Manager's Report

For the Financial Period 1 July to 30 September 2015

Name of Fund	: MyETF MSCI Malaysia Islamic Dividend ("MyETF-MMID" or "the Fund")
Type of Fund	: Exchange Traded Fund
Fund Category	: Shariah-Compliant Equity
Commencement Date	: 17 March 2014
Listing Date	: 21 March 2014
Benchmark Index	: MSCI Malaysia IMI Islamic High Dividend Yield 10/40 Index ("MIMYDY40 Index" or "Benchmark Index")
Manager	: *i*-VCAP Management Sdn. Bhd. ("*i*-VCAP")

1. Investment Objective

MyETF-MMID 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.

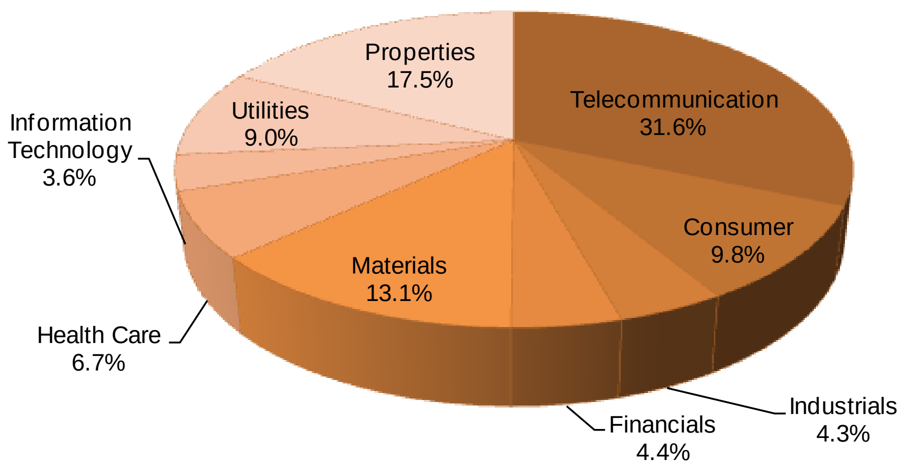
2. Benchmark Index

The Benchmark Index is a market capitalisation weighted and free-float adjusted index provided by MSCI Inc ("MSCI"). The Benchmark Index is designed as a performance benchmark for the high dividend-yielding companies of its Parent Index, i.e. the MSCI Malaysia IMI Islamic Index. The Benchmark Index shall consist between 16 to 30 Shariah-Compliant companies listed on Bursa Malaysia Securities Berhad ("Bursa Securities") with higher than the average dividend yield of the Parent Index and are deemed both sustainable and persistent by MSCI.

The weight of any single group or entity in the Benchmark Index is capped at 10% of the Index total market capitalisation and the sum of weights of all groups or entities representing more than 5% of the Index is capped at 40% of the Index total market capitalisation.

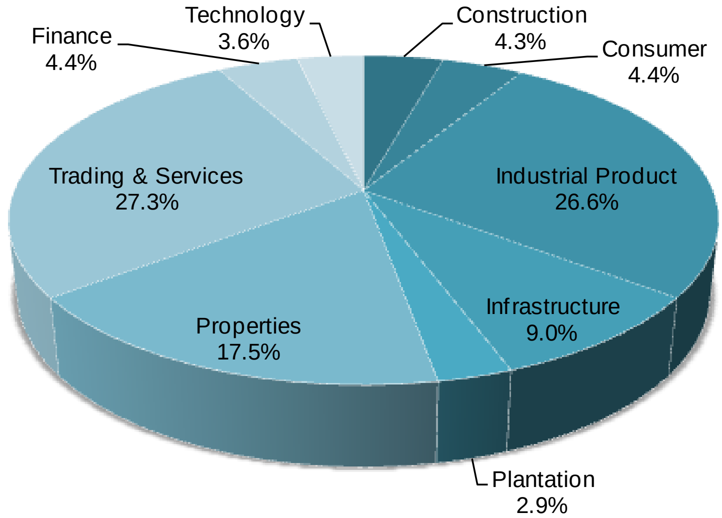
The Parent Index is a free-float adjusted market capitalisation weighted index that is designed to measure the equity market performance of Malaysia. The Parent Index and Benchmark Index consist only of Shariah-compliant securities which are approved by the MSCI Shariah Supervisory Committee ("MSSC") based on the MSCI Islamic Index Series Methodology. The MSSC will review and audit the Benchmark Index, the Parent Index as well as the MSCI Islamic Index Series Methodology on a regular basis to ensure compliance with Shariah. Based on the latest quarterly review (28 August 2015), the sector allocation of MIMYDY40 Index based on MSCI and Bursa Securities sector classifications are as follows:

Chart 1(a): Sector Classification – MSCI



Source: MSCI, *i*-VCap

Chart 1(b): Sector Classification - Bursa Securities



Sources: Bursa Malaysia, MSCI, *i*-VCap

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 which is to track closely the underlying benchmark, i.e. MIMYDY40 Index. As at 30 September 2015, 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 was 2.11% and 2.02% respectively, which were within the 3% limit stipulated under the Fund's investment objective.

In terms of NAV movement, the Fund's NAV per unit decreased by 0.59% to RM0.9872 from RM0.9931 at the end of the previous quarter. Correspondingly, the MIMYDY40 Index decreased by 1.76% for the same period. For year-to-date, the Fund's NAV declined by 0.61% while the Benchmark Index decreased by 0.87%.

The Fund's unit price traded on Bursa Securities closed the 3Q2015 at RM0.9770 which was slightly at a discount to its NAV. This represents a decrease of 1.81% from RM0.9950 at the end of the previous quarter. During the 3Q2015, MyETF-MMID's NAV and price per unit traded on Bursa Securities reached RM0.9376 and RM0.9400 on 17 August respectively, its lowest level since inception and in line with the Benchmark Index drop during the period. The Fund however, managed to rebound by 5.3% thereafter to close at a minimal loss for the quarter. The key statistics and comparative performance of the Fund for the 3Q2015 against the 2Q2015 are summarized as follows:

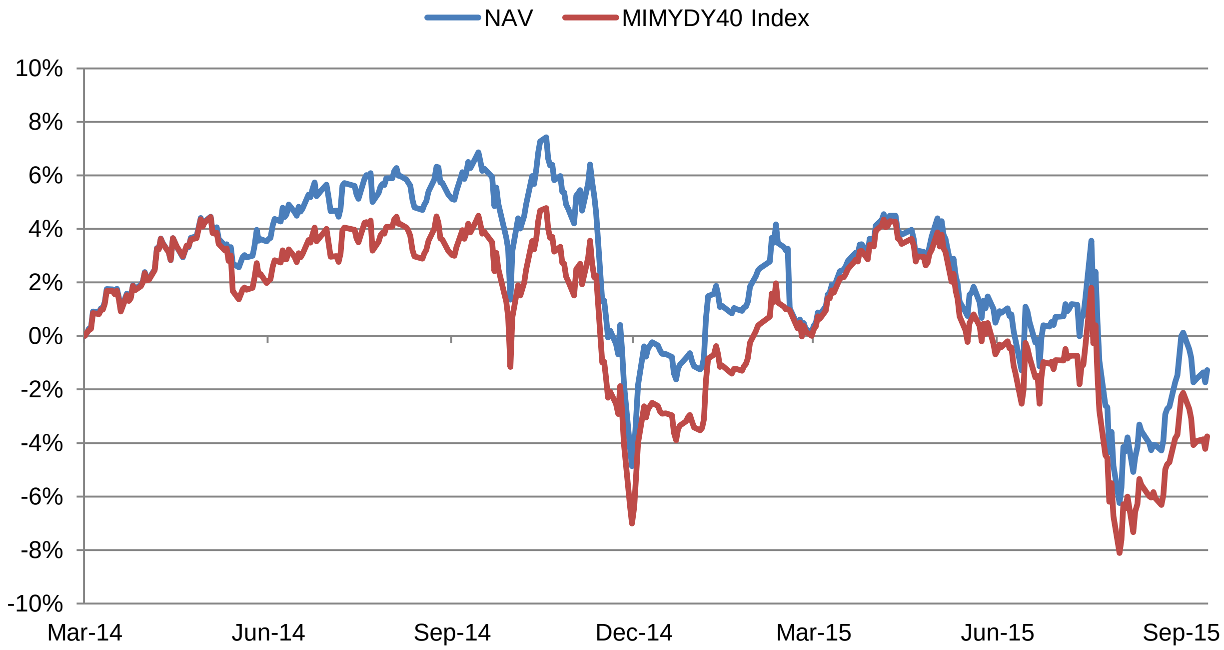
Table 1: Key Statistics

	As at 30-Sep-15	As at 30-Jun-15	QoQ Change
NAV per unit (RM) #	0.9872	0.9931	-0.59%
- Highest - Lowest *(During the period)*	1.0356 (3 Aug) 0.9376 (17 Aug)	1.0455 (21 Apr) 0.9871 (29 Jun)	
Price per unit (RM) #	0.9770	0.9950	-1.81%
- Highest - Lowest *(During the period)*	1.0100 (31 Jul) 0.9400 (17 Aug)	1.0350 (16 Apr) 0.9871 (29 Jun)	
Units in Circulation	21,600,000	21,600,000	0.00%
Total NAV (RM)	21,323,275	21,450,241	-0.59%
Market Capitalisation (RM)	21,103,200	21,492,000	-1.81%
MIMYDY40 Index	2,247.76	2,288.12	-1.76%
MIMYDY40 Total Return Index	3,375.08	3,399.53	-0.72%
Tracking Error vs. Price Return MIMYDY40 Index (%)*	2.11	2.23	
Tracking Error vs. Total Return MIMYDY40 Index (%)*	2.02	2.15	
Management Expense Ratio (%)	0.26	0.18	

Sources: Bloomberg, *i*-VCAP

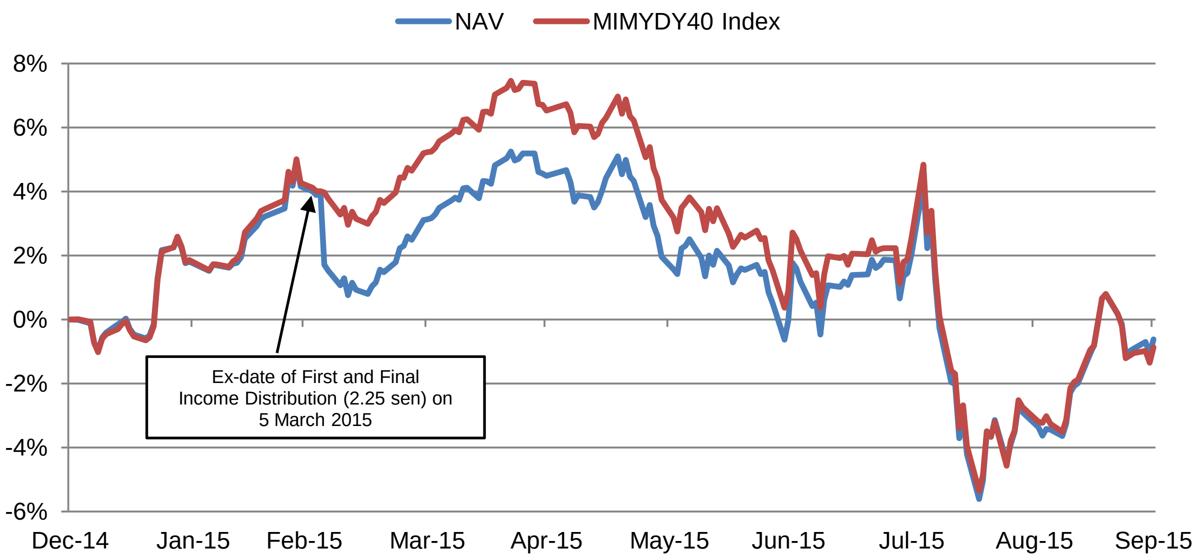
*** The tracking error (calculated since inception and on daily basis) between the NAV per unit of the Fund and the Price Return and Total Return Benchmark Index**

Chart 2 (a): Fund NAV Per Unit vs. Benchmark Index – Performance Since Inception



Sources: Bloomberg, *i*-VCAP

Chart 2(b): Fund NAV Per Unit vs. Benchmark Index – Performance in 2015



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 2(a): Annual Return

	YTD 30 Sep 15 (%)	2014* (%)
MyETF-MMID - NAV Price Return [(a)]	(0.61)	(0.67)
MIMYDY40 - Price Return Index	(0.87)	(2.90)
MyETF-MMID - NAV Total Return [(a)]	1.60	(0.67)
MIMYDY40 - Total Return Index	2.03	0.16

Sources: Bloomberg, *i*-VCAP

(a) Independently verified by Novagni Analytics and Advisory Sdn. Bhd.

***Listing date was on 21 March 2014**

Table 2(b): Cumulative Returns*

	Cumulative Returns [(b)]			
	3-Month (%)	6-Month (%)	1-Year (%)	Since Inception (%)
MyETF- MMID - NAV Price Return [(a)]	(0.59)	(3.63)	(7.62)	(1.28)
MIMYDY40 - Price Return Index	(1.76)	(5.80)	(7.88)	(3.75)
MyETF- MMID - NAV Total Return [(a)]	(0.59)	(3.63)	(5.56)	0.92
MIMYDY40 - Total Return Index	(0.72)	(3.68)	(4.53)	2.20

Sources: Bloomberg, *i*-VCAP

(a) Independently verified by Novagni Analytics and Advisory Sdn. Bhd.

(b) Cumulative returns are up to 30 September 2015

***Listing date was on 21 March 2014**

Table 2(c): Average Returns (Annualised)*

	Average Returns [(b)]			
	3-Month (%)	6-Month (%)	1-Year (%)	Since Inception (%)
MyETF- MMID - NAV Price Return [(a)]	(2.36)	(7.13)	(7.62)	(0.83)
MIMYDY40 - Price Return Index	(6.87)	(11.27)	(7.88))	(2.45)
MyETF- MMID - NAV Total Return [(a)]	(2.36)	(7.13)	(5.56)	0.60
MIMYDY40 - Total Return Index	(2.85)	(7.22)	(4.53)	1.42

Sources: Bloomberg, *i*-VCAP

(a) Independently verified by Novagni Analytics and Advisory Sdn. Bhd.

(b) Average returns for MIMYDY40 Price Return Index and MIMYDY40 Total Return Index are annualized figures computed based on the price and total returns for the respective period.

*** Listing date was on 21 March 2014**

During the period under review, the Benchmark Index performed its third quarter review for 2015 and rebalanced the composition of the Benchmark Index in accordance with its index methodology. The review in August resulted in changes to the weightings of the component stocks and stock constituents in the Benchmark Index. The Manager had undertaken the rebalancing exercise to align the Fund with the changes in the Benchmark Index. The latest rebalancing exercise saw the Benchmark Index constituents reduced to 20 stocks with removal of one stock from the MIMYDY40 Index, namely Mah Sing Group Berhad. The changes took effect after the close of trading on 28 August 2015.

In terms of sectoral weightings, notable changes to the Fund's sector composition arising from the quarterly review were the increase in Industrial Products sector from 24.54% to 26.21% and Construction sector from 3.83% to 4.85%. On the other hand, the Properties sector decreased from 21.39% to 17.17% following the deletion of Mah Sing Berhad from the Benchmark Index. Details of the key changes for the quarter are as follows:

Table 3: Top Ten Holdings of the Fund as at 30 September 2015

Stock	% of NAV
1. DiGi.Com Berhad	9.68
2. Petronas Gas Berhad	8.90
3. Maxis Berhad	8.89
4. Axiata Group Berhad	8.73
5. WCT Holdings Berhad	4.85
6. Telekom Malaysia Berhad	4.62
7. IOI Properties Group Berhad	4.55
8. UOA Development Berhad	4.48
9. Lafarge Malaysia Berhad	4.43
10. Top Glove Corporation Berhad	4.42
Total	**63.55**

Sources: Bloomberg, *i*-VCAP

Table 4: Fund's Sector Allocation*

	As at 30-Sep-15	As at 30-Jun-15	Change (%)
Trading/Services	26.57%	25.84%	0.73
Industrial Products	26.21%	24.54%	1.67
Properties	17.17%	21.39%	(4.22)
Infrastructure	9.68%	8.68%	0.99
Construction	4.85%	3.83%	1.02
Finance	4.16%	6.24%	(2.08)
Consumer Products	3.69%	3.61%	0.08
Technology	3.53%	2.57%	0.96
Plantation	2.85%	2.53%	0.32
Cash & Others	1.29%	0.77%	0.52

Sources: Bursa Malaysia, *i*-VCAP

*** Based on Bursa Securities classification**

Details of the Fund's quoted Investments as at 30 September 2015 are as follows:

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

	Quantity (Units)	Market Value (RM)	Market Value as a percentage of Net Asset Value (%)
Trading/Services			
1. Maxis Berhad	289,400	1,895,570	8.89
2. Axiata Group Berhad	321,000	1,861,800	8.73
3. Telekom Malaysia Berhad	147,500	985,300	4.62
4. Pharmaniaga Berhad	71,200	462,800	2.17
5. Oldtown Berhad	362,700	460,629	2.16
		5,666,099	**26.57**
Industrial Products			
6. Petronas Gas Berhad	86,400	1,897,344	8.90
7. Lafarge Malaysia Berhad	104,900	944,100	4.43
8. Top Glove Corporation Berhad	116,900	943,383	4.42
9. Ta Ann Holdings Berhad	252,400	933,880	4.38
10. Scientex Berhad	122,400	870,264	4.08
		5,588,971	**26.21**
Properties			
11. UOA Development Bhd	497,600	955,392	4.48
12. IOI Properties Group Berhad	490,400	970,992	4.55
13. Matrix Concepts Holdings Berhad	379,208	868,386	4.07
14. Sunway Berhad	275,300	867,195	4.07
		3,661,965	**17.17**
Infrastructure			
15. DiGi.Com Berhad	371,700	2,062,935	9.68
		2,062,935	**9.68**
Construction			
16. WCT Holdings Berhad	755,013	1,034,368	4.85
		1,034,368	**4.85**
Finance			
17. Syarikat Takaful Malaysia Berhad	235,200	886,704	4.16
		886,704	**4.16**
Consumer Products			
18. UMW Holdings Berhad	104,500	785,840	3.69
		785,840	**3.69**
Technology			
19. Malaysian Pacific Industries Berhad	113,800	753,356	3.53
		753,356	**3.53**
Plantation			
20. Boustead Plantations Berhad	444,100	608,417	2.85
		608,417	**2.85**
		21,048,655	**98.71**

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 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, there was no income distribution declared or being paid.

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. With the implementation Goods and Service Tax (GST), effective from 1 April 2015, fees and expenses incurred by the Fund are subjected to GST.

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

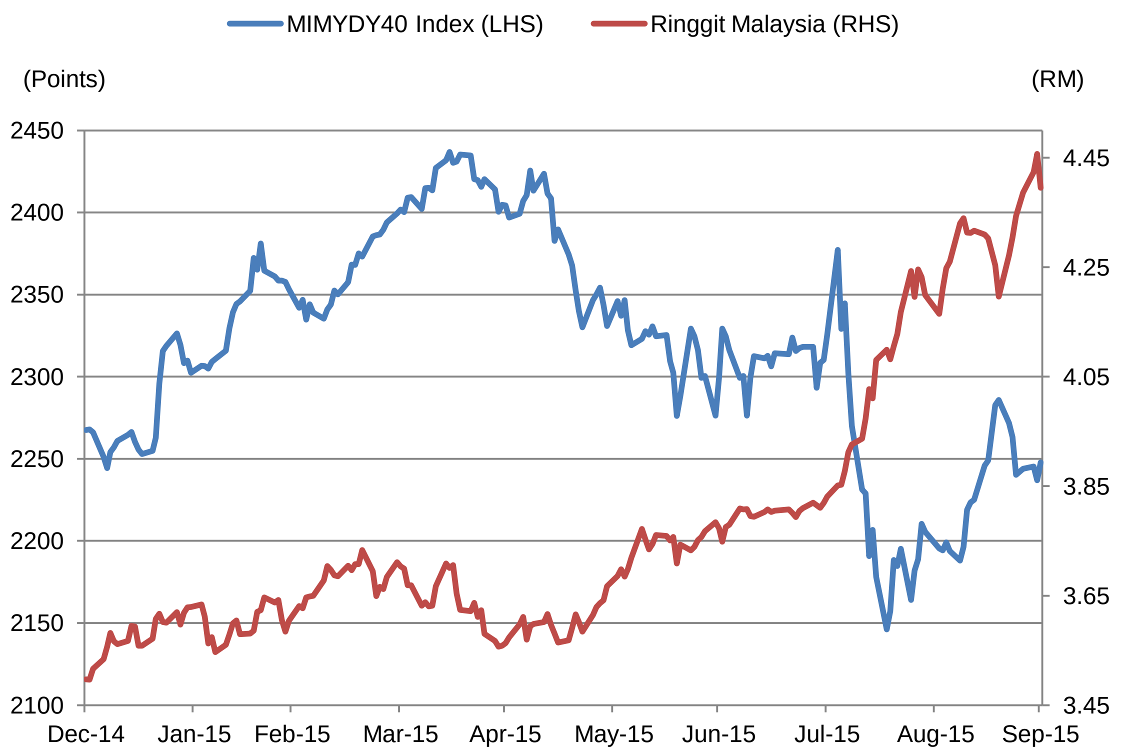
The global economic growth remained uneven and slow in 3Q2015 given the persistent headwinds. The IMF in August echoed the World Bank’s downward revision in global growth forecast for 2015, revising its projections lower at +3.3% compared with +3.5% in April. The lower commodity prices and economic rebalancing in China continued to weaken the currencies and economies in the emerging markets, while the US saw an unexpected output contraction which dragged growth in the 1H2015.

Meanwhile, the Eurozone economy moderated marginally in 2Q2015 but will likely continue to expand modestly throughout the year, aided by the ECB’s quantitative easing. In addition, business activities maintained a near four-year high in July, signaling the manufacturing and services activities expansion. This suggests further resilience in the Eurozone economic activities in the wake of the Greek crisis which has been headlining market sentiment.

China remained on track to grow at its slowest annual rate in six years, with two consecutive quarters of lower growth in 1H2015 which dampened demand for commodities and weighed on global trade. To revive its economy, the government has stepped in to introduce a series of monetary and fiscal policy easing. These include multiple interest rate cuts by the People's Bank of China, as well as the Chinese Government's debt swap plan to help state governments refinance its debts by converting short-term high interest bank loans into low interest long-term municipal bonds. Separately, China's stock market plunged by 30% between July and August, recording its lowest point since December 2014. To stabilize the stock market slide, the government announced a ban on short selling of stocks to curb volatility and stem further losses during the period.

Malaysia's stock market was also marred by negative sentiment which drove spikes in volatility during the 3Q2015. This was also in response to the weakening Ringgit, where it briefly touched RM4.502, the highest since 1998 and contributed significantly to the depreciation of 25.7% on a year-to-date basis. For year-to-date, foreigners have sold around RM17.9 billion of Malaysian equity market.

Chart 3: MIMYDY40 Index Performance against Ringgit Malaysia in 2015

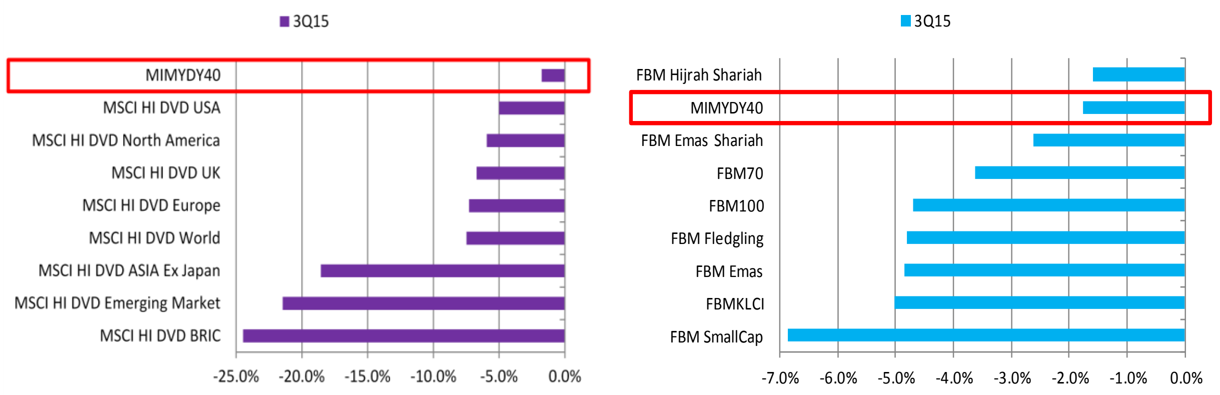


Sources: Bloomberg, *i*-VCAP

The 3Q2015 was a volatile quarter for MIMYDY40 Index given the negative sentiment lingering the Malaysian equity market. This came on the back of the depreciation of Ringgit, weak commodity prices, the impending US interest rate hike, as well as the Yuan devaluation which may be a signal of a weak China's economy. The Benchmark Index started on a positive momentum and reached its quarter high of 2,377.32 points on 3 August before a sharp pullback brought to its lowest level since inception of 2,129.14 points on 18 August. The Benchmark Index recovered marginally in September before ending the quarter at 2,247.76 points, translating to a decrease of 1.76% quarter-on-quarter.

On comparative performance within MSCI High Dividend Yield index series, the MIMYDY40 Index outperformed most MSCI's High Dividend Yield Index series globally. On the domestic front, the MIMYDY40 Index outperformed most big to mid-cap indices but trailed the FBM Hijrah Shariah index. The resilient performance during the quarter can be attributed to the better performance of Trading/Services stocks in the index with outperformance of between 6% to 21% quarter-on-quarter.

Chart 4: Comparative Performance of MSCI High Dividend Yield Indices and Domestic Indices



Sources: Bloomberg, *i*-VCAP

*** All data is in local currency term**

In order to address the uncertain economic outlook, pre-emptive measures were taken by the government with the formation of a special economic committee. This is to explore immediate to medium-term measures that can strengthen the economy and restore investors' confidence. Some of the measures include sizeable capital allocation to support undervalued stocks, as well as encouraging government-linked companies to bring back profits from their foreign investments and re-invest domestically in projects with high multiplier value. Furthermore, the government will allocate additional funds to support working capital requirements to assist small and medium-sized enterprises (SMEs) across all sectors. The SMEs that are involved in manufacturing will also be exempted from import duties on 90 items which could translate into large savings in production costs annually.

On the fundamental perspective, Malaysia's GDP growth seems to be holding up well among its ASEAN counterparts, registering growth of +4.9% yoy in 2Q2015. Nonetheless, Malaysia's growth drivers which mainly comprise commodities, manufactured exports and public spending, continued to face pressure. Malaysia's growth rate is expected to moderate to between 4.5-5.5% in 2015 (2014: +6.0%), which can be attributed largely to external headwinds. With regards to monetary policy, BNM has kept its monetary policy on hold at 3.25% for its seventh successive meeting on 11 September. Given subdued domestic growth on the back of manageable price pressures in 2015 and beyond, alongside persistent weakness in the Ringgit, the OPR is expected to be held stable for the remaining of the year.

For the remaining period of 2015, the equity market is expected to remain volatile, surrounded by expectation over the impending Fed rate hike in December, continued pressure on Emerging market currencies, as well as worries over economic growth slowdown in China and its corresponding impact on global economies and commodity prices. Investors are expected to position defensively with focus on companies that are resilient in earnings. Interest in fairly attractive dividend payout stocks will also depend on the ability of these companies to sustain earnings and ride on the various stimulus activities implemented by the government.