

## MyETF DOW JONES ISLAMIC MARKET MALAYSIA TITANS 25

### STATEMENT OF FINANCIAL POSITION

As at 30 September 2011 (*Unaudited*)

		<u>30 September</u> <u>2011</u>	<u>Audited</u> <u>31 December</u> <u>2010</u>
	Note	RM	RM
<b>ASSETS</b>			
Current assets			
Financial assets at fair value through profit or loss	10	472,320,691	614,908,751
Dividend receivable	11	2,294,186	1,395,995
Receivables	12	17,386	50
Deposits with licensed bank	13	4,184,116	10,498,562
Bank balance with a licensed bank	13	218,691	1,971,180
		<hr/>	<hr/>
<b>TOTAL ASSETS</b>		<b>479,035,070</b>	<b>628,774,538</b>
<b>LIABILITIES</b>			
Current liabilities			
Amount due to Manager		162,696	211,229
Amount due to Trustee		20,337	26,404
Auditors' remuneration		-	25,600
Tax agent's fee		4,400	7,650
Payables	14	588,849	2,404,042
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<b>TOTAL LIABILITIES</b>		<b>776,282</b>	<b>2,674,925</b>
		<hr/>	<hr/>
<b>NET ASSET VALUE OF THE FUND</b>	16	<b>478,258,788</b>	<b>626,099,613</b>
<b>EQUITY</b>			
Unit holders' Capital		549,242,752	668,378,363
Accumulated Losses		(70,983,964)	(42,278,750)
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<b>NET ASSETS ATTRIBUTABLE TO UNIT HOLDERS</b>		<b>478,258,788</b>	<b>626,099,613</b>
<b>NUMBER OF UNITS IN CIRCULATION</b>			
	16	535,500,000	657,500,000
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<b>NET ASSET VALUE PER UNIT (RM)</b>		<b>0.8931</b>	<b>0.9522</b>
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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 COMPREHENSIVE INCOME

For the financial period from 1 July 2011 to 30 September 2011 (*Unaudited*)

		<u>1 July 2011</u> <u>to</u> <u>30 September</u> <u>2011</u>	<u>1 July 2010</u> <u>to</u> <u>30 September</u> <u>2010</u> <u>As restated</u>
	Note	RM	RM
<b>INVESTMENT INCOME</b>			
Gross dividend income		6,902,648	11,302,689
Profit from short term Shariah-compliant deposits		52,939	33,923
Other Income – Tax Refund		-	-
Net Income on sale of warrants		-	-
Net gain on financial assets at fair value through profit and loss	10	(61,916,360)	42,150,324
		<u>(54,960,773)</u>	<u>53,486,936</u>
<b>EXPENSES</b>			
Management fee	4	539,745	673,282
Trustee's fee	5	67,468	84,160
License fee	6	53,975	66,160
Brokerage Fees		43,739	2,338
Auditors' remuneration		-	-
Tax agent's fee		-	-
Shariah adviser's fee		-	-
Purification of Non Shariah-compliant Income		158,535	439,123
Other expenses	7	-	42,081
		<u>863,462</u>	<u>1,307,144</u>
NET INCOME/(LOSS) BEFORE TAXATION		(55,824,235)	52,179,792
TAXATION	8	(209,038)	(635,447)
NET INCOME AFTER TAX AND TOTAL COMPREHENSIVE INCOME		<u>(56,033,273)</u>	<u>51,544,345</u>
Net income after taxation is made up as follows:			
Realised amount		1,544,460	964,458
Unrealised amount		(57,577,733)	50,579,887
		<u>(56,033,273)</u>	<u>51,544,345</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 COMPREHENSIVE INCOME For the financial period ended 30 September 2011 (*Unaudited*)

		YTD <u>30 September</u> <u>2011</u>	YTD <u>30 September</u> <u>2010</u> <u>As restated</u>
	Note	RM	RM
<b>INVESTMENT INCOME</b>			
Gross dividend income		15,865,755	23,673,327
Profit from short term Shariah-compliant deposits		171,874	119,869
Other Income – Tax Refund		139,232	-
Net Income of sale of warrants		-	715,548
Net gain on financial assets at fair value through profit and loss	10	(29,435,886)	37,514,589
		<u>(13,259,025)</u>	<u>62,023,333</u>
<b>EXPENSES</b>			
Management fee	4	1,764,336	1,977,886
Trustee's fee	5	220,542	247,236
License fee	6	177,170	194,115
Brokerage Fees		225,616	30,370
Auditors' remuneration		-	-
Tax agent's fee		-	-
Shariah adviser's fee		-	-
Purification of Non Shariah-compliant Income		356,594	1,751,543
Other expenses	7	20,599	154,645
		<u>2,764,857</u>	<u>4,355,795</u>
<b>NET INCOME/(LOSS) BEFORE TAXATION</b>		(16,023,882)	57,667,538
<b>TAXATION</b>	8	(562,332)	(1,175,705)
<b>NET INCOME AFTER TAX AND TOTAL COMPREHENSIVE INCOME</b>		<u>(16,586,214)</u>	<u>56,491,833</u>
Net income after taxation is made up as follows:			
Realised amount		15,185,397	4,560,668
Unrealised amount		(31,771,611)	51,931,165
		<u>(16,586,214)</u>	<u>56,491,833</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 CHANGES IN EQUITY

For the financial period from 1 July 2011 to 30 September 2011 (*Unaudited*)

	Unit holders' Capital RM	Accumulated Losses RM	Total RM
<b>At 30 June 2011</b>	588,542,112	(9,371,690)	579,170,422
Total Comprehensive Income for the quarter	-	(56,033,273)	(56,033,273)
Dividend	-	(5,579,000)	(5,579,000)
Cancellation of units	(39,299,360)	-	(39,299,360)
<b>At 30 September 2011</b>	549,242,752	(70,983,963)	478,258,788

For the financial period ended 30 September 2011 (*Unaudited*)

	Unit holders' Capital RM	Accumulated Losses RM	Total RM
<b>At 31 December 2010</b>	668,378,363	(42,278,750)	626,099,613
Total Comprehensive Income for the period	-	(16,586,214)	(16,586,214)
Dividend	-	(12,119,000)	(12,119,000)
Cancellation of units	(119,135,611)	-	(119,135,611)
<b>At 30 September 2011</b>	549,242,752	(70,983,964)	478,258,788

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

### CASH FLOW STATEMENT

For the financial period from 1 July 2011 to 30 September 2011 (*Unaudited*)

	<u>1 July 2011</u> <u>to</u> <u>30 September</u> <u>2011</u> <b>RM</b>	<u>1 July 2010</u> <u>to</u> <u>30 September</u> <u>2010</u> <b>RM</b>
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
Cash used in purchase of investments	(18,249,178)	(717,254)
Proceeds from sales of investments	18,195,903	748,511
Dividends received	5,993,364	8,588,803
Profit from short term Shariah-compliant deposits	52,939	33,922
Management fee paid	(568,827)	(664,434)
Trustee fee paid	(71,103)	(83,054)
License Fee paid	-	(62,937)
Purification of Non Shariah-compliant Income	(100,000)	(2,000,000)
Payment for other fees and expenses	(47,164)	(15,278)
Creation/Redemption Fee paid to Bursa Malaysia Depository Sdn. Bhd.	(950)	(100)
Creation/Redemption Fee received and payable to Bursa Malaysia Depository Sdn. Bhd.	950	150
<b>Net cash inflow from operating activities</b>	<b><u>5,205,934</u></b>	<b><u>5,828,329</u></b>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
Payment of Income Distribution	(5,515,000)	-
Proceeds from units created	-	-
Payments for cancellation of units	(958,646)	(4,705,120)
<b>Net cash outflow from financing activities</b>	<b><u>(6,473,646)</u></b>	<b><u>(4,705,120)</u></b>
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	<b>(1,267,712)</b>	<b>1,123,209</b>
<b>CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE FINANCIAL PERIOD</b>	<b><u>5,670,519</u></b>	<b><u>5,557,829</u></b>
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL PERIOD</b>	<b>13 <u><u>4,402,807</u></u></b>	<b><u><u>6,681,038</u></u></b>
Cash and cash equivalents comprise:		
Cash and bank balances	218,691	2,521,945
Short term Shariah-compliant deposits	4,184,116	4,159,093
	<b>13 <u><u>4,402,807</u></u></b>	<b><u><u>6,681,038</u></u></b>

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

### CASH FLOW STATEMENT

For the financial period ended 30 September 2011 (*Unaudited*)

	Note	YTD 30 September 2011 RM	YTD 30 September 2010 RM
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>			
Cash used in purchase of investments		(96,622,633)	(21,992,258)
Proceeds from sales of investments		91,137,423	10,388,234
Dividends received		14,405,232	19,622,985
Profit from short term Shariah-compliant deposits		171,874	119,869
Proceeds from Sale of Warrants		-	715,548
Management fee paid		(1,812,869)	(1,978,690)
Trustee fee paid		(226,609)	(247,336)
License Fee paid		(187,959)	(127,408)
Purification of Non Shariah-compliant Income		(2,100,000)	(2,750,000)
Other Income – Tax Refund		139,232	-
Cash Received on Capital Repayment of investments		1,712,102	-
Payment for other fees and expenses		(174,847)	(96,935)
Creation/Redemption Fee paid to Bursa Malaysia Depository Sdn. Bhd.		(1,250)	(300)
Creation/Redemption Fee received and payable to Bursa Malaysia Depository Sdn. Bhd.		1,250	350
<b>Net cash inflow from operating activities</b>		<b>6,440,946</b>	<b>3,654,059</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>			
Payment of Income Distribution		(12,055,000)	-
Proceeds from units created	22	-	-
Payments for cancellation of units	22	(2,452,881)	(5,202,940)
<b>Net cash outflow from financing activities</b>		<b>(14,507,881)</b>	<b>(5,202,940)</b>
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>		<b>(8,066,935)</b>	<b>(1,548,881)</b>
<b>CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE FINANCIAL YEAR</b>		<b>12,469,742</b>	<b>8,229,919</b>
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL PERIOD</b>	13	<b>4,402,807</b>	<b>6,681,038</b>
Cash and cash equivalents comprise:			
Cash and bank balances		218,691	2,521,945
Short term Shariah-compliant deposits		4,184,116	4,159,093
	13	<b>4,402,807</b>	<b>6,681,038</b>

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

### SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2011

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

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

The new standards for the Fund's financial year beginning on 1 January 2011 are as follows:

- Amendments to FRS 7 "Financial instruments: Disclosures" and FRS 1 "First-time adoption of financial reporting standards" (effective from 1 January 2011) requires enhanced disclosures about fair value measurement and liquidity risk. In particular, the amendment requires disclosure of fair value measurements by level of a fair value measurement hierarchy.

The Fund has applied the transitional provision which exempts entities from disclosing the possible impact arising from the initial application of this amendment on the financial statements of the Fund.

All changes in accounting policies have been made in accordance with the transitional provisions in the respective standards, where applicable.

Other than disclosed above, the adoption of the new standards did not have a material impact on the financial statements of the Fund.

#### B INCOME FROM SHARIAH-COMPLIANT FINANCIAL INSTRUMENTS

Revenue arising from assets yielding profit is recognised on an accruals basis (taking into account the effective yield of the asset).

Dividend income is recognised when the right to receive payment is established.

## MyETF DOW JONES ISLAMIC MARKET MALAYSIA TITANS 25

### SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2011 (CONTINUED)

#### C NON SHARIAH-COMPLIANT INCOME

Any income or distribution received by the Fund from its investment portfolio which relates to interest 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, 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.

#### 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 TO / FROM STOCKBROKERS

Amounts due from and to brokers represent receivables for securities sold and 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 brokers. 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.

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 period. 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.



## MyETF DOW JONES ISLAMIC MARKET MALAYSIA TITANS 25

### SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2011 (CONTINUED)

#### 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.

##### (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 the income statement.

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.

Gains or losses arising from changes in the fair value of the 'financial assets at fair value through profit or loss' category 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.

In accordance with the Deed, quoted investments in Malaysia are valued at the last done market price quoted on Bursa Malaysia at the date of the statement of financial position.

#### 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.

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 is calculated by dividing the net assets attributable to unit holders with the total number of outstanding units. In accordance with the SC Guidelines on Exchange Traded Funds, investment positions are valued based on the last traded market price for the purpose of determining the net asset value per unit for creations and cancellations.

## MyETF DOW JONES ISLAMIC MARKET MALAYSIA TITANS 25

### SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2011 (CONTINUED)

#### 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 INCOME AFTER TAX

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

#### L CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

The preparation of financial statements in conformity with the Financial Reporting Standards and the SC Guidelines on Exchange Traded Funds requires the use of estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the financial year. Although these estimates are based on the Manager's best knowledge of current events and actions, actual results could differ from those estimates.

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

# MyETF DOW JONES ISLAMIC MARKET MALAYSIA TITANS 25

## NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2011

### 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 22 January 2008 and will continue its operations until terminated by the Trustee or the Manager as provided under Clause 25 of the Deed.

The Fund is an exchange traded fund that is designed to provide investment results that closely correspond to the performance of the Dow Jones Islamic Market Malaysia Titans 25 Index (“Benchmark Index”) as provided by Dow Jones Indexes, which is under CME Group Index Services LLC. 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.

### 2 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

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

30 September 2011	Note	Loans and Receivables RM	Asset at fair value through profit or loss RM	Total RM
Financial Assets at fair value through profit or loss	10	-	472,320,691	472,320,691
Dividend and other receivables		2,311,572	-	2,311,572
Cash and Cash Equivalents	13	4,402,807	-	4,402,807
Total		<u>6,714,379</u>	<u>472,320,691</u>	<u>479,035,070</u>

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.

## MyETF DOW JONES ISLAMIC MARKET MALAYSIA TITANS 25

### NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2011 (CONTINUED)

#### 2 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

##### 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 30 September, the fair value of equities exposed to price risk was as follows:

	Fair Value	
	2011 RM	2010 RM
Financial Assets at fair value through profit or loss	472,320,691	614,908,751

The table below summarises the sensitivity of the Fund's unrealized income or loss to equity price movements as at 30 September 2011. 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.

% Change in benchmark index	Benchmark Index	Market Value RM	Change in unrealised gain RM
-10%	711.85	426,033,264	(46,287,428)
0%	790.94	472,320,691	-
10%	870.03	518,608,119	46,287,428

The Index is used as the Fund is designed to provide investment results that closely correspond to the performance of the Index.

##### Cash flow profit rate risk

The Fund holds a limited amount cash and cash equivalents that expose the Fund to cash flow profit rate risk. The Fund's policy requires cash and cash equivalents to comprise no more than 10% of the funds assets.

## MyETF DOW JONES ISLAMIC MARKET MALAYSIA TITANS 25

### NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2011 (CONTINUED)

#### 2 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

##### 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 the end of any financial period is the carrying amount of the financial assets as set out below.

	<u>30 September</u> <u>2011</u>	<u>31 December</u> <u>2010</u>
Cash and Cash Equivalents	4,402,807	12,469,742
Other Assets	2,311,572	1,396,045
<b>Total</b>	<b>6,714,379</b>	<b>13,865,787</b>

None of these assets is impaired nor past due but not impaired.

At 30 September 2011, all cash and cash equivalents are placed with CIMB Islamic Bank Berhad.

#### 3 CAPITAL AND LIABILITY 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.

## MyETF DOW JONES ISLAMIC MARKET MALAYSIA TITANS 25

### NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2011 (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 period ended 30 September 2011, the management fee was recognised at a rate of 0.4% (2010: 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 period ended 30 September 2011, the Trustee's fee was recognised at a rate of 0.05% (2010: 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 CME Group Index Services LLC, the Benchmark Index provider.

For the financial period ended 30 September 2011, the License Fee was recognised at a rate of 0.04% (2010: 0.04%) per annum of the Net Asset Value (NAV) of the Fund, calculated on daily basis.

There will be no further liability to CME Group Index Services 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 year.

During the financial period ended 30 September 2011, the Other Expenses' rate had been changed from 0.025% per annum to 0% per annum of the Net Asset Value (NAV) of the Fund.

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

MyETF DOW JONES ISLAMIC MARKET MALAYSIA TITANS 25

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2011 (CONTINUED)

8 TAXATION

	<u>30 September</u> <u>2011</u> RM	<u>30 September</u> <u>2010</u> RM
Current taxation	209,038	635,447

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

	<u>30 September</u> <u>2011</u> RM	<u>30 September</u> <u>2010</u> RM
Net profit/(loss) before taxation	(55,824,235)	52,179,792
Tax at Malaysian statutory rate of 25%	(13,956,059)	13,044,948
Tax effect of:		
Income not subject to tax	(1,529,858)	(2,198,706)
Gains exempt from tax	15,483,145	(10,527,562)
Expenses not deductible for tax purposes	211,810	316,767
	<u>209,038</u>	<u>635,447</u>

## MyETF DOW JONES ISLAMIC MARKET MALAYSIA TITANS 25

### NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2011 (CONTINUED)

#### 9 INCOME DISTRIBUTION

Distribution to unit holders is from the following sources:

	1 January 2011 to 30 June 2011 RM
Gross Dividend Income	7,575,522
Profits from Money Market Placements	118,934
Other Income – Tax Refund	139,232
	<hr/>
	7,833,687
Less: Expenses	
Exempt Non Shariah-compliant Income	(198,059)
Fund Related Expenses	(1,703,336)
Dividend Tax Expense	(353,293)
	<hr/>
Total amount of Income Distribution	<u>5,579,000</u>
Distribution date (ex-date)	22-Aug-11
Income distributable per unit	0.01
Distribution yield	1.09%

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</u> <u>per unit</u> RM	<u>Ex-Distribution</u> RM
22 August 2011	0.9250	0.01	0.9150

An interim income distribution for the financial year ended 31 December 2011 of 1 sen per unit was declared on 29 July 2011 based on the financial position of the Fund as at 30 June 2011 with an ex-date on 22 August 2011 and entitlement date on 24 August 2011. The total amount of income distributed was RM5,579,000.00 based on 5,579,000 of MyETF DJIM25's units in circulation.



## MyETF DOW JONES ISLAMIC MARKET MALAYSIA TITANS 25

### NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2011 (CONTINUED)

#### 10 FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	<u>30 September</u> <u>2011</u> RM	<u>31 December</u> <u>2010</u> RM
Designated at fair value through profit or loss at inception		
- Shares quoted in Malaysia	472,320,691	614,908,751
	<u>472,320,691</u>	<u>614,908,751</u>
	<u>Quarter Ended</u> <u>30 September</u> <u>2011</u>	<u>Quarter Ended</u> <u>30 September</u> <u>2010</u>
Net gain on assets at fair value through profit or loss		
- Realised	(2,044,441)	(4,757,602)
- Change in unrealised	(59,871,919)	46,907,926
	<u>(61,916,360)</u>	<u>42,150,324</u>
	<u>Year to Date</u> <u>30 September</u> <u>2011</u>	<u>Year to Date</u> <u>30 September</u> <u>2010</u>
Net gain on assets at fair value through profit or loss		
- Realised	4,629,911	(7,707,948)
- Change in unrealised	(34,065,797)	45,222,537
	<u>(29,435,886)</u>	<u>37,514,589</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 period including the Dividends Receivable – Non Shariah-compliant Income portions.

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 Dow Jones Indexes.

Dividends declared are recognized on the Ex-Date and are reversed out from the receivables upon receipt by the Fund

## MyETF DOW JONES ISLAMIC MARKET MALAYSIA TITANS 25

### NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2011 (CONTINUED)

#### 12 RECEIVABLES

	<u>30 September</u> <u>2011</u> RM	<u>31 December</u> <u>2010</u> RM
Allotment Fee for cancellation/creation of units due from Participating Dealers	450	50
Other Receivables – TM Capital Distribution	16,936	-
	<u>17,386</u>	<u>50</u>
	<u>17,386</u>	<u>50</u>

#### 13 CASH AND CASH EQUIVALENTS

	<u>30 September</u> <u>2011</u> RM	<u>31 December</u> <u>2010</u> RM
Short-term money market placements in Islamic financial instruments with licensed banks	4,184,116	10,498,562
Cash at Bank – From Shariah-compliant Income	9,526	996
Cash at Bank – From Non Shariah-compliant Income	209,165	1,970,184
	<u>4,402,807</u>	<u>12,469,742</u>
	<u>4,402,807</u>	<u>12,469,742</u>

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

	<u>30 September</u> <u>2011</u> %pa	<u>31 December</u> <u>2010</u> %pa
Deposits with licensed financial institutions	2.84	2.38
	<u>2.84</u>	<u>2.38</u>
	<u>2.84</u>	<u>2.38</u>

For the financial period ended 30 September 2011, the Shariah-compliant money market placements of the Fund have a weighted average maturity period of 7.05 days (4.91 days: 31 December 2010) and are denominated in Ringgit Malaysia.

## MyETF DOW JONES ISLAMIC MARKET MALAYSIA TITANS 25

### NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2011 (CONTINUED)

#### 14 PAYABLES

	<u>30 September</u> <u>2011</u> RM	<u>31 December</u> <u>2010</u> RM
Amount due to Index Licensor	119,222	130,011
Amount due to Shariah Adviser	-	19,000
Amount due to beneficial organisations 15	237,938	1,981,344
Amount due to Bursa	1,450	1,050
Other payables	230,239	272,637
	<u>588,849</u>	<u>2,404,042</u>

#### 15 AMOUNT DUE TO BENEFICIAL ORGANISATIONS

Amount due to beneficial organisations is the Non Shariah-compliant Income portion of dividends received and receivable as at 30 September 2011. It comprises the following amounts:

	<u>30 September</u> <u>2011</u> RM	<u>31 December</u> <u>2010</u> RM
Cash at Bank – Non Shariah-compliant Income	209,165	1,970,184
Dividends Receivable – Non Shariah-compliant Income	28,773	11,160
	<u>237,938</u>	<u>1,981,344</u>

Cash at bank – Non Shariah-compliant Income represents the portion of dividends already received during the financial period 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 Dow Jones Indexes.

## MyETF DOW JONES ISLAMIC MARKET MALAYSIA TITANS 25

### NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2011 (CONTINUED)

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

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

		<u>30 September</u> 2011	<u>31 December</u> 2010
	Note	RM	RM
Unit holders' Contribution	(a)	549,242,752	668,378,363
Accumulated Losses		(70,983,964)	(42,278,750)
		<u>478,258,788</u>	<u>626,099,613</u>

#### (a) UNIT HOLDERS' CONTRIBUTION / UNITS IN CIRCULATION

	<u>30 September 2011</u>		<u>31 December 2010</u>	
	No. of Units	RM	No. of Units	RM
At beginning of year	657,500,000	626,099,613	802,000,000	656,705,064
Created during the year	-	-	-	-
Redeemed during the year	(122,000,000)	(119,135,611)	(144,500,000)	(128,653,350)
Net Income Distribution	-	(12,119,000)	-	-
	<b>535,500,000</b>	<b>494,845,002</b>	<b>657,500,000</b>	<b>528,051,714</b>
Total Comprehensive Income for the year	-	(16,586,214)	-	98,047,899
At the end of the financial year	<b>535,500,000</b>	<b>478,258,788</b>	<b>657,500,000</b>	<b>626,099,613</b>
Approved size of Fund	<u>10,000,000,000</u>			

In accordance with the Deed, the Manager may increase the size of the Fund from time to time with the approval of the Trustee and the SC. The maximum number of units that can be issued out for circulation by the Fund is 10,000,000,000. As at 30 September 2011, the number of units not yet issued by the Fund is 9,464,500,000 (2010: 9,342,500,000).

The Manager, *i*-VCAP Management Sdn. Bhd., did not hold any units in the Fund as at 30 September 2011.

# MyETF DOW JONES ISLAMIC MARKET MALAYSIA TITANS

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2011 (CONTINUED)

### 17 TRANSACTIONS WITH BROKERS

Details of transactions with the brokers for the financial period ended 30 September 2011 are as follows:

Name of brokers	Value of trade RM	Percentage of total trades %	Brokerage fees RM	Percentage of total brokerage %
RHB Investment Bank Bhd	49,203,209	26.21	59,168	26.23
OSK Investment Bank Bhd	47,330,548	25.21	59,969	26.25
Maybank Investment Bank Bhd	45,223,560	24.09	54,269	24.05
CIMB Investment Bank Bhd	46,002,605	24.50	55,210	24.47
	<u>187,759,923</u>	<u>100.0</u>	<u>225,616</u>	<u>100.0</u>

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

### 18 UNITS HELD BY THE MANAGER AND PARTIES RELATED TO THE MANAGER

The related parties of and their relationship with the Fund are as follows:

<u>Related parties</u>	<u>Relationship</u>
i-VCAP Management Sdn. Bhd.	The Manager
Valuecap Sdn Bhd (“Valuecap”)	Holding company of the Manager
Directors of Valuecap and shareholders of Valuecap with significant influence	Other related parties

There are no units that were held by the Manager as at the end of the period.

	<u>30 September 2011</u>		<u>31 December 2010</u>	
	No. of units	RM	No. of units	RM
Valuecap and other related parties at NAV				
- Legally (direct holding)	364,700,300	325,713,838	379,860,300	361,702,978
- Beneficially (indirectly through nominee banks)	-	-	379,000	360,884
	<u>364,700,300</u>	<u>325,713,838</u>	<u>380,239,300</u>	<u>362,063,862</u>

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

## MyETF DOW JONES ISLAMIC MARKET MALAYSIA TITANS 25

### NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2011 (CONTINUED)

19	MANAGEMENT EXPENSE RATIO (“MER”)	<u>30 September</u> <u>2011</u> %	<u>30 September</u> <u>2010</u> %
	MER	0.38	0.39

MER is derived from the following calculation:

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

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

The average net asset value of the Fund for the financial period ended 30 September 2011 calculated on daily basis is RM589,516,712 (30 September 2010: RM661,276,631)

20	PORTFOLIO TURNOVER RATIO (“PTR”)	<u>30 September</u> <u>2011</u> %	<u>30 September</u> <u>2010</u> %
	PTR (times)	0.16	0.02

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 = RM96,483,646(30 September 2010: RM13,501,297)  
total disposal for the financial year = RM91,284,286(30 September 2010: RM11,125,995)

The average net asset value of the Fund for the financial period ended 30 September 2011 calculated on daily basis is RM589,516,712(30 September 2010: RM661,276,631)

#### 21 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 FRS. 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 period.

## MyETF DOW JONES ISLAMIC MARKET MALAYSIA TITANS 25

### NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2011 (CONTINUED)

#### 22 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>30 September</u> <u>2011</u>	<u>31 December</u> <u>2010</u>
Creation		
- Fair value of Benchmark Index shares	-	-
- Cash component	-	-
	<u>                    </u>	<u>                    </u>
	-	-
	<u>                    </u>	<u>                    </u>
Cancellation		
- Fair value of Benchmark Index shares	116,682,730	119,557,249
- Cash component	2,452,881	9,096,101
	<u>                    </u>	<u>                    </u>
	119,135,611	128,653,350
	<u>                    </u>	<u>                    </u>

#### 23 PRIOR YEAR'S QUARTER RECLASSIFICATION

During the second quarter 2011, the Fund has classified the Brokerage Fees as an expense item. To ensure consistency, the prior year's quarter comparative has been reclassified accordingly.

#### 24 SUPPLEMENTARY INFORMATION DISCLOSED PURSUANT TO BURSA MALAYSIA SECURITIES BERHAD LISTING REQUIREMENTS

The following analysis of realised and unrealised retained profits / (accumulated losses) 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>30 September</u> <u>2011</u> RM
Total retained profits/(accumulated losses) of the Fund	
- Realised	(115,888,008)
- Unrealised	44,904,044
	<u>                    </u>
	(70,983,964)
	<u>                    </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.

