

Manager's Report

For the Financial Period 1 July to 30 September 2012

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 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. 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

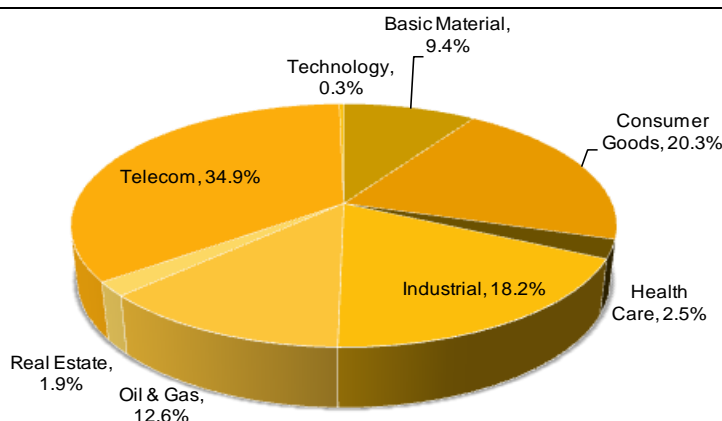
The Benchmark Index is a market capitalisation weighted and free-float adjusted index provided by S&P Dow Jones Indices (“S&P Dow Jones”).

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.

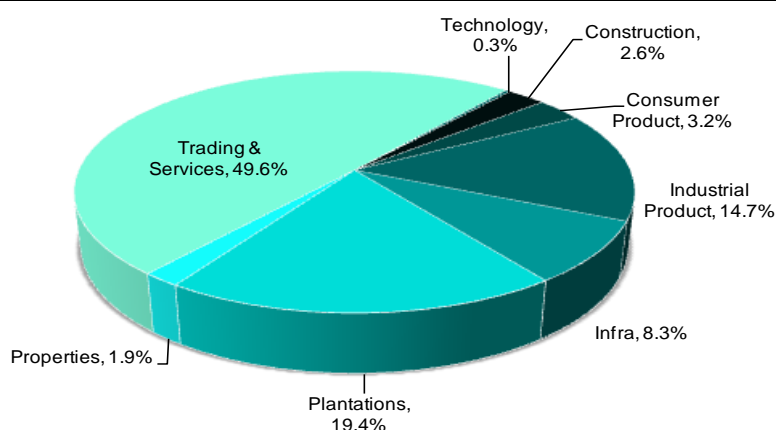
Based on the latest quarterly review (as at 13 September 2012), the sector allocation of DJIM25 Index based on S&P Dow Jones and Bursa Securities sector classifications are as follows:

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

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 achieved its investment objective by tracking closely its underlying benchmark, i.e. DJIM25 Index. As at 30 September 2012, 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 1.53% and 1.29% respectively, which were within the 3% limit stipulated under the Fund's investment objective.

The Fund's NAV rose to an all time high of RM1.1161 on 4 September 2012, before easing to end at RM1.1062, which represents a 4.18% gain for the quarter. The increase in NAV per unit however, was slightly lower compared to the underlying benchmark, i.e. DJIM25 Index, which gained 4.77% to close at 981.43 points at the end of the quarter. The variance was a result of the adjustment to the Fund's NAV after taking into consideration the interim income declared during the period. The Fund's unit price, traded on Bursa Securities meanwhile, closed at of RM1.10/unit, up 4.76% for the same period. On a year-to-date basis, the Fund's NAV had gained 10.36% while the unit price traded appreciated 11.11% which is in line with the benchmark index's gain of 11.12%. As at end of September, total NAV of the Fund decreased to RM296.34million from RM309.95 million as at end of previous year as the Fund's units in circulation decreased from 291.9 million to 267.9 million.

The key statistics and performance of the Fund for the third quarter of 2012 ("3Q2012") and the comparison against other various periods are summarized and depicted in the following table and chart:

Table 1: Key Statistics

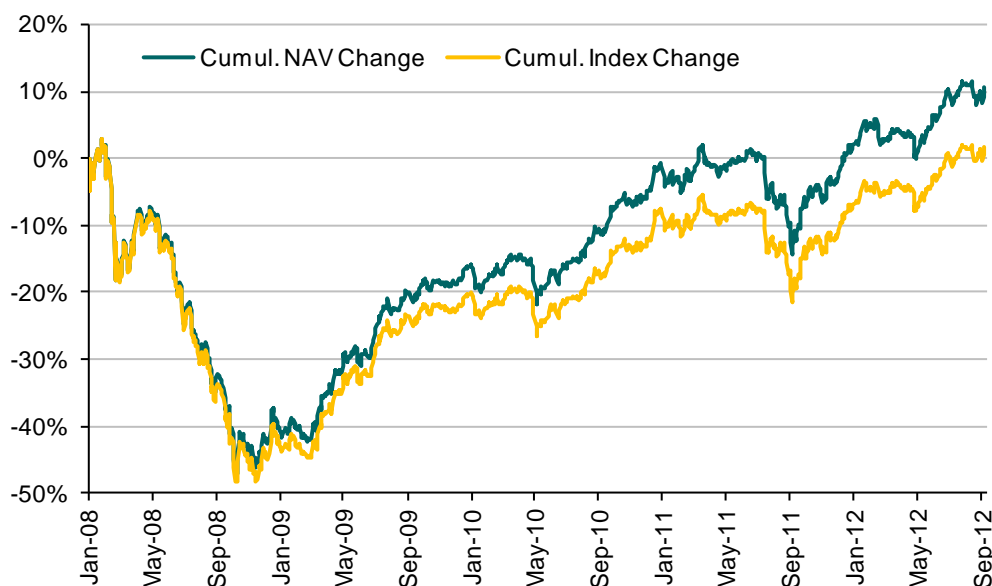
	As at 30-Sep-12	As at 30-Jun-12	QoQ Change	As at 31-Dec-11	YTD Change
NAV per unit (RM)	1.1062 [#]	1.0618 [#]	4.18%	1.0024 [#]	10.36%
- Highest	1.1161	1.0645		1.0024	
- Lowest (During the period)	1.063	0.9990		0.8763	
Price per unit (RM)	1.10 [#]	1.05 [#]	4.76%	0.99 [#]	11.11%
- Highest	1.10	1.05		0.99	
- Lowest (During the period)	1.045 (3Q 2012)	1.01 (2Q 2012)		0.875 (2011)	
DJIM25 Index	981.43	936.71	4.77%	883.19	11.12%
DJIM25 Total Return Index	1,192.57	1,128.91	5.64%	1043.21	14.32%
Units in Circulation	267,900,000	291,900,000	-8.22%	410,300,000	-34.71%
Total NAV (RM)	296,347,214	309,949,854	-4.39%	411,303,163	-27.95%
Market Capitalisation (RM)	294,690,000	306,495,000	-3.85%	406,197,000	-27.45%
Tracking Error vs. Price Return DJIM25 Index (%) [*]	1.53	1.50		1.30	
Tracking Error vs. Total Return DJIM25 Index (%) [*]	1.29	1.20		0.93	
Management Expense Ratio (%)	0.37	0.24		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: Fund NAV Per Unit vs. Benchmark Index – Performance Since Inception



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 2a: Average Total Return – Annualized

	YTD (%)	1-Year (%)	3-Year (%)	Since Inception (%)
MyETF-DJIM25 - NAV Per Unit ^(a)	+14.04	+23.86	+12.07	+2.17
DJIM25 Index	+17.14	+24.08	+10.70	+0.38

Sources: Bloomberg, i-VCAP

(a) Independently verified by Perkasa Normandy Advisers Sdn. Bhd.

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

Table 2b: Cumulative Returns

	YTD (%)	1-Year (%)	3-Year (%)	Since Inception (%)
MyETF-DJIM25 - NAV Per Unit ^(a)	+10.36	+23.86	+40.76	+10.62
DJIM25 Index	+11.12	+24.08	+35.64	+1.78

Sources: Bloomberg, i-VCAP

(a) Independently verified by Perkasa Normandy Advisers Sdn. Bhd.

During the period under review, S&P Dow Jones performed its Third Quarter 2012 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 to align with the changes in the Benchmark Index. The stock components of the DJIM25 Index remained the same in the quarterly review with minimal changes to each stock's index weighting. In terms of sectoral composition, notable changes arising from the quarterly review were the increase in Trading and Services from 47.76 % to 49.66% and Infrastructure from 7.51% to 8.55% while Plantation sector saw a decrease from 19.62% to 18.46% at the end of the third quarter. Details of the changes for the third quarter are as follows.

Table 3: Top Ten Holdings of the Fund as at 30 Sept 2012

Stock	% of NAV	Q-o-Q Δ (% holdings)
1. Sime Darby Bhd	13.65	0.40
2. Axiata Group Bhd	11.77	1.35
3. Maxis Bhd	9.02	0.25
4. IOI Corporation Bhd	8.34	(0.80)
5. Digi.Com Bhd	8.09	1.00
6. Petronas Chemicals Group Bhd	6.82	(0.44)
7. Telekom Malaysia Bhd	6.29	0.74
8. Kuala Lumpur Kepong Bhd	5.59	(0.04)
9. Petronas Gas Bhd	4.57	0.01
10. Petronas Dagangan Bhd	3.11	0.13
Top Ten Holdings' Total	77.26	2.61

Sources: Bursa Malaysia, i-VCAP

Table 4: Change in Fund's Sector Allocation*

	As at 30 Sept 2012	As at 30 Jun 2012	Change (percentage points)
Trading/Services	49.66%	47.76%	1.90
Plantation	18.46%	19.62%	-1.16
Industrial Products	14.34%	15.00%	-0.66
Infrastructure	8.55%	7.51%	1.04
Construction	2.61%	3.09%	-0.48
Consumer Products	3.05%	3.06%	-0.01
Properties	1.77%	2.02%	-0.25
Technology	0.24%	0.42%	-0.18
Cash & Others	1.32%	1.52%	-0.20

Sources: Bursa Malaysia, i-VCAP

* Based on Bursa Securities classification

Details of the Fund's quoted Investments as at 30 September 2012 are as follows:

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

	Quantity (Units)	Market Value (RM)	Market Value as a percentage of Net Asset Value (%)
<u>Trading/Services</u>			
Sime Darby Bhd	4,127,700	40,451,460	13.65
Axiata Group Bhd	5,365,600	34,876,400	11.77
Maxis Bhd	3,863,600	26,736,112	9.02
Telekom Malaysia Bhd	3,010,000	18,631,900	6.29
Petronas Dagangan Bhd	409,400	9,211,500	3.11
Bumi Armada Bhd	1,508,600	5,566,734	1.88
Dialog Group Bhd	2,384,697	5,699,426	1.92
Malaysia Marine & Heavy Engineering Bhd	686,900	3,269,644	1.10
KPJ Healthcare Bhd	447,300	2,728,530	0.92
		147,171,706	49.66
<u>Plantation</u>			
IOI Corporation Bhd	4,962,439	24,712,946	8.34
Kuala Lumpur Kepong Bhd	751,600	16,580,296	5.60
Batu Kawan Bhd	344,400	6,199,200	2.09
Genting Plantations Bhd	403,600	3,713,120	1.25
United Plantations Bhd	139,400	3,485,000	1.18
		54,690,562	18.46
<u>Industrial Products</u>			
Petronas Chemicals Group Bhd	3,159,600	20,221,440	6.82
Petronas Gas Bhd	713,500	13,556,500	4.57
Lafarge Malayan Cement Bhd	496,100	4,415,290	1.49
Top Glove Corp Bhd	603,800	2,958,620	1.00
Supermax Corp Bhd	652,900	1,344,974	0.45
		42,496,824	14.34
<u>Infrastructure</u>			
Digi.Com Bhd	4,539,300	23,967,504	8.09
Time Dotcom Bhd	442,040	1,370,324	0.46
		25,337,828	8.55
<u>Construction</u>			
Gamuda Bhd	2,250,000	7,740,000	2.61
		7,740,000	2.61
<u>Consumer Products</u>			
UMW Holdings Bhd	902,800	9,028,000	3.05
		9,028,000	3.05
<u>Properties</u>			
SP Setia Bhd	1,443,050	5,252,702	1.77
		5,252,702	1.77
<u>Technology</u>			
JCY International Bhd	912,900	712,062	0.24
		712,062	0.24
		292,429,684	98.68

Sources: Bursa Malaysia, i-VCAP

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 quarter, the Fund had declared an interim income for its unit holders of 1.25 sen on 28 August for the Financial Year ending 2012, whereby the ex-date was on 12 September 2012 and entitlement date on 14 September 2012. The income distribution was paid on 9 October 2012. Based on the number of entitled unit holders, the Fund distributed a total amount of RM3,348,750 derived from the dividend income that the Fund received from its investment holdings during the 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

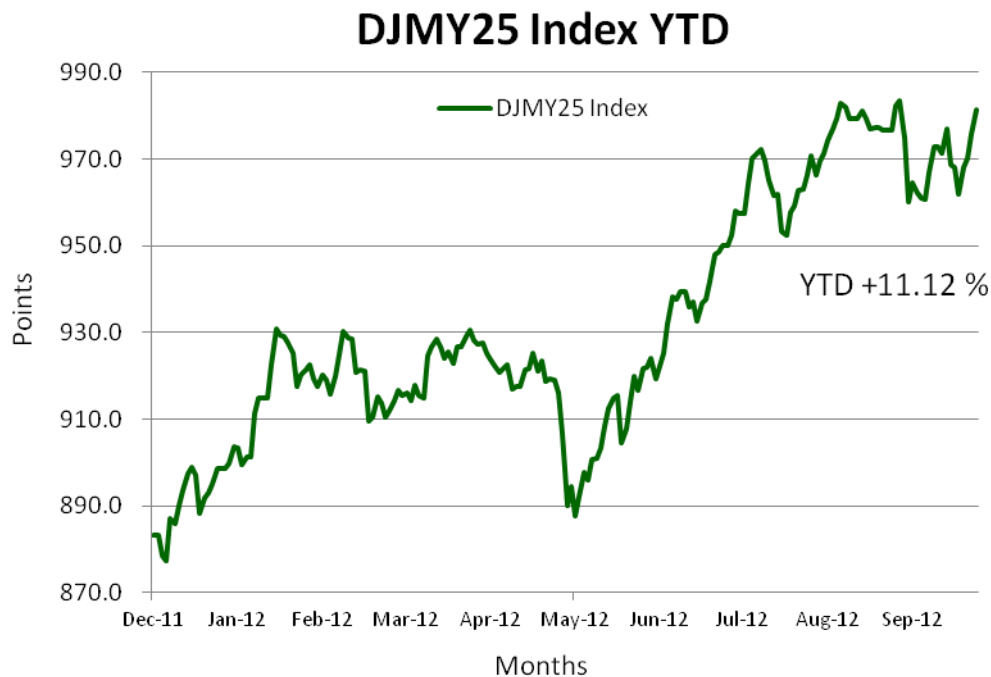
It is the Manager's policy to not receive any goods or services by way of soft commission.

8. Market Review and Outlook

Global equity markets in general experienced a gradual rally in the 3rd quarter 2012. Gains were mostly chalked in the first two months of the quarter on speculation of new stimulus program to be implemented in the US and Euro zone. However, the markets pulled back in early September as concerns over China's slower economic growth and the uncertainty of the Euro zone bailout plan eroded investors' sentiment. Confidence nonetheless was restored following the Federal Reserve's announcement of the QE3 stimulus program as well as ECB's unlimited Euro zone sovereign bond buying scheme.

During the period under review (1 July 2012 to 30 September 2012), DJIM25 Index gained 44.72 points or 4.77%. DJIM25 had rallied at the start of the quarter to reach its year high of 984.87 on 4 September 2012. Profit taking activities however, followed suit as the index stabilized at the 960 level before rebounding to end the quarter at 981.43 points.

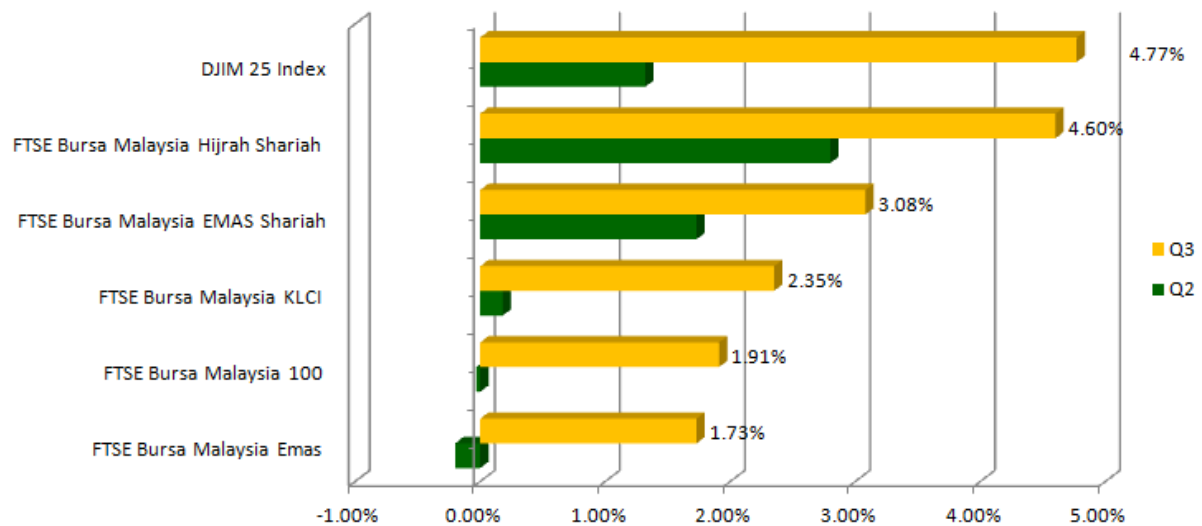
Chart 3: DJIM25 Index



Sources: Bloomberg

The performance of the DJIM25 Index during the quarter was largely driven by the Trading / Services (Telecommunications), Industrial Products and Property sectors comprising high yield blue chip stocks. A key laggard during the quarter was the Plantation sector that underperformed the broader market due to the weaker commodity performance as palm oil prices hit a 2 year low of RM 2,140 per tonne during the quarter.

Comparatively, the DJIM25 Index performed better than all the major local benchmark indices in 3Q2012. The DJIM25 Index's 4.77% gain outperformed the two major Shariah benchmarks, i.e. the FTSE Bursa Malaysia Hijrah Shariah Index (+4.60%) and the broader FTSE Bursa Malaysia EMAS Shariah Index (+3.08%). Meanwhile, the DJIM25 Index also outperformed the FTSE Bursa Malaysia KLCI Index (+2.35%), FTSE Bursa Malaysia 100 Index (+1.91%) and the FTSE Bursa Malaysia Emas (+1.73%) for the quarter. DJIM25 Index's performance against the other domestic indices is depicted in the following chart.

Chart 4: DJIM25 Index performance against domestic indices

Source: Bloomberg

Going into the final quarter of 2012, the global economy is expected to see a gradual recovery which is likely to be led by emerging markets and Asian economies in particular. The announcement of further quantitative and monetary easing by the policy makers in the U.S., Euro zone and China may help to stimulate growth which in turn could improve investors' sentiment in the medium term. Company earnings are expected to be closely monitored in the next two quarters as investors assess the fundamental outlook to determine whether the challenging economic conditions in 2H2012 have been factored in. The local equity market meanwhile, is expected to remain choppy in the medium term given the uncertainties in the external front. Nonetheless, Malaysia may benefit from the concerted global economic pump-priming efforts whilst the resilient domestic demand and implementation of the Economic Transformation Programme may help investors to remain cautiously optimistic.