

## 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 1.3601
Fund Value	RM 24,604,625.63
Units in circulation	18,090,485.62
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	8.40
MISC Bhd	7.24
Petronas Gas Bhd	6.23
Telekom Malaysia Bhd	5.27
Westports Hldgs Bhd	4.97

## TOP 5 SECTORS %

Trading / Services	48.43
Industrials	15.48
Construction	7.04
IPC	6.75
Finance	3.85

\*Infrastructure Project Companies

## TOTAL RETURNS

	1 Month	6 Month	1 Year	3 Years	5 Years
Growth (%)	2.37	-4.69	-4.13	17.73	30.53
Benchmark (%)	3.89	-13.44	-13.74	2.16	21.35

## REVIEW & INVESTMENT STRATEGY

The Fund posted a 3.39% return in September 2015, underperforming the benchmark by 0.50%. On a year-to-date ("YTD-FY") basis, the Fund is outperforming by 4.81%. At the sector level, the underweights in Industrials and Consumer Services sector were key performance detractors. Cash was also a drag on performance.

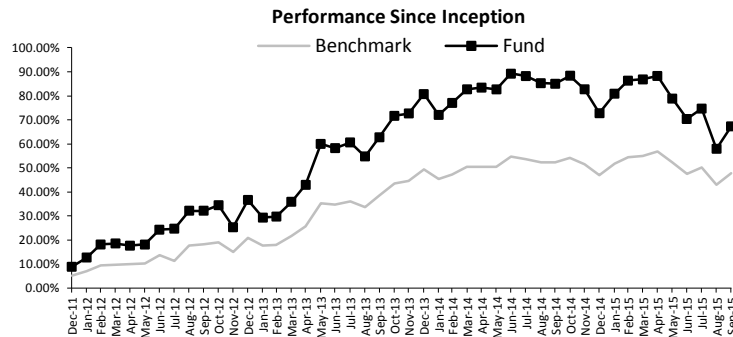
The FBM Emas Shariah Index ("FBMEMAS") closed the month at 11,889.05, posting a 3.89% gain from August 2015. On a year-to-date basis, the market is down 4.94%. China macroeconomic data continued to be weak while Asia's growth forecasts were lowered by Moody's and the Asian Development Bank.

PM Najib Razak announced several measures which included injecting RM20bn into ValueCap to invest in the market and urging government-linked corporations to re-invest gains from overseas operations. The Ringgit settled at RM4.3950, after briefly hitting a high of RM4.4570.

Based on our database, the projected Earnings Per Share ("EPS") growth for 2015 has been on a general downward trend and currently stands at 3.7%. Forecast EPS growth for next year is 10.5%, but this may be optimistic in our view. The market may be underestimating the impact of a weak Ringgit on corporate margins.

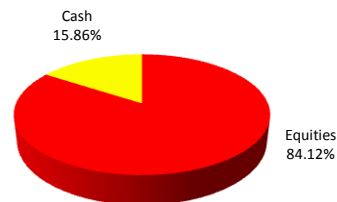
We remain cautious on the Malaysian stock market as we go into the final quarter of 2015. With no clear catalysts in sight and the probability of US interest rate lift-off, our stock picks are skewed towards defensive bets via Exporters (Technology, Gloves, Furniture), Utilities and Port operators. We continue to avoid commodities at this juncture and maintain an underweight in the Oil & Gas and Plantation sectors.

## 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 1.4693
Fund Value	RM 13,282,522.95
Units in circulation	9,039,978.40
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	5.43
IJM Corp Bhd	2.93
Telekom Malaysia Bhd	2.75
Westports Hldgs Bhd	2.59
Petronas Gas Bhd	2.55

## TOP 5 SECTORS %

Sukuk	31.60
Trading / Services	24.27
Industrials	8.39
Construction	4.81
IPC*	3.82

\*Infrastructure Project Companies

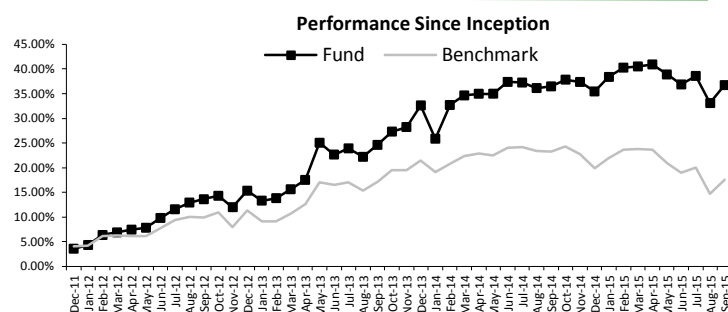
## TOTAL RETURNS

	1 Month	6 Month	1 Year	3 Years	5 Years
Balanced (%)	2.85	-3.91	-1.25	16.15	27.24
Benchmark (%)	2.44	-5.06	-4.68	7.08	21.27

## REVIEW & INVESTMENT STRATEGY

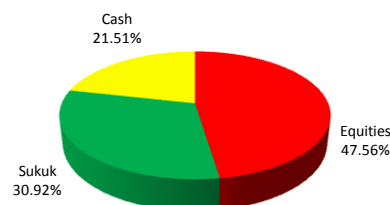
The Fund rose 2.74% in September 2015, outperforming the benchmark by 30 basis points ("bps"). On the year-to-date ("YTD-FY"), the fund outperformed the benchmark by 2.33%. During the month, equities outperformed, thanks to the strategy taken to overweight in export-oriented stocks and Ports as well as underweight in Oil & Gas and Plantations. For fixed income, the main contributors were from power, banks and REIT related sukuk in the Fund. In September, the FTSE Bursa Malaysia Kuala Lumpur Composite Index ("FBMKLCI") gained 8 points or 0.51% to close at 1,621 points. YTD, FBMKLCI has lost 8.0%. When the Prime Minister announced plans to inject RM20 billion into the equities market via ValueCAP on September 14, the index staged a brief rally to 1,681 points before giving up most of the gains by month end. Overall, there is growing concern of a sharper than expected slowdown in global growth and deflationary pressures as China releases weak macro data. The Ringgit hit a new low of 4.457 on September 29 before closing the month at 4.395. Net foreign outflows amounted to RM2.3 billion for the month, with YTD net foreign outflows ballooning to RM18.1 billion. Foreign exchange reserves hit a low of USD94.5 billion in mid August before rebounding to USD95.3 billion in mid September. As expected, the street continues to downgrade earnings. Based on our database, Earnings Per Share ("EPS") growth is now 1.9% and 6.6% for 2015 and 2016, with corresponding Price Earnings Ratio ("PER") of 17 times and 16 times. We think there is still room for more earnings downgrades. Thus, the FBMKLCI continues to look fair for 2016. We stay focused on stocks with good quality growth, strong cash flows and sustainable dividends. We continue to be positioned in Exporters (Technology, Gloves, Furniture) and Utilities. We remain underweight in Oil & Gas, Plantations and Financials. The upcoming Budget 2016 is expected to be market neutral. While Construction may be in focus, the catalyst for the sector would be the actual award of the projects in 2016. We continue to seek alpha as we position ahead for 2016. For fixed income, we prefer to concentrate on selective corporate sukuk 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 1.1569
Fund Value	RM 10,452,698.04
Units in circulation	9,035,351.34
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	9.26	Sukuk	89.37
MUMTALAKAT	8.80	Cash	10.63
Jimah Energy Ventures	7.55		
Encorp Systembilt Sdn Bhd	7.05		
Malakoff Power Bhd	6.83		

## TOTAL RETURNS

	1 Month	6 Month	1 Year	3 Years	5 Years
Fixed Income (%)	0.24	0.90	3.30	9.12	18.90
Benchmark (%)	0.28	1.48	2.92	8.69	14.57

## REVIEW & INVESTMENT STRATEGY

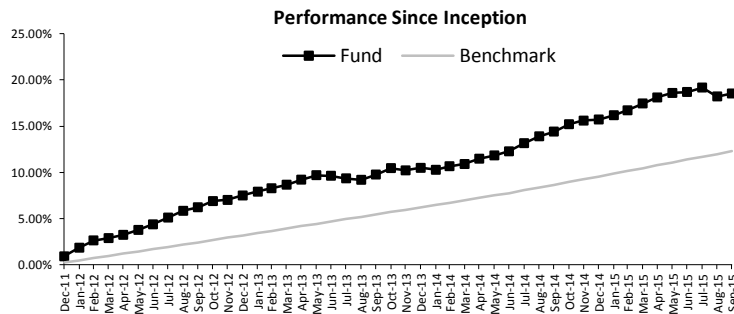
The Fund's performance for the month of September was 0.27% underperformed its benchmark by 0.01%.

The Government Investment Issues ("GII") saw a rebound during the month but yields movement were kept fairly tight relatively to Malaysian Government Securities ("MGS"). The GII curve closed the month lower on the longer end with the 10-year and 20-year traded lower by 5bps and 14bps to 4.36% and 4.69% respectively. Both 3-year and 5-year GII traded higher by 22bps and 2bps respectively.

Due to slow global growth, the Malaysian economy is expected to continue to be challenging. Thus, barring any growth shocks, we expect Bank Negara Malaysia to keep the Overnight Policy Rate unchanged at 3.25% for the rest of 2015. The Fed's decision to postpone its rate hike is also expected to fuel further volatility in the global markets. As such, emerging markets sovereign yields will continue to be volatile and may trend higher when the Fed starts to hike. Nonetheless, the domestic institutional investors are expected to continue supporting the market should there be a massive sell-off.

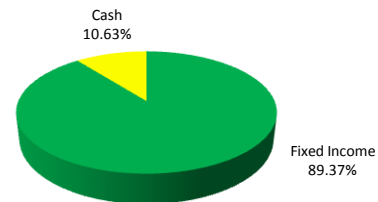
Our strategy remains unchanged and continue to prefer lower rated primary issuances for yield enhancement. We expect to take profit on existing sukuk and switch into repriced primary or secondary issuances.

## 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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