

## FUND OBJECTIVE

To invest in Shariah-compliant listed equities to provide capital growth over the medium to long term through a diversified, but growth-oriented portfolio.

## INVESTOR RISK PROFILE

Suitable for investors who is mainly interested in growth and willing to accept higher risk in investment return.

## FUND MANAGER

Takaful Ikhlas Berhad (593075-U)

Appointed External Fund Manager :  
CIMB-Principal Islamic Asset Management Berhad

## FUND DATA

NAV/Unit	RM 1.2819
Fund Value	RM 23,545,128.93
Units in circulation	18,366,692.31
Fund Inception Date	16 December 2006
Management Fee	1.5% p.a. of the NAV
Benchmark	FTSE Bursa Malaysia Emas Shariah Index
Target Fund	CIMB Islamic Dali Equity Growth Fund

## TOP 5 HOLDINGS %

Tenaga Nasional Bhd	8.77
MISC Bhd	6.07
Petronas Gas Bhd	5.99
Telekom Malaysia Bhd	4.92
Westports Hldgs Bhd	4.85

## TOP 5 SECTORS %

Trading / Services	49.29
Industrials	15.22
Construction	7.14
IPC*	6.40
Finance	3.70

\*Infrastructure Project Companies

## TOTAL RETURNS

	1 Month	6 Month	1 Year	3 Years	5 Years
Growth (%)	-2.85	-0.23	-3.19	21.37	35.31
Benchmark (%)	-2.92	-6.30	-12.98	7.51	31.50

## REVIEW & INVESTMENT STRATEGY

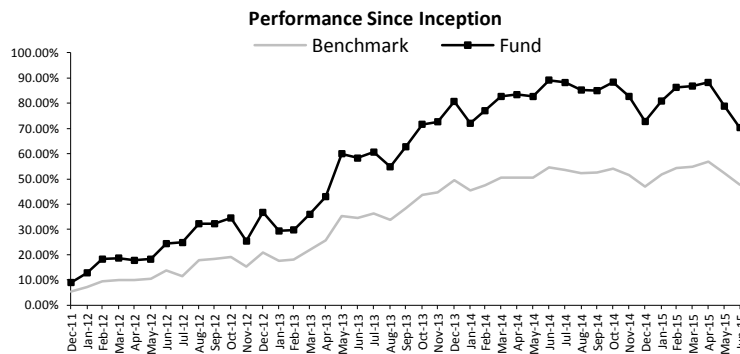
The Fund posted a -3.14% return in June 2015, underperforming the benchmark by 0.22%. On a year-to-date (YTD-FY) basis, the Fund is outperforming by 2.27%. At the sector level, Utilities, Telcos and Consumer Services were positive performance contributors in the month under review.

During the month, market was weighed down by both external and internal risk factors: 1) Greece default risk 2) US rate rise 3) Fitch rating downgrade (on the last day of June 2015, Fitch affirmed Malaysia's rating) 4) current account deficit due to weaker liquefied natural gas (LNG) exports 5) 1MDB's debt woes 6) public spat between Najib and Mahathir weighing on investor confidence 7) consistent foreign funds outflows. First half of 2015 ("1H15") foreign net selling has hit RM8.7bn, topping total foreign net selling of RM6.8bn for the whole of 2014. The Ringgit has lost 7.9% against the USD, weakening from 3.49 to 3.77 (low: 3.78), bordering the 3.80 Price/Earnings to Growth Ratio ("PEG") previously imposed under capital controls.

After 13 consecutive months of earnings downgrades, earnings momentum continues to be sluggish. Earnings Per Share ("EPS") growth for 2015 has fallen to 4.4% with corresponding Price Earnings Ratio ("PER") of 16.3 times. For 2016, EPS growth is projected at 9.0% with PER of 15.0 times. With the 5-year average PER of 14.7 times, the market continues to look fair for 2016.

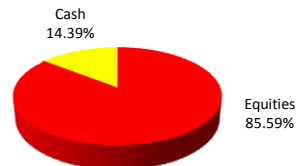
While we believe that Greek exit ("Grexit") will not be a systemic risk to the market over the longer term, we will be watchful over the developments in China. We continue to look for companies with growth momentum for capital gains, and defensives for minimal downside risk. We like Exporters (Technology, Gloves), Utilities and Ports. We continue to underweight Oil & Gas, Plantations and Telcos. We continue to underweight Plantations and overweight Utilities.

## FUND PERFORMANCE



	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
Target Fund	-3.12	22.24	13.32	8.90	23.68
Benchmark	-4.17	13.29	11.85	2.41	18.20

## ASSET ALLOCATION



## FINANCIAL YEAR PERFORMANCE

	Growth (%)	Benchmark (%)	12-month GIA	Highest NAV	Lowest NAV
2009/10	28.01	47.12	2.60	1.1104	0.8291
2010/11	11.53	16.22	2.87	1.2022	0.9052
2011/12	-0.47	0.69	2.55	1.1960	0.965
2012/13	6.08	5.00	2.94	1.1080	1.0183
2013/14	16.65	15.11	2.88	1.3946	0.7627

## FUND OBJECTIVE

To attain medium to long-term capital growth via investments into Shariah-compliant listed equities, debt securities and other Shariah-compliant assets. This fund is to provide a balanced mix of income and equities.

## INVESTOR RISK PROFILE

Suitable for investors who are prepared to accept moderate investment risks over the medium to long term.

## FUND MANAGER

Takaful Ikhlas Berhad (593075-U)

Appointed External Fund Manager :  
CIMB-Principal Islamic Asset Management Berhad

## FUND DATA

NAV/Unit	RM 1.4517
Fund Value	RM 13,003,432.47
Units in circulation	8,957,149.29
Fund Inception Date	16 December 2006
Management Fee	1.0% - 1.5% p.a. of the NAV
Benchmark	60% FTSE Bursa Malaysia Emas Shariah Index & 40% CIMB Islamic 1-Month GIA
Target Fund	CIMB Islamic Balanced Growth Fund

## TOP 5 HOLDINGS %

Tenaga Nasional Bhd	6.12
MISC Bhd	3.16
Axiata Group Bhd	3.09
Petronas Gas Bhd	2.93
IJM Corp Bhd	2.88

## TOP 5 SECTORS %

Trading / Services	28.87
Sukuk	25.67
Industrials	7.05
Construction	5.58
IPC*	3.47

\*Infrastructure Project Companies

## TOTAL RETURNS

	1 Month	6 Month	1 Year	3 Years	5 Years
Balanced (%)	-1.78	0.54	0.21	19.65	32.28
Benchmark (%)	-1.66	-0.78	-4.22	10.28	28.43

## REVIEW & INVESTMENT STRATEGY

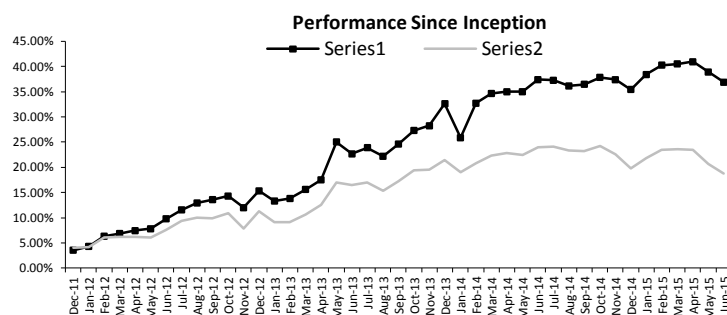
The Fund was down 1.46% in June 2015. Nonetheless, the fund outperformed the benchmark by 20 basis points ("bps"), as the benchmark fell by 1.66%. On the year-to-date ("YTD-FY"), the fund outperformed the benchmark by 1.34%. During the month, equities outperformed, but fixed income underperformed.

The outperformance in equities was mainly attributable to the fund's overweight position in stocks related to Industrials and Rubber Glove sectors, as well as the underweight in Plantations. For fixed income, the main contributors were from banking, real estate and power related sukuk in the Fund.

YTD, the FTSE Bursa Malaysia Kuala Lumpur Composite Index ("FBMKLCI") has lost 3.1%. From a high of 1,863 on 21 April 2015, the index has plunged 9.2%, falling below the 1,700 support level on 29 June 2015, before closing the month at 1,706. During the month of June 2015, market was weighed down by both external and internal risk factors: 1) Greece default risk 2) US rate rise 3) Fitch rating downgrade (on the last day of June 2015, Fitch affirmed Malaysia's rating) 4) 1MDB's debt woes. First half of 2015 ("1H15") foreign net selling has hit RM8.7bn, topping total foreign net selling of RM6.8bn for the whole of 2014. Earnings momentum continues to be sluggish. Earnings Per Share ("EPS") growth for 2015 has fallen to 4.4% with Price Earnings Ratio ("PER") of 16.3 times. For 2016, EPS growth is projected at 9.0% with PER of 15.0 times. With the 5-year average PER of 14.7 times, the market continues to look fair for 2016.

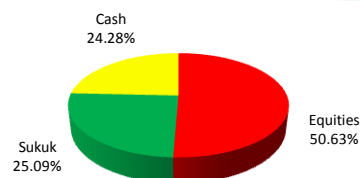
The fund will continue to be defensively positioned. We seek stocks with growth for capital gains and defensives for minimal downside risk. We like Exporters (Technology, Gloves), Utilities and Ports. We continue to underweight Oil & Gas, Plantations, and Telcos. For fixed income, we will maintain a trading stance on government securities and continue to overweight corporate sukuk with focus on higher rated issues.

## FUND PERFORMANCE



	2014	2013	2012	2011	2010
Target Fund	0.68	13.50	13.99	7.39	15.57
Benchmark	-1.37	9.09	8.24	2.77	11.72

## ASSET ALLOCATION



## FINANCIAL YEAR PERFORMANCE

	Balanced (%)	Benchmark (%)	12-month GIA	Highest NAV	Lowest NAV
2009/10	24.76	37.11	2.60	1.1426	0.9089
2010/11	12.18	12.82	2.87	1.2773	1.0471
2011/12	-0.84	-0.53	2.55	1.2460	1.108
2012/13	5.15	4.21	2.94	1.2612	1.1726
2013/14	13.77	10.17	2.88	1.5000	0.8409

## FUND OBJECTIVE

The portfolio seeks to provide capital preservation over the short to medium term period by investing primarily in the Malaysian Shariah-compliant fixed income securities and money market instruments.

## INVESTOR RISK PROFILE

Suitable for investors who prefer a lower level of risk and are less concerned about capital appreciation.

## FUND MANAGER

Takaful Ikhlas Berhad (593075-U)

Appointed External Fund Manager :  
CIMB-Principal Islamic Asset Management Berhad

## FUND DATA

NAV/Unit	RM 1.1292
Fund Value	RM 10,045,909.25
Units in circulation	8,896,137.27
Fund Inception Date	16 December 2006
Management Fee	1.0% p.a. of the NAV
Benchmark	CIMB Islamic 12-Month GIA
Target Fund	CIMB Islamic Sukuk Fund

## TOP 5 HOLDINGS

	%	TOP 5 SECTORS	%
MUMTALAKAT	8.74	Sukuk	84.87
Jimah Energy Ventures	7.50	Cash	15.13
Encorp Systembilt Sdn Bhd	7.08		
Malakoff Power Bhd	6.75		
Tanjung Bin Power Sdn Bhd	6.71		

## TOTAL RETURNS

	1 Month	6 Month	1 Year	3 Years	5 Years
Fixed Income (%)	0.09	2.91	6.94	11.03	21.66
Benchmark (%)	0.24	1.44	2.88	8.66	14.53

## REVIEW & INVESTMENT STRATEGY

The Fund's performance recorded a return of 0.09% in June 2015 underperformed its benchmark by 0.15%.

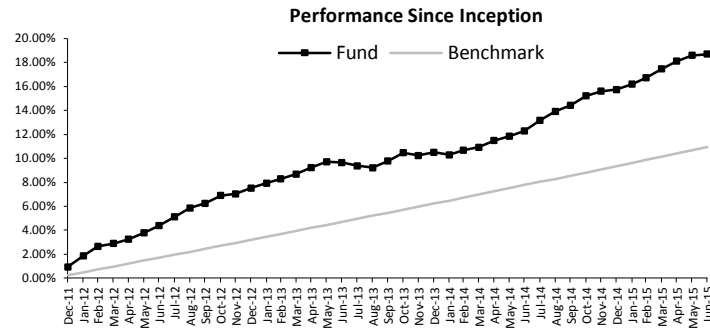
In June 2015, the global fixed income market selloff continues, the Government Investment Issues ("GII") were sold off along with its conventional sibling, the Malaysian Government Securities ("MGS") for the second month. Trading volume continued to remain thin with local players continuing to hold on to their corporate sukuk despite the sell off seen in GII and Ringgit. The announcement by Fitch to maintain Malaysia's sovereign rating at A- with outlook revised to stable from negative was seen as a surprised as most investors had expected a rating downgrade. There was a brief rally to the sovereign market but not sustainable as market seems to set aside the Fitch announcement and concentrated on the potential rate hike in the U.S and the Greek saga.

The next Monetary Policy Meeting is on 9 July 2015. We expect Bank Negara Malaysia to keep its Overnight Policy Rate unchanged at 3.25% and to reiterate that current monetary policy stance remains accommodative. The Sukuk market is expected to continue trading range bound while waiting for a clearer view of the path of \*global interest rates going forward.

We prefer lower rated primary issuances for yield enhancement and expect to take profit on high grade sukuk and switch into repriced primary or secondary issuances.

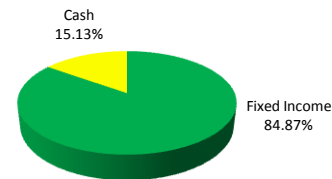
\*Note: The Fund does not invest in interest bearing instruments; the interest rate referred herein is to the Global interest rate, which may affect the value of the investments of the Fund.

## FUND PERFORMANCE



	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
Target Fund	3.77	1.85	5.59	6.05	3.45
Benchmark	4.23	1.19	4.01	4.40	5.41

## ASSET ALLOCATION



## FINANCIAL YEAR PERFORMANCE

	Fixed Income (%)	Bench-mark (%)	12-month GIA	Highest NAV	Lowest NAV
2009/10	4.71	2.60	2.60	1.0796	0.9190
2010/11	4.68	2.87	2.87	0.9805	0.8908
2011/12	5.67	2.55	2.55	1.0220	0.9640
2012/13	5.41	2.94	2.94	1.0606	1.0182
2013/14	0.26	2.88	2.88	1.0796	0.8908

## GROWTH FUND

Investment Strategy & Approach	The fund will invest in Shariah compliant equities listed on Bursa Malaysia whereby the target investments will be large cap stocks with growth prospects and where trading is fairly liquid.
Asset Allocation	<p>The investment portfolio is subjected to the following:</p> <ul style="list-style-type: none"> <li>• Up to 98% of the Portfolio shall be invested in Shariah compliant equity securities;</li> <li>• At least 2% of the Portfolio will be invested in Shariah based liquid assets;</li> <li>• The value of the Portfolio's holding of the share capital of any single issuer must not exceed 10% of total asset of Portfolio;</li> <li>• The value of the Portfolio's holding in transferable securities issued by any single issuer must not exceed 15% of the Portfolio's Net Asset Value (NAV);</li> <li>• The value of the Portfolio's holding of the share capital of any group of companies must not exceed 20% of total asset of the Portfolio;</li> <li>• Shariah-compliant deposits can only be placed in licensed Financial Institutions by Bank Negara Malaysia (BNM).</li> </ul>

## BALANCED FUND

Investment Strategy & Approach	The Portfolio will invest in diversified portfolio of Shariah compliant equities listed on Bursa Malaysia and Sukuk investments. The strategy of the fund is to maintain a balanced portfolio between Shariah compliant equities and fixed income investments in the ratio of 60:40. The Sukuk portion of the Fund is to provide some capital stability to the Fund whilst the equity portion will provide the added return in a rising market.
Asset Allocation	<p>The investment portfolio is subjected to the following:</p> <ul style="list-style-type: none"> <li>• Up to 60% of the Portfolio shall be invested in Shariah compliant equity securities;</li> <li>• Investment in fixed income securities and liquid assets shall not be less than 40% of the Portfolio's NAV;</li> <li>• At least 2% of the Portfolio will be invested in Shariah based liquid assets;</li> <li>• The value of the Portfolio's holding of the share capital of any single issuer must not exceed 10% of total asset of Portfolio;</li> <li>• The value of the Portfolio's holding in transferable securities issued by any single issuer must not exceed 15% of the Portfolio's NAV;</li> <li>• The value of the Portfolio's holding of the share capital of any group of companies must not exceed 20% of total asset of the Portfolio;</li> <li>• Minimum Long Term Issuer Credit Rating of "A3" as assessed by Rating Agency Malaysia Berhad ("RAM") or equivalent by Malaysia Rating Corporation Berhad ("MARC");</li> <li>• Minimum Short Term Issuer Credit Rating of "P3" as assessed by RAM or equivalent by MARC;</li> <li>• Shariah-compliant deposits can only be placed in licensed Financial Institutions by BNM.</li> </ul>

## FIXED INCOME FUND

Investment Strategy & Approach	The investment strategy of the fund is to invest in a diversified portfolio consisting of Sukuk, short term money market instruments and other permissible investments under the Shariah principles and aim to provide a steady stream of income.
Asset Allocation	<p>The investment portfolio is subjected to the following:</p> <ul style="list-style-type: none"> <li>• Up to 98% of the Portfolio shall be invested in Shariah compliant fixed income securities;</li> <li>• At least 2% of the Portfolio will be invested in Shariah based liquid assets;</li> <li>• Minimum Long Term Issuer Credit Rating of "A3" as assessed by RAM or equivalent by MARC;</li> <li>• Minimum Short Term Issuer Credit Rating of "P3" as assessed by RAM or equivalent by MARC;</li> <li>• The exposure to any single entity for sukuk (not applicable to government securities, BNM's securities, quasi and low risk assets granted by BNM) shall not exceed 20% of the NAV of the Portfolio;</li> <li>• The value of the Portfolio's holding in sukuk (not applicable to government securities, BNM's securities, quasi and low risk assets granted by BNM) of any group of companies must not exceed 30% of the NAV of the Portfolio;</li> <li>• The Malaysian Islamic Money Market Instruments must be rated at least P3 by RAM or equivalent;</li> <li>• Shariah-compliant deposits can only be placed in licensed Financial Institutions by BNM.</li> </ul>

The investment is subject to the following risks:-

1. **Market risk** - The risk that arises due to developments in the market environment and typically includes changes in regulations, politics, technology and the economy. Diversification of the Fund's investments into different unit trust funds of different types (equity or non-equity etc.) and with different investment policy and strategies may help to mitigate its exposure to market uncertainties and fluctuations in the market.
2. **Profit rate risk** - This risk is crucial in a Sukuk fund since Sukuk portfolio management depends on forecasting interest rate movements. Generally, demand for Sukuk move inversely to interest rate movements therefore as interest rates rise, the demand for Sukuk decrease and vice versa. Furthermore, Sukuk with longer maturity and lower profit rates are more susceptible to interest rate movements. Sukuk are subject to interest rate fluctuations with longer maturity and lower profit rates Sukuk being more susceptible to such interest rate movements. This risk can be mitigated through continuous monitoring and evaluation of macro-economic variables to ensure the most appropriate strategy is in place for the Fund's portfolio.
3. **Credit / Default Risk** - Bonds are subject to credit/default risk in the event that the issuer of the instrument is faced with financial difficulties, which may decrease their credit worthiness. This in turn may lead to a default in the payment of principal and interest/ profit.
4. **Liquidity Risk** - Liquidity refers to the ease of converting an investment into cash without incurring an overly significant loss in value. Should there be negative developments on any of the issuers, this will increase liquidity risk of the particular security. This is because there are generally less ready buyers of such securities as the fear of a credit default increases. The risk is managed by taking greater care in security selection and diversification.
5. **Non-compliance risk** - Non-adherence with laws, rules, regulations, prescribed practices, internal policies and procedures may result in tarnished reputation, limited business opportunities and reduced expansion potential for the management company. Investor's investment goals may also be affected should the fund manager not adhere to the investment mandate. This risk can be mitigated through internal controls and compliance monitoring.
6. **Inflation Risk** - Inflation risk can be defined as potential intangible losses that may arise from the increase in prices of goods and services in an economy over a period of time. Inflation causes the reduction in purchasing power and if the rate of inflation is constantly higher than the rate of returns on investments, the eventual true value of investments could be negative.
7. **Issuer risk** - This risk refers to the individual risk of the respective companies issuing the securities. Specific risk includes, but is not limited to changes in consumer tastes and demand, legal suits, competitive operating environments, changing industry conditions and management omissions and errors. However, this risk is minimised through investing in a wide range of companies in different sectors and thus function independently from one another.
8. **Country risk** - The foreign investments may be affected by risks specific to the country in which investments are made such as changes in a country's economic fundamentals, social and political stability, currency movements, foreign investment policies and etc. This risk may be mitigated by conducting thorough research on the respective markets, their economies, companies, politics and social conditions as well as minimising or omitting investments in such markets.
9. **Management Risk** - There is risk that the management may not adhere to the investment mandate of the respective fund. With close monitoring by the investment committee, back office system is being incorporated with limits and controls, and regular reporting to the senior management team, the management company is able to manage such as risk.
10. **Fund Management Risk** - Poor management of the fund due to lack of experience, knowledge, expertise and poor management techniques would have an adverse impact on the performance of the fund. This may result in investors suffering loss on their investment of the fund.
11. **Shariah risk** - The risk that arises from potential revision on the status of the securities in the unit trust fund from Shariah compliant to non-Shariah compliant and the possibility of investing in non-Shariah compliant unit trust funds. This risk may be mitigated by conducting periodic review by Shariah Compliance Department and Shariah Committee. Thus necessary action to be taken by Fund Manager to dispose such securities as per advice by Shariah Compliance Department and Shariah Committee.

## NOTES ON FEES AND CHARGES

Actual Returns  
(Net of Tax and Charges)

1. Past performance of the fund is not an indication of its future performance.
2. This is strictly the performance of the investment fund, and not the returns earned on the actual contributions paid of the investment-linked product.
3. Units are created and cancelled at the next pricing date following receipt of contribution or notification of claim respectively.
4. Past performance is calculated based on the Net Asset Value (NAV). The formula of calculation is as follows:

$$\text{Investment Return} = \left[ \left( \frac{\text{NAV 31 March Year X}}{\text{NAV 31 March Year (X-1)}} \right) - 1 \right] \times 100$$

## OTHER INFORMATION

Basis & Frequency of  
Unit Valuation

1. The unit price on any valuation date of a fund shall be obtained by dividing the NAV on the business day before the valuation date by the number of units in issue of the relevant fund.
2. The NAV shall be determined as follows:-
  - a) The last transacted market price at which those assets could be purchased or sold,
  - b) Plus the amount of cash held uninvested
  - c) Plus any accrued or anticipated income
  - d) Less any expenses incurred in purchasing or selling assets
  - e) Less any amount for the liabilities of the Fund
  - f) Less the amount in respect of managing, maintaining and valuing the assets
3. To ensure fair treatment to all unit holders, the Fund Manager may impute the transaction costs of acquiring or disposing of assets of the Fund, if the costs are significant. To recoup the cost of acquiring and disposing of assets, the Manager shall make a dilution or transaction cost adjustment to the NAV per unit to recover any amount which the Fund had already paid or reasonably expects to pay for the creation or cancellation of units.
4. Unit valuation is performed on a daily basis on each Business Day.

Exceptional Circumstances

The Manager may take the following actions that may become necessary due to change of circumstances, as a means to protect the interest of Participants:-

1. Subject to at least three (3) months written notice, the Manager may:-
  - a) Close the Fund or cease to allow the allocation of additional contribution or to transfer the assets to a new fund which has similar investment objectives;
  - b) Change the name of the Fund
  - c) Split or combine existing units of the Fund;
  - d) Make any changes that may be required due to regulatory requirement and/or legislation.
2. The Manager may also choose to, without prior notice, suspend unit pricing and Certificate transactions if any of the exchanges or unit trust management company in which the Fund is invested is temporarily suspended for trading.

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