

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 1.2720
Fund Value	RM 29,335,273.31
Units in circulation	23,062,123.01
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 HOLDINGS %

Tenaga Nasional Bhd	8.69
Sime Darby Bhd	8.68
Petronas Chemicals Group Bhd	4.90
IHH Healthcare Bhd	4.24
Petronas Gas Bhd	4.08

TOP SECTORS %

Trading / Services	41.62
Industrials	13.64
Construction	8.78
Plantations	6.49
IPC*	5.93

*Infrastructure Project Companies

TOTAL RETURNS

	1 Month	6 Month	1 Year	3 Years	5 Years
Growth (%)	2.00	-0.70	-1.43	-0.87	23.55
Benchmark (%)	1.77	0.35	-1.36	-5.99	13.18

REVIEW & INVESTMENT STRATEGY

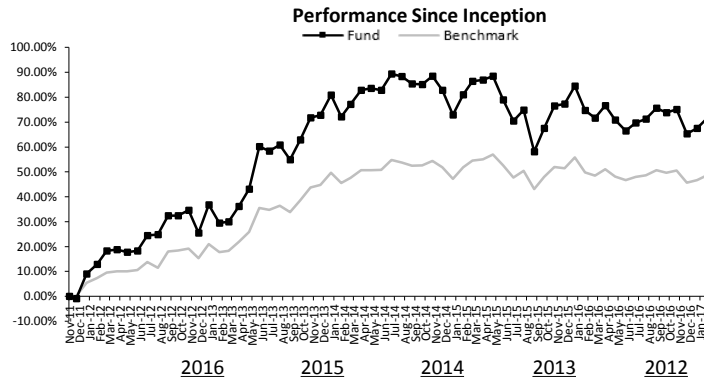
The Fund gained 1.40% in January 2017, underperforming the benchmark by 0.37%. Underperformance in the month came mainly from the underweight in Basic Materials and overweight in Consumer Services. At the stock level, the underweight in UMW Holdings and overweight in AEON were key drags. We also did not have Press Metal which rose sharply during the month.

The FTSE Bursa Malaysia Emas Shariah Index (FBMS) rose 1.8% in January driven by a mild rally in GLC related companies. Corporate news on GLC reforms particularly PNB related companies have increased optimism that the momentum on GLC restructuring is gathering strength. We are of the view that the local market will remain choppy and will trade between 11,800-12,500 points with a slight upward bias. Potential positive catalysts include i) a better than expected 4Q16 earnings season and a stronger earnings upgrades for 2017, ii) further GLC restructuring news to unlock value, iii) speculation of early elections.

Stock picking is key and any market sell down arising from global macro distress will provide buying opportunities. We are net buyers of the plantations sector and favour companies that will benefit from the ongoing GLC restructuring theme in sectors such as Telecommunications, Plantations and Services. We continue to seek growth ideas in the aviation related sectors.

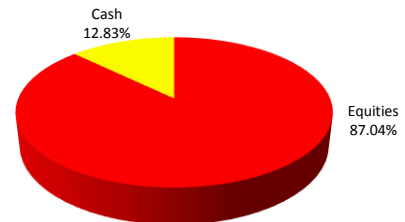
Note: YTD-FY reflects the period beginning 1 April 2016

FUND PERFORMANCE



Target Fund	-5.99	5.50	-3.12	22.24	13.32
Benchmark	-6.14	2.35	-4.17	13.29	11.85

ASSET ALLOCATION



FINANCIAL YEAR PERFORMANCE

	Growth (%)	Benchmark (%)	12-month GIA	Highest NAV	Lowest NAV
2011/12	-0.47	0.69	2.55	1.1962	0.9649
2012/13	6.08	5.00	2.94	1.1080	1.0183
2013/14	16.65	15.11	2.88	1.3393	1.1040
2014/15	2.06	0.02	2.88	1.3885	1.2294
2015/16	-4.01	-8.24	3.37	1.4207	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 1.3214
Fund Value	RM 13,867,752.88
Units in circulation	10,494,761.91
Fund Inception Date	16 December 2006
Management Fee	1.0% - 1.5% p.a. of the NAV
Benchmark	60% FBM EMAS Shariah Index + 40% CIMB Islamic 1-Month Fixed Return Income Account-i (FRIA-I)
Target Fund	CIMB Islamic Balanced Growth Fund

TOP HOLDINGS %

Tenaga Nasional Bhd	7.00
Sime Darby Bhd	4.29
Malakoff Power Bhd	2.68
Perbadanan Kemajuan N.Selangor	2.65
Gamuda Bhd	2.54

TOP SECTORS %

Sukuk	37.34
Trading / Services	24.99
Industrials	7.59
Construction	5.87
IPC*	3.97

*Infrastructure Project Companies

TOTAL RETURNS

	1 Month	6 Month	1 Year	3 Years	5 Years
Balanced (%)	-2.78	-5.86	-2.23	3.21	17.77
Benchmark (%)	1.16	0.80	0.39	2.35	16.03

REVIEW & INVESTMENT STRATEGY

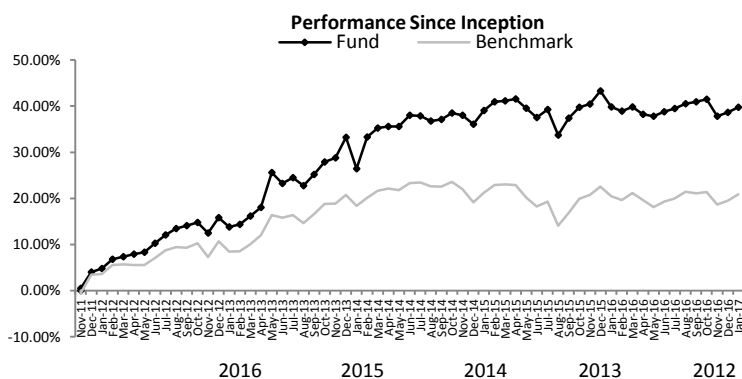
The Fund posted a gain of 0.81% in January 2017, underperforming the benchmark by 0.35%. For the month, fixed income outperformed its benchmark, while equities under performed. For equities, underperformance came mainly from underweight positions in Press Metal and UMW Holdings. For fixed income, the main contributors were from plantation, REITS, power, banks and financial services related sukuk in the Fund.

The FTSE Bursa Malaysia Emas Shariah Index (FBMS) rose 1.8% in January driven by a mild rally in GLC related companies. Corporate news on GLC reforms particularly PNB related companies have increased optimism that the momentum on GLC restructuring is gathering strength. We are of the view that the local market will remain choppy and will trade between 11,800-12,500 points with a slight upward bias. Potential positive catalysts include i) a better than expected 4Q16 earnings season and a stronger earnings upgrades for 2017, ii) further GLC restructuring news to unlock value, iii) speculation of early elections.

Stock picking is key and any market sell down arising from global macro distress will provide buying opportunities. We are net buyers of the plantations sector and favour companies that will benefit from the ongoing GLC restructuring theme in sectors such as Telecommunications, Plantations and Services. We continue to seek growth ideas in the aviation related sectors. For fixed income, we will be looking to put money to work in GIIs with preference on the short to medium tenors. We will be cautious as the large and more frequent 2017 GII issuances could see longer dated yields remain elevated. We will participate in the upcoming GII auctions for opportunistic trade based on attractive valuations. We also propose to switch into re-priced short to medium lower rated corporate sukuk from the primary and secondary market for yield pickup.

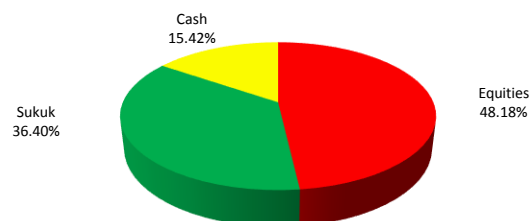
Note: YTD-FY reflects the period beginning 1 April 2016

FUND PERFORMANCE



	2016	2015	2014	2013	2012
Target Fund	-3.36	4.96	0.68	13.50	13.99
Benchmark	-2.49	2.72	-1.37	9.09	8.24

ASSET ALLOCATION



FINANCIAL YEAR PERFORMANCE

	Balanced (%)	Benchmark (%)	12-month GIA	Highest NAV	Lowest NAV
2011/12	-0.84	-0.53	2.55	1.2704	1.1079
2012/13	5.15	4.21	2.94	1.2612	1.1726
2013/14	13.77	10.17	2.88	1.4602	1.2549
2014/15	4.11	1.14	2.88	1.5063	1.3483
2015/16	-2.62	-1.22	3.37	1.5442	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 1.1970
Fund Value	RM 11,713,346.35
Units in circulation	9,785,614.46
Fund Inception Date	16 December 2006
Management Fee	1.0% p.a. of the NAV
Benchmark	Quantshop GII Medium Index
Target Fund	CIMB Islamic Sukuk Fund

TOP HOLDINGS %

WCT Hldgs Bhd	5.98
Special Power Vehicle	5.24
UNITAPAH	4.91
Anih Bhd	4.78
Jimah Energy Ventures	4.69

TOP SECTORS %

Sukuk	83.48
Cash	16.52

TOTAL RETURNS

	1 Month	6 Month	1 Year	3 Years	5 Years
Fixed Income (%)	2.50	1.22	6.35	13.69	20.27
Benchmark (%)	0.25	1.50	3.10	9.05	14.83

REVIEW & INVESTMENT STRATEGY

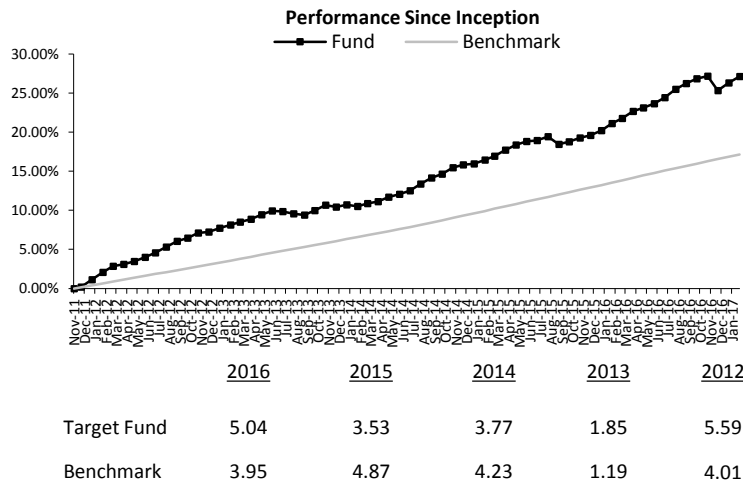
The Fund's performance for the month of January was 0.64% outperforming its benchmark by 0.39%.

The Government Investment Issues ("GII") bull steepened in January driven by local buying pushing yields lower. Yields were lower by 6-24bps for the 3-year up to the 10-year GII as investors still shun the longer end of the curve in view of the expected large supply of long tenor issuances in the 2017 auction calendar. Trading volume in corporate sukuk increased from RM2.7 billion to RM5.0 billion in January with focus mainly on AAA and AA rated sukuk. We see continued risk and volatility to come from uncertainties with regards to the tightening by the US Federal Reserve, future US policies/rhetoric under Donald Trump and political developments in the Eurozone. On the local front, Bank Negara Malaysia ("BNM") kept the Overnight Policy Rate ("OPR") unchanged at 3.00% as expected during its first meeting of the year in January. The tone of the Monetary Policy Committee's ("MPC") statement was broadly neutral. BNM believes that the current degree of monetary accommodativeness is supportive of the domestic economy as it continues on a steady growth path. Despite the recent rally in sovereign market in December 2016 and January 2017, the sovereign securities valuations are still relatively attractive taking into consideration OPR is expected to stay unchanged for 2017. For corporate sukuk, we expect corporate spreads to move wider with new issuances coming into the market.

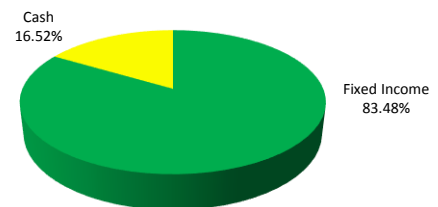
In view of this, we maintain our strategy to overweight on corporate sukuk with preference on primary issuances for yield pick up.

Note: YTD-FY reflects the period beginning 1 April 2016

FUND PERFORMANCE



ASSET ALLOCATION



FINANCIAL YEAR PERFORMANCE

	Fixed Income (%)	Bench-mark (%)	12-month GIA	Highest NAV	Lowest NAV
2011/12	5.67	2.55	2.55	1.0216	0.9642
2012/13	5.41	2.94	2.94	1.0606	1.0182
2013/14	0.26	2.88	2.88	1.0784	1.0261
2014/15	4.86	2.88	2.88	1.1202	1.0253
2015/16	4.80	3.37	3.37	1.2065	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"> • Up to 98% of the Portfolio shall be invested in Shariah compliant equity securities; • At least 2% of the Portfolio will be invested in Shariah based liquid assets; • The value of the Portfolio's holding of the share capital of any single issuer must not exceed 10% of total asset of Portfolio; • 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); • 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; • Shariah-compliant deposits can only be placed in licensed Financial Institutions by Bank Negara Malaysia (BNM).

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"> • Up to 60% of the Portfolio shall be invested in Shariah compliant equity securities; • Investment in fixed income securities and liquid assets shall not be less than 40% of the Portfolio's NAV; • At least 2% of the Portfolio will be invested in Shariah based liquid assets; • The value of the Portfolio's holding of the share capital of any single issuer must not exceed 10% of total asset of Portfolio; • The value of the Portfolio's holding in transferable securities issued by any single issuer must not exceed 15% of the Portfolio's NAV; • 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; • Minimum Long Term Issuer Credit Rating of "A3" as assessed by Rating Agency Malaysia Berhad ("RAM") or equivalent by Malaysia Rating Corporation Berhad ("MARC"); • Minimum Short Term Issuer Credit Rating of "P3" as assessed by RAM or equivalent by MARC; • Shariah-compliant deposits can only be placed in licensed Financial Institutions by BNM.

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"> • Up to 98% of the Portfolio shall be invested in Shariah compliant fixed income securities; • At least 2% of the Portfolio will be invested in Shariah based liquid assets; • Minimum Long Term Issuer Credit Rating of "A3" as assessed by RAM or equivalent by MARC; • Minimum Short Term Issuer Credit Rating of "P3" as assessed by RAM or equivalent by MARC; • 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; • 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; • The Malaysian Islamic Money Market Instruments must be rated at least P3 by RAM or equivalent; • Shariah-compliant deposits can only be placed in licensed Financial Institutions by BNM.

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.