

## 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 1.3916
Fund Value	RM 25,856,274.27
Units in circulation	18,579,919.87
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	8.57
MISC Bhd	7.21
Petronas Gas Bhd	6.62
Telekom Malaysia Bhd	5.34
Westports Hldgs Bhd	4.89

## TOP 5 SECTORS %

Trading / Services	49.77
Industrials	16.82
Construction	7.06
IPC	6.85
Finance	3.79

\*Infrastructure Project Companies

## TOTAL RETURNS

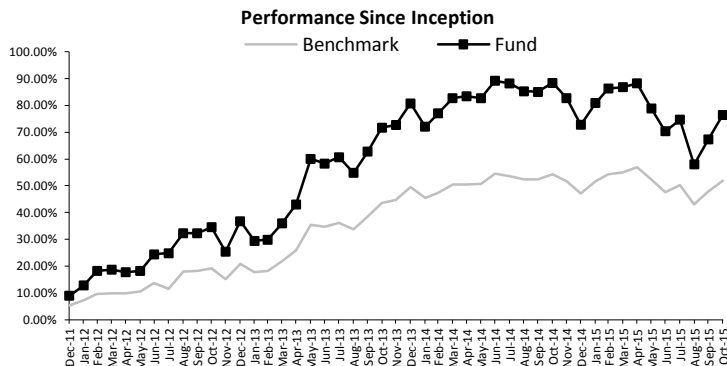
	1 Month	6 Month	1 Year	3 Years	5 Years
Growth (%)	1.93	-0.65	-0.16	0.53	0.50
Benchmark (%)	4.24	-0.79	-0.89	0.14	0.35

## REVIEW & INVESTMENT STRATEGY

The Fund posted a 2.73% return in October 2015, underperforming the benchmark by 1.51%. On a year-to-date ("YTD-FY") basis, the Fund is outperforming by 3.57%. At the sector level, the key sectors that detracted performance were Oil & Gas and Industrials.

The FTSE Bursa Malaysia Emas Shariah Index ("FBMEMAS") closed the month at 12,392.83, posting a 4.24% gain from September. On a year-to-date basis, the market is down 0.91%. The International Monetary Fund lowered its projections for global growth for 2015 and 2016 to 3.1% and 3.6% respectively. Markets were lifted by the European Central Bank hinting that it would continue its bond buying program if necessary, and China cutting interest rates for the 6th time to jumpstart a slowing economy. The announcement of Budget 2016 was largely market neutral. Focus was on strengthening economic resilience, increasing productivity, empowering human capital and easing the cost of living of the rakyat. The underlying assumptions for 2016 to 2018 include real Gross Domestic Product ("GDP") growth rates of 4.5%-5.5%. Based on our database, Earnings Per Share ("EPS") growth for 2016 is expected at 10.9% which continues to be too optimistic in our opinion. The Ringgit is already reflecting some of the risks of weaker corporate earnings due to lower oil prices and the domestic slowdown, but valuations are not cheap given the fall in near-term earnings outlook. Still cautious as we go into 2016. Equity allocation has been adjusted to between of 80-90% and beta at between 0.80-0.90. We continue to increase tracking error of our portfolios with a barbell approach – combining defensive stocks with minimal downside risk with growth stocks that will provide capital gains. We remain cautious on the Malaysian stock market as we go into the final months of 2015. With no clear catalysts in sight and the probability of US interest rate lift-off, our stock picks are skewed towards defensive bets via Exporters (Technology, Gloves, Furniture), We have turned neutral on the plantation sector given recent data points suggesting that production may be affected by a strengthening El Nino weather pattern.

## FUND PERFORMANCE



	2014	2013	2012	2011	2010
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 1.4971
Fund Value	RM 13,719,554.20
Units in circulation	9,164,283.48
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	6.20
Axiata Group Bhd	3.95
IJM Corp Bhd	2.97
Digi.com Bhd	2.75
Telekom Malaysia Bhd	2.69

## TOP 5 SECTORS %

Sukuk	32.49
Trading / Services	26.26
Industrials	9.92
Construction	4.93
IPC*	4.90

\*Infrastructure Project Companies

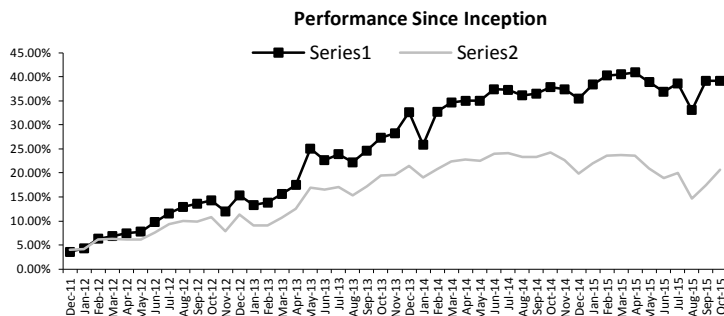
## TOTAL RETURNS

	1 Month	6 Month	1 Year	3 Years	5 Years
Balanced (%)	1.76	-2.33	0.59	17.43	27.24
Benchmark (%)	2.65	-2.28	-2.85	8.87	20.59

## REVIEW & INVESTMENT STRATEGY

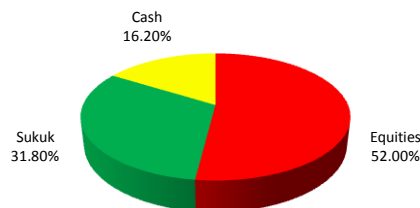
The Fund rose 1.76% in October 2015, but underperformed the benchmark by 89 basis points ("bps"). On the year-to-date ("YTD-FY"), the fund outperformed the benchmark by 1.54%. During the month, equities underperformed whilst fixed income outperformed. Equities were dragged down by telco stocks, as well as affected by the fund's underweight position in Plantations, which had regained investors' interest. For fixed income, the main contributors were from power, Real Estate Investment Trust ("REITS"), banks and construction related sukuk in the Fund. The FTSE Bursa Malaysia Emas Shariah Index ("FBMEMAS") closed the month at 12,392.83, posting a +4.24% gain from September. On a year-to-date basis, the market is down -0.91%. The International Monetary Fund ("IMF") lowered its projections for global growth for 2015 and 2016 to 3.1% and 3.6% respectively. Markets were lifted by the European Central Bank ("ECB") hinting that it would continue its bond buying program if necessary, and China cutting interest rates for the 6<sup>th</sup> time to jumpstart a slowing economy. The announcement of Budget 2016 was largely market neutral. Focus was on strengthening economic resilience, increasing productivity, empowering human capital and easing the cost of living of the rakyat. The underlying assumptions for 2016 to 2018 include real Gross Domestic Product ("GDP") growth rates of 4.5%-5.5%. Based on our database, Earnings Per Share ("EPS") growth for 2016 is expected at +10.9% which continues to be too optimistic in our opinion. The Ringgit is already reflecting some of the risks of weaker corporate earnings due to lower oil prices and the domestic slowdown, but valuations are not cheap given the fall in near-term earnings outlook. We will stay focused on stocks with good quality growth, strong cash flows and sustainable dividends. We continue to skew towards defensive bets via Exporters (Technology, Gloves, Furniture), Ports and Utilities. We have recently upgraded Plantations to Neutral as we brace for a stronger-than-expected El-Nino. For fixed income, we prefer to concentrate on selective corporate bonds from the primary and secondary market with higher yields for better yield enhancement.

## 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 1.1623
Fund Value	RM 10,687,125.55
Units in circulation	9,194,739.46
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	%
Special Power Vehicle	8.77	Sukuk	85.00
MUMTALAKAT	8.41	Cash	15.00
Jimah Energy Ventures	7.20		
Encorp Systembilt Sdn Bhd	6.80		
Malakoff Power Bhd	6.53		

## TOTAL RETURNS

	1 Month	6 Month	1 Year	3 Years	5 Years
Fixed Income (%)	0.39	6.66	3.16	8.93	19.33
Benchmark (%)	0.28	1.52	2.96	8.73	14.61

## REVIEW & INVESTMENT STRATEGY

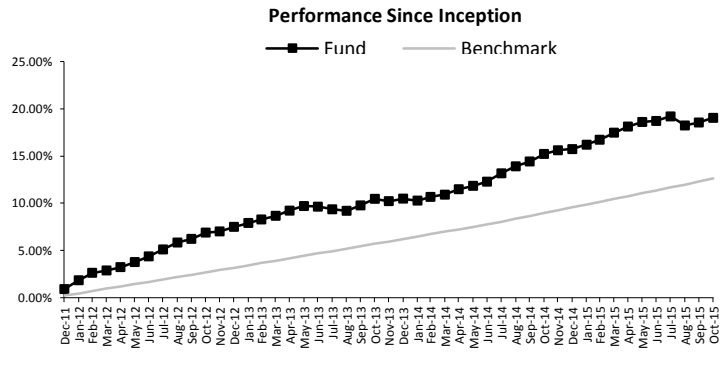
The Fund's performance for the month of October 2015 was 0.41% outperformed its benchmark by 0.13%.

Yields for short to medium Government Investment Issues ("GII") ended lower in October 2015 in line with its conventional sibling Malaysian Government Securities ("MGS") due to better buying interest. Trading volume for GII improved with RM17 billion traded compared to RM9 billion in September 2015. Trading volume in corporate sukuk also improved in October 2015 as the valuations for corporate sukuk turned attractive following the rally in government securities.

In the near term, the market is expected to stay cautious and look to the global market conditions especially now with the probability of a Federal Reserve ("Fed") Fund Rate hike in December 2015 being higher. Meanwhile, we expect Bank Negara Malaysia ("BNM") to hold the Overnight Policy Rate ("OPR") unchanged at 3.25% in the upcoming Monetary Policy Meeting meeting on 5<sup>th</sup> November 2015. Market will monitor the language of the policy tone very closely.

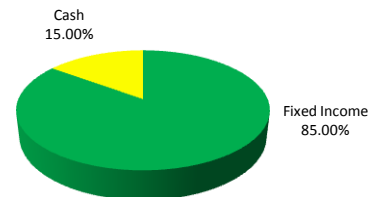
In view of the above, we look to reduce exposure in government securities in anticipation of possible foreign outflow. We aim to be fully invested with preference for higher yielding corporate sukuk. We will continue to focus on both primary and secondary issues which have been re-priced higher and prefer to invest in selective lower rate issues for yield enhancement.

## FUND PERFORMANCE



	2014	2013	2012	2011	2010
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.

*This document is prepared by Takaful Ikhlas Berhad ("Takaful IKHLAS") and prepared strictly for information only. Information provided herein including any expression of opinion or forecast has been obtained from or is based on sources believed by us to be reliable, but is not guaranteed as to accuracy or completeness. The information is given without obligation and on understanding that any person who acts upon it or changes his/her position in reliance thereon does so entirely at his/her risk. It is not intended to be an offer or invitation to subscribe or purchase of securities. Viewers are advised to read and understand the contents of the Product Disclosure Sheet and Fund Fact Sheet featured in Takaful IKHLAS website as well as the Sales Illustration provided by your agent before investing. Viewers should also consider the fees and charges involved. Please note that the price of units may go down as well as up. Past performance of funds is no indication of future performance. Takaful IKHLAS hereby disclaims any liability of whatsoever nature should viewers suffer losses merely relying on the information contained herein.*