March to close at its highest level for the year of 899.69 points as domestic events i.e. the state election in Sarawak and speculation of general election took centre stage. In terms of stock performance, the oil and gas companies dominated the gainers while losers were mainly plantation stocks.

Looking ahead, the market is expected to continue its volatile trading pattern in the near term due to geopolitical uncertainties and concern over global economic recovery. On the domestic front, investors remain focused on the implementation rate of government's Economic Transformation Program and pump-priming initiatives i.e. MRT projects, government's land redevelopment, oil and gas sector capital expenditure roll-out, which may lend support to a positive outlook for Malaysia's equity market. Corporate earnings will also be monitored closely as the relatively high energy prices and inflationary concern may pose risk for earnings downgrades in the later part of the year.