

## 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.

## TARGET MARKET

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 1.1949
Fund Value	RM 38,944,235.76
Units in circulation	32,591,711.85
Fund Inception Date	16 December 2006
Management Fee	1.50% 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	9.80
Petronas Chemicals Group Bhd	6.81
Axiata Group Bhd	4.87
IHH Healthcare Bhd	3.95
Dialog Group Bhd	3.47

## TOP SECTORS %

Trading / Services	40.19
Industrials	18.56
Plantation	7.77
Properties	6.64
Construction	6.05

## TOTAL RETURNS

	1 Month	6 Months	1 Year	3 Years	5 Years
Growth (%)	(2.34)	(14.70)	(7.82)	3.17	12.66
Benchmark (%)	5.94	(5.92)	1.33	4.89	1.40

## REVIEW & INVESTMENT STRATEGY

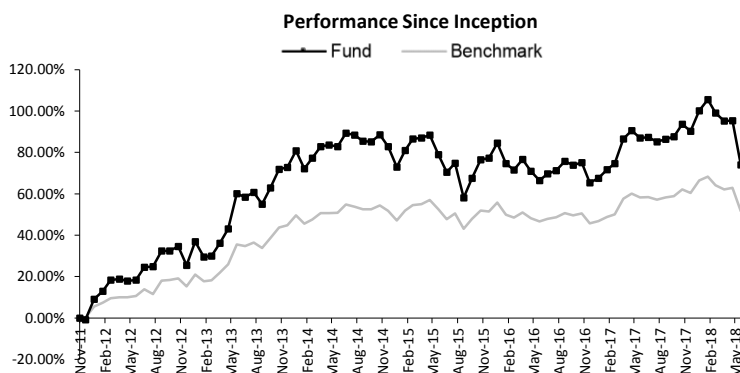
The Fund increased by 4.80% in July 2018, underperforming the benchmark by 1.14%. Underperformance came from the cash holdings and Property and Bank Islam. At the stock level, the fund affected by the overweight in Top Glove, as well as the underweight in Digi and Gamuda. Year-to-date (FY), the fund has outperformed by 1.47%.

Telecommunication companies led the increased after the Government provided clarity on the Broadband plans. Industrials companies also outperformed the benchmark after May IPI rose 3.0% Year-on-Year, driven by a rise in manufacturing output. Jun CPI came in at 0.8% YoY, reflecting the zero-rating of the GST. Nevertheless, with the introduction of the Sales and Service Tax (SST) in September, inflation is expected to be higher in 4Q. Meanwhile, on the global front, trade tensions remained a real risk after President Trump announced that the US is ready to impose additional tariffs on all China made goods.

Both external and domestic macro backdrop remain challenging and we do not foresee much improvement in the short-term. 100 days of the New PH government, changes of GLC management team and 2Q2018 reporting season will be key events that investors will be focusing in August. On the fund flow, we are maintaining our view that global outflows from emerging markets, particularly for Malaysia, may be at a tail end in the short term hence we taking the opportunity to deploy cash gradually into the local markets and increasing overall equity exposure. We continue to prefer big cap companies with strong fundamentals in sectors such as Power & Renewable Energy, Technology and Industrials. We maintain our view that longer term, Malaysia equities could outperform regional peers given better risk premiums as a result of better governance.

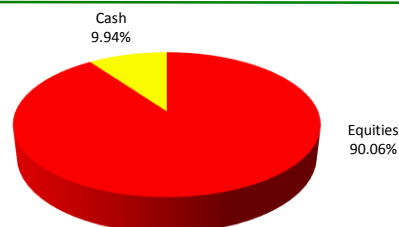
Note: YTD-FY reflects the period beginning 1 April 2017

## FUND PERFORMANCE



	2017	2016	2015	2014	2013
Target Fund	9.80	(5.99)	5.50	(3.12)	22.24
Benchmark	10.72	(6.14)	2.35	(4.17)	13.29

## ASSET ALLOCATION



## FINANCIAL YEAR PERFORMANCE

	Growth (%)	Benchmark (%)	12-month GIA	Highest NAV	Lowest NAV
2013/14	16.46	0.72	0.73	1.3393	1.1040
2014/15	1.32	0.72	0.73	1.3885	1.2294
2015/16	(3.70)	(2.36)	0.81	1.4207	1.2722
2016/17	4.24	2.50	3.15	1.3793	1.2307
2017/18	0.06	3.27	3.12	1.3149	1.1567

## 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.

## TARGET MARKET

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 1.5209
Fund Value	RM 19,862,675.98
Units in circulation	13,059,747.79
Fund Inception Date	16 December 2006
Management Fee	1.00% to 1.50% 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	8.83
Petronas Chemicals Group Bhd	4.01
Bank Islam Malaysia Bhd	3.62
Axiata Group Bhd	3.01
IHH Healthcare Bhd	3.01

## TOP SECTORS %

Sukuk	34.44
Trading / Services	27.65
Industrials	8.78
Construction	3.86
Consumer	3.49

## TOTAL RETURNS

	1 Month	6 Months	1 Year	3 Years	5 Years
Balanced (%)	(0.37)	(2.68)	(1.86)	8.03	19.99
Benchmark (%)	3.67	(2.93)	2.01	6.55	9.13

## REVIEW & INVESTMENT STRATEGY

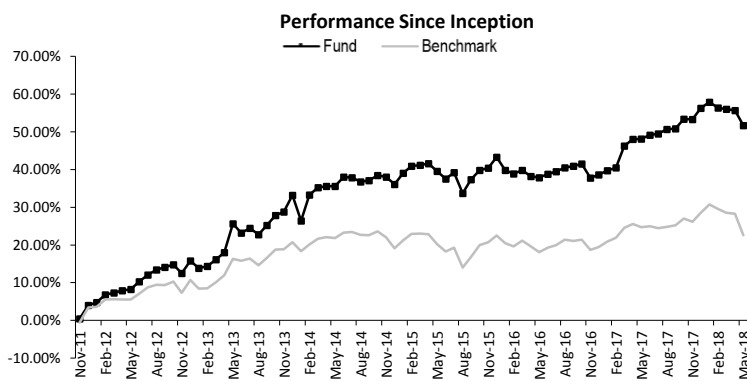
In July, the Fund increased by 3.00%, underperforming the Benchmark by 67 basis points (bps). Year-to-date (FY), the Fund declined 0.29%, outperforming the Benchmark by 168 bps. Fixed Income outperformed Equities. Stock specific, underweight position in Digi, Gamuda and Petronas Gas have affected the Portfolio.

Telecommunication companies led the increased after the Government provided clarity on the Broadband plans. Industrials companies also outperformed the benchmark after May IPI rose 3.0% Year-on-Year, driven by a rise in manufacturing output. Jun CPI came in at 0.8% YoY, reflecting the zero-rating of the GST. Nevertheless, with the introduction of the Sales and Service Tax (SST) in September, inflation is expected to be higher in 4Q. Meanwhile, on the global front, trade tensions remained a real risk after President Trump announced that the US is ready to impose additional tariffs on all China made goods.

Both external and domestic macro backdrop remain challenging and we do not foresee much improvement in the short-term. 100 days of the New PH government, changes of GLC management team and 2Q2018 reporting season will be key events that investors will be focusing in August. We continue to prefer big cap companies with strong fundamentals in sectors such as Power & Renewable Energy, Technology and Industrials. We maintain our view that longer term, Malaysia equities could outperform regional peers given better risk premiums as a result of better governance. On Sukuk, we view that the credit risk environment has improved for certain sectors with the new government trying to take a pragmatic approach in keeping their manifesto promises. The portfolio will continue to overweight fundamental over technical and valuation when it comes to taking credit risk. On interest rate, we will hold a neutral-to-slightly-overweight duration portfolio against benchmark as both fundamental and technical factors are supporting the local rates environment.

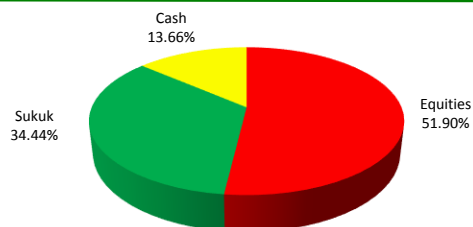
Note: YTD-FY reflects the period beginning 1 April 2017

## FUND PERFORMANCE



	2017	2016	2015	2014	2013
Target Fund	9.05	(3.36)	4.96	0.68	13.50
Benchmark	7.60	(2.49)	2.72	(1.37)	9.09

## ASSET ALLOCATION



## FINANCIAL YEAR PERFORMANCE

	Balanced (%)	Benchmark (%)	12-month GIA	Highest NAV	Lowest NAV
2013/14	13.89	0.74	0.73	1.4602	1.2549
2014/15	3.52	0.74	0.73	1.5070	1.3483
2015/16	(3.16)	(1.10)	0.81	1.5442	1.1942
2016/17	7.15	2.76	3.15	1.4977	1.3214
2017/18	5.50	3.19	3.12	1.5923	1.4326

## 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.

## TARGET MARKET

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 1.2920
Fund Value	RM 14,561,192.10
Units in circulation	11,270,460.57
Fund Inception Date	16 December 2006
Management Fee	1.00% p.a. of the NAV
Benchmark	Quantshop GII Medium Index
Target Fund	CIMB Islamic Sukuk Fund

## TOP HOLDINGS %

YTL Power International Bhd	5.58	Sukuk	92.58
Perbadanan Kemajuan N.Selangor	5.53	Cash	7.42
Gamuda Bhd	4.16		
Axiata Group Bhd	3.34		
UMW Hldg Bhd	3.14		

## TOTAL RETURNS

	1 Month	6 Months	1 Year	3 Years	5 Years
Fixed Income (%)	(1.63)	(7.14)	(18.68)	(14.50)	(7.63)
Benchmark (%)	0.27	1.60	3.10	9.33	15.09

## REVIEW & INVESTMENT STRATEGY

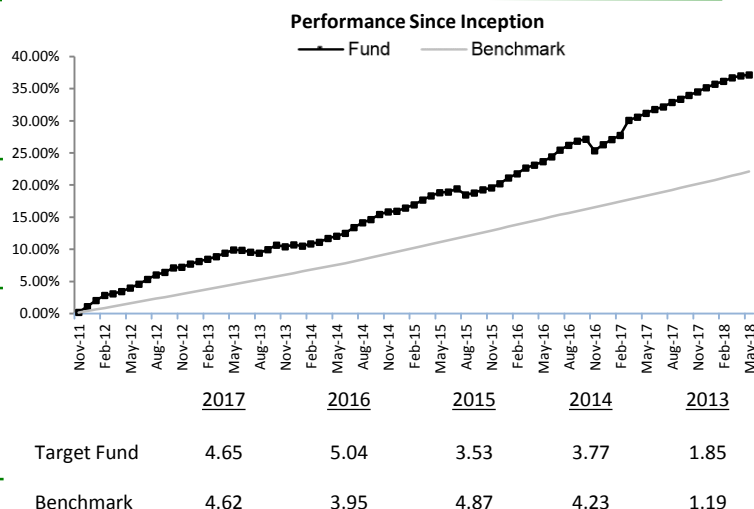
The Fund's performance for the month of July was 0.92% as compared to the benchmark return of 0.27%.

During the month, the Government Investment Issues ("GII") yield curve traded lower by 4-15bps across the curve with the 5-year GII yields dropped the most by 15bps to close at 3.84% from 3.96% previously. Meanwhile, trading volume of corporate sukuk jumped in July with RM8.9 billion traded versus RM4.8 billion in June as investors were seen chasing for yields after relatively quiet 2 months post GE14. Most of the trades were on quasi-sovereign, AAA-rated and AA-rated papers.

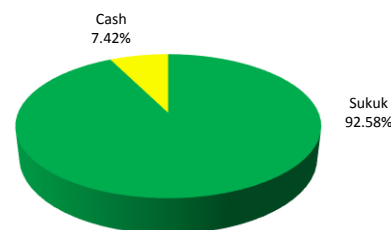
Bank Negara Malaysia ("BNM") kept its Overnight Policy Rate unchanged at 3.25% during its MPC meeting on 11th July 2018 with the policy statement taking note of possible repercussions of a further intensification in global trade tensions and monetary normalisation led by the US Fed. BNM remained optimistic about domestic demand on the back of a temporary boost to consumer spending from the "tax holiday" till September. It also noted the continued moderation in inflation and deemed the drop in inflation to be "transitory" going into end 2018. Meanwhile, market expects the new government to achieve its budget deficit at 2.8% this year but more clarity for 2019 fiscal position will be monitored closely in November when Budget 2019 will be unveiled. Hence, we maintain preference for high quality corporate sukuk with strong fundamentals versus government bonds for better yield pick-up and better total return.

Note: YTD-FY reflects the period beginning 1 April 2017

## FUND PERFORMANCE



## ASSET ALLOCATION



## FINANCIAL YEAR PERFORMANCE

	Fixed Income (%)	Benchmark (%)	12-month GIA	Highest NAV	Lowest NAV
2013/14	(3.56)	0.73	0.73	1.0784	1.0261
2014/15	8.46	0.73	0.73	1.1202	1.0253
2015/16	4.23	0.81	0.81	1.2065	1.0525
2016/17	10.83	3.15	3.15	1.2323	1.1292
2017/18	5.61	3.12	3.12	1.2813	1.1687

## 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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**Notice: Past performance of the fund is not an indication of its future performance**