

## 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

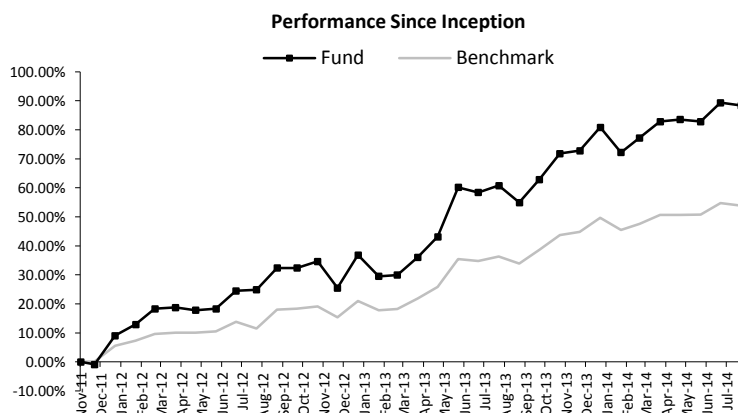
Takaful Ikhlas Berhad (593075-U)

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

## FUND DATA

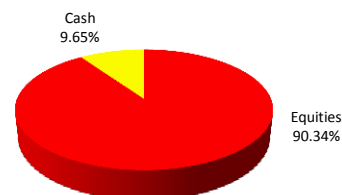
NAV/Unit	RM 1.3028
Fund Value	RM 16,444,173.40
Units in circulation	12,622,350.73
Fund Inception Date	16 December 2006
Management Fee	1.5% p.a. of the NAV
Benchmark	FTSE Bursa Malaysia Emas Shariah Index
Target Fund	CIMB Islamic Dali Equity Growth Fund

## FUND PERFORMANCE



	2013	2012	2011	2010	2009
Target Fund	22.24	13.32	8.90	23.68	37.54
Benchmark	13.29	11.85	2.41	18.20	43.03

## ASSET ALLOCATION



## TOP 5 HOLDINGS %

Tenaga Nasional Bhd	9.42
Digi.com Bhd	8.18
Axiata Group Bhd	6.56
Petronas Gas Bhd	5.00
Sime Darby Bhd	4.94

## TOP 5 SECTORS %

Trading / Services	50.58
Industrials	11.60
IPC*	9.81
Plantations	8.06
Construction	4.85

\*Infrastructure Project Companies

## TOTAL RETURNS

	1 Month	6 Month	1 Year	3 Years	5 Years
Growth (%)	-4.37	-0.45	8.91	17.51	38.79
Benchmark (%)	-0.03	6.06	8.11	27.21	52.55

## REVIEW & INVESTMENT STRATEGY

The Fund was down -0.62% for the month underperforming its benchmark by 0.59% basis points ("bp"). The underperformance of the Oil & Gas, Healthcare and Finance sectors were contributing factors. At the stock level, the overweight in UMW Oil & Gas, Dayang and underweight in IHH Healthcare and SP Setia contributed to the underperformance. On YTD-FY basis, the Fund is up 2.07%, outperforming its benchmark by 0.26%. As we enter the 2nd Half of 2014, the International Monetary Fund ("IMF") has been lowering global gross domestic product ("GDP") forecasts. It has led to some concern over a slower 2nd Half. But the US Manufacturing and Services Indicators are way above the breakeven level of 50 while Eurozone indicators, although above 50, are showing weakness. On balance, 1st Half GDP growth looks set to carry through into the 2nd Half but with some moderation. In Malaysia, JP Morgan expects 2H14 GDP growth to be sustained by further expansion in domestic demand as the investment cycle kicks into higher gear. Bursa Malaysia is currently at 2014 and 2015 per earnings ratio ("PER") of 16.5x and 15.0x respectively. Earnings per share growth for both years have been downgraded to 3.4% and 9.8%. Compared to the 5-year average forward PER of 14.6x, the market is still a tad overvalued. We maintain our yearend target of 1920 based on a higher PER of 15.5x (previously 15.0x) on 2015 earnings. We continue to maintain our equity allocation at 90-95%. We are reducing the price earnings ratio of the portfolio by concentrating weightings in the lower PER stocks in each sector and adding small caps while keeping to limits of the core strategy. We continue to overweight Oil & Gas, Utilities and Telecommunications.

## FINANCIAL YEAR PERFORMANCE

	Growth (%)	Benchmark (%)	12-month GIA	Highest NAV	Lowest NAV
2008/09	-23.00	-31.21	3.68	1.2041	0.7627
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

## 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 1.4958
Fund Value	RM 10,373,450.90
Units in circulation	6,934,966.62
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	8.45
Axiata Group Bhd	4.90
Sime Darby Bhd	3.03
Sapura-Kencana	3.02
Digi.com Bhd	2.85

## TOP 5 SECTORS %

Trading / Services	34.36
Sukuk	31.54
Industrials	7.05
Plantations	6.79
IPC*	3.93

\*Infrastructure Project Companies

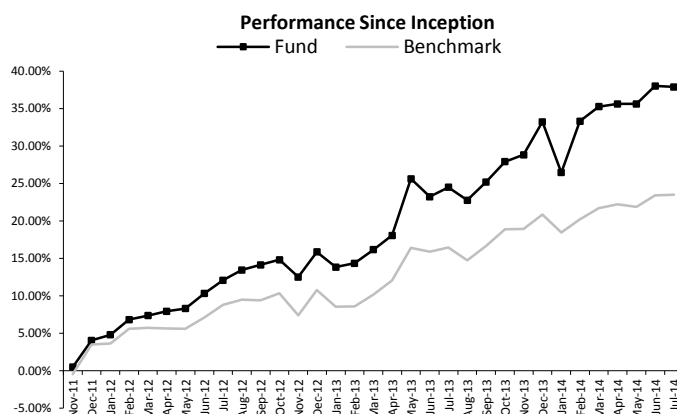
## TOTAL RETURNS

	1 Month	6 Month	1 Year	3 Years	5 Years
Balanced (%)	0.17	8.54	9.68	17.92	38.92
Benchmark (%)	0.08	4.20	5.98	19.04	39.38

## REVIEW & INVESTMENT STRATEGY

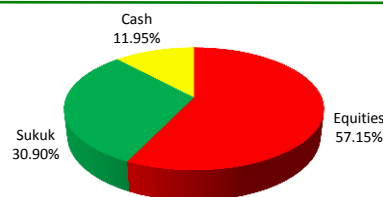
The Fund was down 0.09% in July and underperformed the benchmark by 0.17%. YTD-FY, the fund is outperforming the benchmark by 0.48%. During the month, equity underperformed. The underperformance came mainly from the overweight position in oil and gas and financials. In terms of stock selection, the underweight position in IHH Healthcare and UMW Holdings contributed to the underperformance. For fixed income, the main contributors were the power, construction, and plantation related bonds in the Fund. As we enter the second half of 2014 ("2H14"), the International Monetary Fund ("IMF") has been lowering global gross domestic product ("GDP") forecasts. It has led to some concern over a slower 2H14. But the US Manufacturing and Services Indicators are way above the breakeven level of 50 while Eurozone indicators, although above 50, are showing weakness. On balance, the first half of 2014 ("1H14") GDP growth looks set to carry through into the 2H14 but with some moderation. In Malaysia, JP Morgan expects 2H14 GDP growth to be sustained by further expansion in domestic demand as the investment cycle kicks into higher gear. Bursa Malaysia is currently at 2014 and 2015 price earning ratio ("PER") of 16.5x and 15.0x respectively. Earnings per share growth for both years have been downgraded to 3.4% and 9.8%. Compared to the 5-year average forward PER of 14.6x, the market is still a tad overvalued. We maintain our year-end target of 1920 based on a higher PER of 15.5x (previously 15.0x) on 2015 earnings. For equities, we continue to favor stocks with the potential for earnings upgrades. As valuations begin to become stretched, we focus on stock selections, and trim small cap stocks that are deemed fairly valued. For fixed income, we will maintain a trading stance on government securities and continue to overweight corporate bonds with focus on higher rated issues.

## FUND PERFORMANCE



	2013	2012	2011	2010	2009
Target Fund	13.50	13.99	7.39	15.57	32.84
Benchmark	9.09	8.24	2.77	11.72	25.42

## ASSET ALLOCATION



## FINANCIAL YEAR PERFORMANCE

	Balanced (%)	Benchmark (%)	12-month GIA	Highest NAV	Lowest NAV
2008/09	-17.43	-24.04	3.68	1.5000	0.8409
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

## 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 1.0813
Fund Value	RM 8,924,134.11
Units in circulation	8,252,960.66
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	%
Jimah Energy Ventures	7.53	Sukuk	91.96
Encorp Systembilt Sdn Bhd	6.64	Cash	8.04
Bumitama Agri Ltd	6.57		
Edaran SWM Sdn Bhd	6.54		
Perbadanan Kemajuan N.Selangor	6.50		

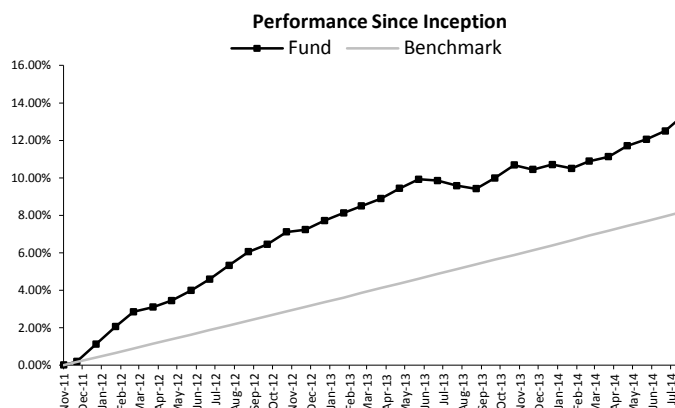
## TOTAL RETURNS

	1 Month	6 Month	1 Year	3 Years	5 Years
Fixed Income (%)	-0.99	-2.11	-2.68	6.46	18.17
Benchmark (%)	0.24	1.44	2.88	8.74	14.30

## REVIEW & INVESTMENT STRATEGY

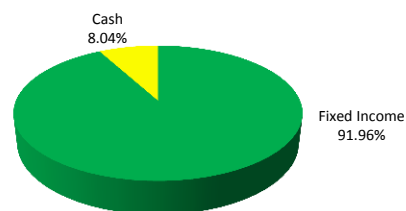
The Fund's performance for the month of July was 0.79% as compared to its benchmark of 0.24%. The sovereign yield curve shifted lower on the long end in July showing a case of bull-flattening as market players continued to prefer longer duration instruments as they believe that US policy rates will remain low in the near term. Trading volume for corporate bonds was higher in July with RM10.97 billion traded, 28.6% higher than previous month's RM8.5 billion. Trading was mainly on the high investment grade such as government-guaranteed ("GG") and AAAs. The Monetary Policy Committee ("MPC") meeting on 10 July saw Bank Negara Malaysia ("BNM") raising its overnight policy rate ("OPR") by 25 bps to 3.25. The tone of BNM MPC's statement reveals that there is still room for another rate hike but indicated that they will need to continue monitoring the risk of destabilizing financial imbalances and the strength of the domestic growth before continuing with its rate normalization cycle. Taking into consideration of cautious investor sentiment alongside with expectations of a potential rate hike in the second half of this year, we will maintain our portfolio duration and focus on both primary and secondary issues which have re-priced higher. We continue to maintain our trading position on Government investment issue ("GI") and overweight on corporate sukuk.

## FUND PERFORMANCE



	2013	2012	2011	2010	2009
Target Fund	1.85	5.59	6.05	3.45	4.85
Benchmark	1.19	4.01	4.40	5.41	0.07

## ASSET ALLOCATION



## FINANCIAL YEAR PERFORMANCE

	Fixed Income (%)	Bench-mark (%)	12-month GIA	Highest NAV	Lowest NAV
2008/09	2.20	3.68	3.68	1.0496	0.9674
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

## 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 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 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 Net Asset Value ("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 Bank Negara Malaysia ("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 Net Asset Value ("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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