

Manager's Report

For the Financial Period 1 January 2012 to 31 March 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>i</i> -VCAP Management Sdn. Bhd. (“ <i>i</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

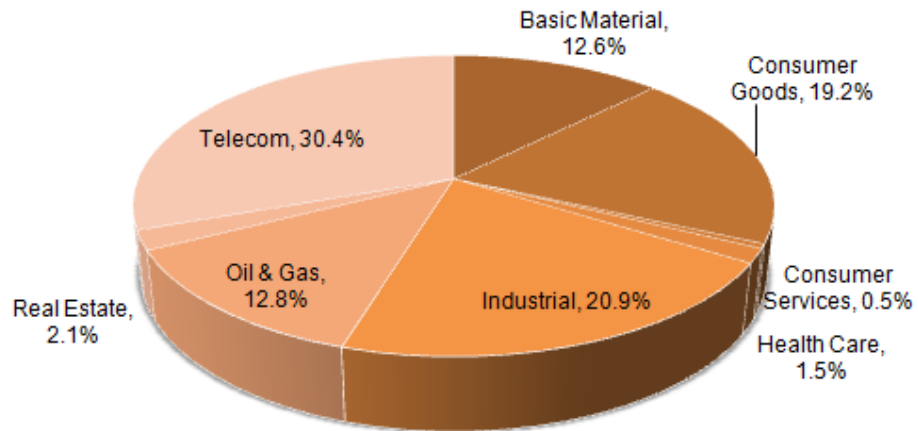
The Benchmark Index is a market capitalisation weighted and free-float adjusted index provided by Dow Jones Indexes (“Dow Jones”).

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.

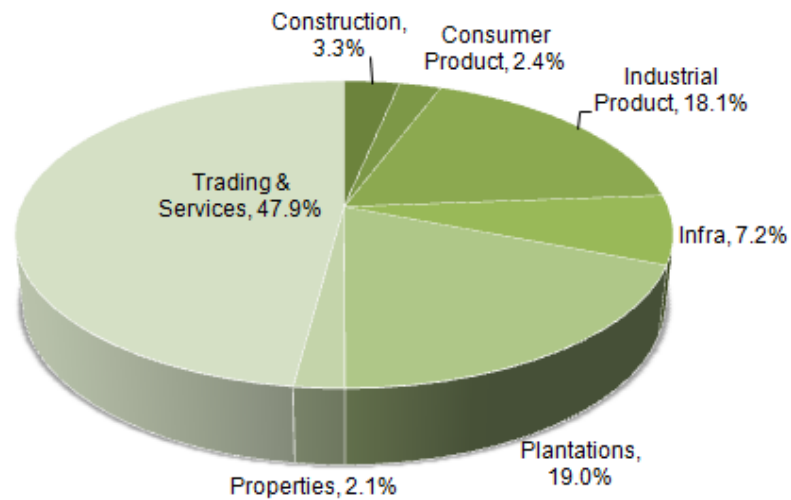
Based on the latest quarterly review (as at 8 March 2012), the sector allocation of DJIM25 Index based on Dow Jones and Bursa Securities sector classifications are as follows:

Chart 1(a): Sector Classification - Dow Jones



Source: Dow Jones

Chart 1(b): Sector Classification - Bursa Securities



Sources: Bursa Malaysia, 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 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 1.24% 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 3.61% to RM1.0386. The increase in NAV per unit however was lower than the DJIM25 Index which rose by 4.68% to close at 924.55 points at the end of the quarter. The variance was a result of the NAV per unit that reflected the income distribution in the first quarter of 2012. The Fund had announced a final income distribution for FY2011 of 1.8 sen per unit with the ex-date on 9 March 2012 and payable on 10 April 2012. During the quarter, the NAV per unit and unit price traded on Bursa Securities hit an all-time high of RM1.0601 and RM1.05 respectively on 2 March 2012. The unit price traded however, eased to end the quarter at RM1.040, representing a 5.05% gain. Meanwhile, total NAV of the Fund decreased to RM303.17 million from RM411.3 million as the Fund's unit in circulation reduced to 291.9 million by the end of the quarter compared to 420.3 million at the end of FY2011.

The key statistics and performance of the Fund for the first quarter of 2012 and in the fourth quarter of 2011 are summarized as follows:

Table 1: Key Statistics

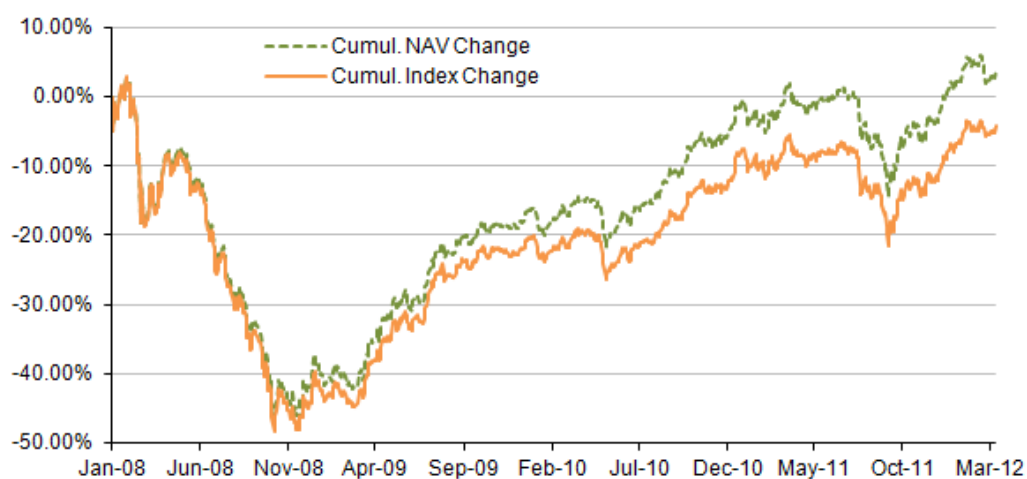
	As at 31 March 2012	As at 31 December 2011	QoQ Change (%)
NAV per unit (RM)	1.0386 [#]	1.0024	3.61
- Highest	1.0601 (2 Mar)	1.0024 (30 Dec)	
- Lowest	0.9966 (4 Jan)	0.8763 (4 Oct)	
Price per unit (RM)	1.040	0.990	5.05
- Highest	1.05 (2 Mar)	0.99 (30 Dec)	
- Lowest	0.9800 (3 Jan)	0.875 (3 Oct)	
DJIM25 Index	924.55	883.19	4.68
DJIM25 Total Return Index	1,100.76	1,043.21	5.52
Units in Circulation	291,900,000	410,300,000	-28.86
Total NAV (RM)	303,170,823	411,303,163	-26.29
Market Capitalisation (RM)	303,576,000	406,197,000	-25.26
Tracking Error vs. Price Return DJIM25 Index (%)*	1.53	1.30	
Tracking Error vs. Total Return DJIM25 Index (%)*	1.24	0.93	

Sources: Bloomberg, i-VCAP

[#] Share price ex- income distribution of 1.8 sen per unit

*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 2(a): Average Total Return - Annualized

	1-Year	3-Year	Since Inception
MyETF-DJIM25 - NAV Per Unit (%)	+3.18	+20.61	+0.91
DJIM25 - Price Return Index (%)	+2.76	+19.25	-1.00
DJIM25 - Total Return Index (%)	+6.47	+23.81	+3.21

Source: *i*-VCAP

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

Table 2(b): Historical Performance

	2011 (%)	2010 (%)	2009 (%)	2008 (%)
MyETF-DJIM25 – NAV Per Unit (y-o-y Δ)	+5.27	+16.29	+40.95	-41.91
DJIM25 – Price Return Index (y-o-y Δ)	+4.26	+12.81	+39.46	-44.16
DJIM25 – Total Return Index (y-o-y Δ)	+8.04	+17.33	+45.03	-41.16
Tracking Error vs. Price Return Index*	+1.30	+1.15	+1.33	+1.45
Tracking Error vs. Total Return Index*	+0.93	+0.65	+0.74	+0.51
Management Expense Ratio	+0.50	+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 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 the Fund 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 Trading / Services from 47.00% to 47.91% and the decrease in the Construction sector to 3.20% from 3.80% at the start of the year. The stock components of the DJIM25 Index remained the same in the quarterly review. Details of the changes for the first quarter are as follows:

Table 3: Change in Fund's Sector Allocation*

	As at 31 Mar 2012	As at 31 Dec 2011	Change (percentage points)
Trading/Services	47.91%	47.00%	+0.91
Plantations	19.10%	18.90%	+0.20
Industrial Products	17.72%	17.10%	+0.62
Infrastructure	7.15%	7.10%	+0.05
Construction	3.20%	3.80%	-0.60
Consumer Products	2.44%	2.40%	+0.04
Property	2.08%	2.00%	+0.08
Cash & Others	0.39%	1.60%	-1.21

Source: i-VCAP

* Based on Bursa Securities classification

Table 4: Top Ten Holdings of the Fund as at 31 March 2012

	Stock	% of NAV	Q-o-Q Δ (% holdings)
1	Sime Darby Bhd	13.02	0.38
2	Petronas Chemicals Group Bhd	10.17	0.55
3	Axiata Group Bhd	9.89	(0.16)
4	IOI Corporation Bhd	9.38	(0.34)
5	Maxis Bhd	8.34	0.63
6	Digi. Com Bhd	6.76	0.12
7	Kuala Lumpur Kepong Bhd	6.02	0.31
8	Telekom Malaysia Bhd	5.21	0.22
9	Petronas Gas Bhd	4.26	0.31
10	Gamuda Bhd	3.20	(0.63)
	Top Ten Holdings' Total	76.24	1.38

Sources: Bloomberg, i-VCAP

Details of the Fund's quoted Investments as at 31 March 2012 are as follows:

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

	Quantity	Market Value	Market Value as a percentage of Net Asset Value (%)
	(Units)	(RM)	
<u>Trading & Services</u>			
Sime Darby Bhd	4,052,200	39,468,428	13.02
Axiata Group Bhd	5,763,200	29,968,640	9.89
Maxis Bhd	4,149,900	25,272,891	8.34
Telekom Malaysia Bhd	2,969,200	15,796,144	5.21
MISC Bhd	1,646,640	8,858,923	2.92
Petronas Dagangan Bhd	426,600	8,079,804	2.66
Dialog Group Bhd	2,571,197	5,579,497	1.84
Malaysia Marine & Heavy Engineering Bhd	1,003,300	5,508,117	1.82
Kencana Petroleum Bhd	1,656,912	5,219,273	1.72
Star Publications (M) Bhd	455,500	1,494,040	0.49
		145,245,757	47.91
<u>Plantations</u>			
IOI Corporation Bhd	5,326,639	28,444,252	9.38
Kuala Lumpur Kepong Bhd	742,400	18,263,040	6.02
Batu Kawan Bhd	362,100	6,764,028	2.23
Genting Plantations Bhd	468,600	4,447,014	1.47
		57,918,334	19.10
<u>Industrial Product</u>			
Petronas Chemicals Group Bhd	4,574,100	30,829,434	10.17
Petronas Gas Bhd	766,400	12,906,176	4.26
Lafarge Malayan Cement Bhd	626,900	4,513,680	1.49
Top Glove Corporation Bhd	686,300	3,088,350	1.02
Supermax Corp Bhd	715,000	1,344,200	0.44
KNM Group Bhd	1,229,268	1,026,439	0.34
		53,708,279	17.72
<u>Infrastructure</u>			
Digi.com Bhd	5,046,300	20,487,978	6.76
TIME dotCom Bhd	1,773,700	1,197,248	0.39
		21,685,226	7.15
<u>Construction</u>			
Gamuda Bhd	2,667,100	9,708,244	3.20
		9,708,244	3.20
<u>Consumer Product</u>			
UMW Holdings	1,012,800	7,393,440	2.44
		7,393,440	2.44
<u>Properties</u>			
SP Setia Bhd	1,598,650	6,314,668	2.08
		6,314,668	2.08
		301,973,948	99.60

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, a final income distribution for the Financial Year End 31 December 2011 of 1.80 sen per unit was declared on 23 February 2012 with the ex-date on 9 March 2012 and entitlement date on 13 March 2012. The final income distribution was paid on 10 April 2012. Based on the number of entitled unit holders, the Fund distributed a total amount of RM5,254,200.

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

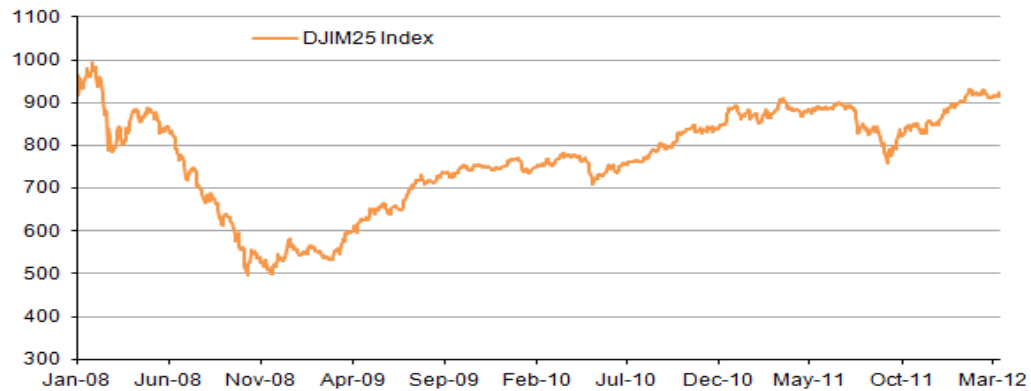
It is the Manager's policy to not receive any goods or services by way of soft commission.

8. Market Review and Outlook

Global equity markets rallied in the first quarter with several indices enjoying their biggest rally since the pre-Lehman crisis in 2008. The rally, fuelled by liquidity and improving sentiment, saw emerging markets outperforming developed markets in the first three months of 2012. However, the pace of gain eased in March as concerns over Euro Zone's sovereign debt re-emerged and disappointing economic data from the US and Europe cooled investors' appetite.

During the period under review (1 January 2012 to 31 March 2012), DJIM25 Index gained 41.36 points or 4.68% to end the quarter at 924.55 points. The index rose to a 4-year high of 930.87 points on 9 February 2012 before easing marginally in March in line with the performance of the broad market.

Chart 4: DJIM25 Index

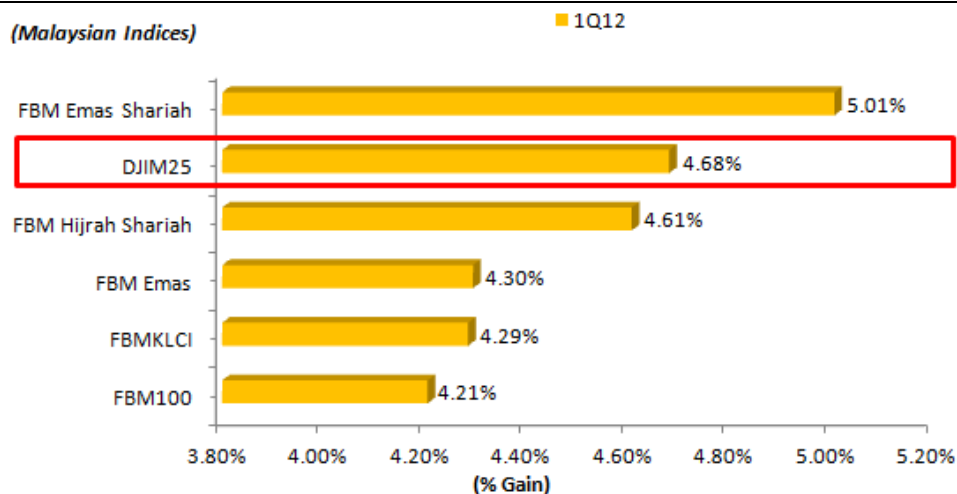


Sources: Bloomberg

The performance of the DJIM25 Index was driven by the strong performance of key stocks within the Trading & Services (Telecommunications), Industrial Products (Utilities) and Plantations sectors. The underlying stocks outperformed the DJIM25 Index largely due to the sustainable attractive dividend payouts from the companies.

For the first quarter of 2012, the Shariah DJIM25 Index outperformed the major benchmarks such as the FTSE Bursa Malaysia KLCI Index (+4.29%) and the FTSE Bursa Malaysia Hijrah Shariah Index (+4.61%) whilst marginally underperforming the broad-based FTSE Bursa Malaysia EMAS Shariah Index which gained 5.01%. DJIM25 Index's performance against the other major indices are depicted in the following chart:

Chart 3: DJIM25 Index performance against major indices (quarter-on-quarter)



Source: Bloomberg

The outlook for equity markets will continue to be tempered by volatility as external factors remain a concern to investors. The global economy is looking to find its foothold as improving data from the US and signs of a soft landing in China offset debt concerns in the Eurozone. Whilst the current global market rally is fuelled largely by liquidity, the Malaysian equity market is still supported by a domestic driven economy and undemanding valuations. The Malaysian economy is expected to remain resilient with a growth of 4.0% to 5.0% largely supported by expansion in domestic demand and the ongoing implementation of the National Key Economic Areas (“NKEA”).