



TakaFULmalaysia

Investment-linked Funds Annual Report 2010

*Laporan Tahunan
Dana Berkaitan-Pelaburan 2010*



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GROUP MANAGING DIRECTOR'S STATEMENT

In the Name of Allah, the Most Compassionate, the Most Merciful

Alhamdulillah, by the grace of Allah, we are pleased to present the 2010 Annual Report of Takaful Malaysia's Investment-Linked Funds ("ILFs") consisting of the Ittizan, Istiqrar, Ihfaz, Ittihad, Istifad, Irad and Ihsan for the year ended 31 December 2010.

After the infamous global financial crisis in 2008, the global economy has undergone a rapid phase of recovery in the second half of 2009 and 2010. The unprecedented monetary policy and fiscal stimulus implemented by the various governments particularly in advanced economies provided necessary supports to enable the world economy to stabilize faster than anticipated in 2009 and strengthened further in 2010, led by emerging and developing economies, particularly in Asia.

On the domestic front, with pre-emptive and accommodative monetary stance adopted by Bank Negara Malaysia coupled with series of economic stimulus packages announced by the Government of Malaysia, Malaysian's economy emerged strongly from the global financial crisis and registered 7.2% growth in 2010.

Against the backdrops of improving economic fundamentals, bullish investors' sentiment supported by better corporate earnings and strong foreign flows into domestic markets, the equity markets in particular have rallied strongly in 2009 and 2010. FTSE Bursa Malaysia Emas Shariah Index for instance had gained 18.2% in 2010.

Correspondingly, all our funds registered positive growth in their net asset value per unit with the best performance led by Ittizan with a growth of 13.77%, outperforming its benchmark which rose 12.74% over the 12-month period ended 31 December 2010.

We continue to remain upbeat for 2011. Continued domestic economic recovery supported by accommodative monetary policy stance coupled with Government's initiatives such as Economic Transformation Programs, Government-Linked Companies and Government Transformation Programs, rising liquidity, buoyant mergers and acquisition ("M&A") activities are believed to be the main key drivers to the market performance in 2011. However, downside risks such as weakening global trade and investment following the possible weaknesses in the US and euro area, geopolitical tension in Northern Africa nation and Middle Eastern, the anticipated tightening of monetary policies in several emerging Asian economies to contain inflationary pressures may further hinder regional trade and investment flows and thus could have an adverse impact on our domestic economy and an increase in market volatility.

Amidst the expected market volatility in 2011, we shall continue to be prudent and vigilant in outlining the investment strategies for your funds to ensure their long-term investment objectives are met and at the same time investment risk and return shall be managed efficiently.

Last but not least, we would like to express our utmost appreciation and gratitude for your continuous support for Takaful Investment-Linked products and Takaful Malaysia. We will continue to strive and work hard to serve you better and achieve our mission to be the *preferred choice for insurance*.

May Allah give us His guidance, Amin.



DATO' MOHAMED HASSAN MD KAMIL
Group Managing Director

FUND PROFILE

ITTIZAN (BALANCED FUND)

Investment Objective	To achieve reasonable returns and capital growth opportunities through selected investment in Shariah approved shares listed in Bursa Malaysia and Shariah compliant Islamic debt securities
Investment Strategy	Invest in a balanced asset allocation comprising of Shariah-compliant equity and Islamic debt securities and money market.
Asset Allocation	- At least 30% and a maximum of 70% in Malaysian shares approved by the Shariah Advisory Council of the Securities Commission; - The balance in cash, long and short term Islamic debt securities and other liquid Islamic investments.
Performance Benchmark	70% FBM Emas Shariah Index ("FBMSI") and 30% one-month return Maybank General Investment Account rate ("GIA").

ISTIQRAR (STABLE CAPITAL FUND)

Investment Objective	To achieve relatively stable pattern of investment returns over medium term through selected investment in Shariah approved shares listed in Bursa Malaysia and Shariah-compliant fixed income securities.
Investment Strategy	Invest in a balanced asset allocation comprising mainly in Islamic debt securities with smaller exposure in Shariah-compliant equity.
Asset Allocation	- A maximum of 35% in Malaysian shares approved by the Shariah Advisory Council of the Securities Commission; - At least 65% and a maximum 100% in cash, long and short term Islamic debt securities and other liquid Islamic investments.
Performance Benchmark	30% FBM Emas Shariah Index ("FBMSI") and 70% one-month return Maybank General Investment Account rate ("GIA").

IHFAZ (INDEX TRACKER FUND)

Investment Objective	• To achieve returns that tracks the performance of FBM Emas Shariah Index.
Investment Strategy	• Invest mainly in the top forty of the Index component stocks; closely tracking the movement of the Benchmark in the medium to long term; • Constant rebalancing of the component stocks to closely track the benchmark performance.
Asset Allocation	• 90% - 95% in Malaysian shares approved by the Shariah Advisory Council of the Securities Commission; • The balance in Islamic money market instruments.
Performance Benchmark	• FBM Emas Shariah Index ("FBMSI").

ITTIHAD (GROWTH FUND)

Investment Objective	• To achieve capital growth opportunities and dividend income through selective investments in Shariah approved shares listed in Bursa Malaysia.
Investment Strategy	• Invest primarily in selected Shariah compliant equities that comprise of a diversified portfolio of index-linked companies, blue-chip stocks and companies with growth prospects and attractive dividend yields that are listed on Bursa Malaysia; • Active portfolio management – constant review on asset allocation and stocks holding. Stock/portfolio turnover would be practically high in search for opportunities in capital gain and dividend yield stocks.
Asset Allocation	• At least 50% and a maximum of 95% in Malaysian shares approved by the Shariah Advisory Council of the Securities Commission; • The balance in cash, long and short term Islamic debt securities and other liquid Islamic investments.
Performance Benchmark	• FBM Emas Shariah Index ("FBMSI").

ISTIFAD (BLUE CHIPS FUND)

Investment Objective	To achieve consistent capital growth in the long run through investments in Shariah Compliant Blue Chips Shares.
Investment Strategy	- Invest primarily in Shariah compliant equities with higher market capitalisation to achieve long term capital growth; - Active portfolio management - constant review on asset allocation and stock holding in search of stocks that meet the objective of the Fund.
Asset Allocation	- At least 40% and a maximum of 90% in Malaysian shares approved by the Shariah Advisory Council of the Securities Commission; - The balance in Islamic money market instruments.
Performance Benchmark	FBM Emas Shariah Index ("FBMSI").

IRAD (DIVIDEND YIELDERS FUND)

Investment Objective	- To achieve dividend income in the long term through selective investments in high dividend yield shares that provide a minimum annual gross dividend of 4.00%. - To achieve capital growth through selective investments in Blue Chips Shares that could potentially provide capital growth in the long run.
Investment Strategy	- Invest primarily in dividend yield stocks that provide a minimum annual gross dividend of 4.00% as well as blue-chip stocks that could potentially grow in the long run; - At all times, exposure in stocks that yield a minimum of 4% annual gross dividend shall be at least 50% of the equity exposure; - Constant review on asset allocation and stock holding in search of stocks that comply with the objective of the Fund.
Asset Allocation	- At least 40% and a maximum of 90% in Malaysian shares approved by the Shariah Advisory Council of the Securities Commission; - At least 50% of the equity exposure is in dividend yield shares; - The balance in Islamic money market instruments.
Performance Benchmark	FBM Emas Shariah Index ("FBMSI").

IHSAN (BALANCED FUND)

Investment Objective	• To achieve moderate streams of income and consistent capital growth over the medium-to-long term period by investing in a diversified portfolio of investments; • To construct a diversified portfolio containing a balanced mixture of equities and fixed income securities.
Investment Strategy	• Invest in a balanced asset allocation comprising of Shariah-compliant equity, debt securities and money market.
Asset Allocation	• At least 10% and a maximum of 40% in Malaysian shares approved by the Shariah Advisory Council of the Securities Commission; • At least 10% and a maximum of 60% in Islamic debt securities and Malaysian Government Investment Issues; • The balance in Islamic money market instruments.
Performance Benchmark	• 40% FBM Emas Shariah Index ("FBMSI") and 60% 12-month return Maybank General Investment Account rate ("GIA").

ECONOMIC AND MARKET REVIEW & OUTLOOK

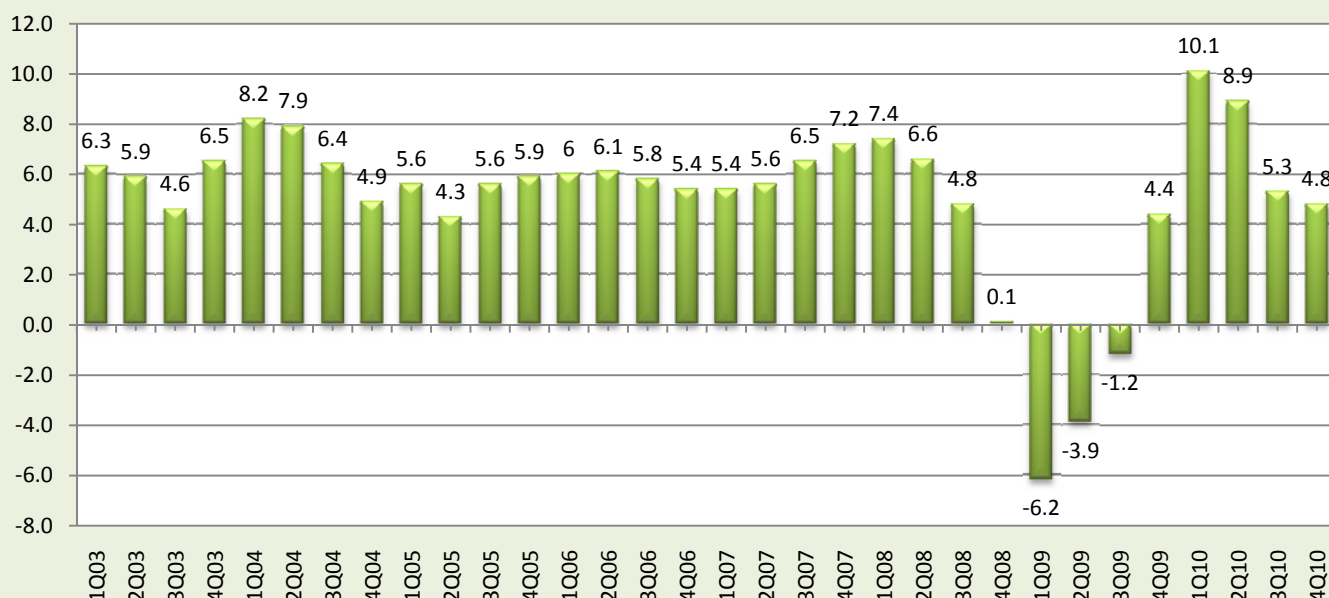
ECONOMIC REVIEW

This annual report is for the period from 1 July 2009 until 31 December 2010.

After the infamous global financial crisis in 2008, the global economy has undergone a rapid phase of recovery in the second half of 2009 ("2H2009") and 2010. Save and except for the US and European Countries economies, major Organisation for Economic Co-operation and Development ("OECD") and Asian economies have rebounded from the sharp contractions in the first half of 2009 ("1H2009"), mainly driven by fiscal stimulus and monetary initiatives. Hailed as the leader in the economic recovery process, China saw its economy expanded 11.9% YoY in 1Q2010 and 10.3% in 2Q2010. However, growth eased slightly to 9.6% in 3Q2010.

Consequently, Malaysia has also experienced an upturn with the gross domestic product ("GDP") expanded in 1Q2010 and 2Q2010, growing 10.2% and 8.9% respectively. However, like any other Asian countries, 3Q2010 and 4Q2010 saw GDP growth slowing down slightly to 5.3% and 4.8% respectively on the back of slower export growth and high base effect in 1H2009, resulting the GDP growth for 2010 to moderate to 7.2%. Graphical chart below shows the notable recovery of the Malaysia's GDP after a sharp contraction in 2009.

Graph 1 Malaysia's Quarterly Real GDP Growth (% y-o-y)



Source : Bloomberg

In sharp contrast to the Asian economies, the recovery phase in the advanced economies was nevertheless abated due to the deterioration of sovereign credit risk in the European countries which was originated from Greece. Owing to the swelling of its budget deficits, Greece's credit rating was cut three notches to junk by Standard and Poor's, the first time a euro member has lost its investment grade since the currency's 1999 debut. On the other hand, high unemployment and housing slump continues to overshadow the US economy, with the unemployment level surpassing 9% and the persistent downtrend of new and existing home sales.

In order to boost the flagging economies and improve liquidity in the European financial markets, the European Union and the International Monetary Fund ("IMF") pledged to provide a loan package amounting to €750 billion on May 2010. Meanwhile, the US Federal Reserve bought USD1.7 trillion of mortgage debts and Treasuries from November 2008 to March 2010 to boost liquidity into the market and implemented another round of quantitative easing ("QE2") in November 2010 with its pledged to buy another USD600 billion of treasuries to boost its economy growth. In 2010, the US economy expanded 2.6% in 3Q2010 from 1.7% in 2Q2010 after a contraction of 2.6% in 2009 on back of increase consumer spending.

With economic growth picking up in this part of the world, central banks in Asia started to normalize interest rates, led by Malaysia's central bank. After reducing the Overnight Policy Rate ("OPR") by a total of 150 basis points to a record low of 2% since February 2009, Bank Negara Malaysia (BNM) raised the OPR by a total of 75 basis points to 2.75% over the period between March 2010 and July 2010. BNM however kept the rates unchanged since then, stating that the monetary policy will remain supportive and accommodative to the economic growth.

The headline inflation, as measured by the Consumer Price Index ("CPI") on the other hand rose by 2.07% QoQ in 4Q2010 after reaching the lowest level in November 2009 of -2.27%, driven mainly by the increases in food and transport categories (Graph 2).

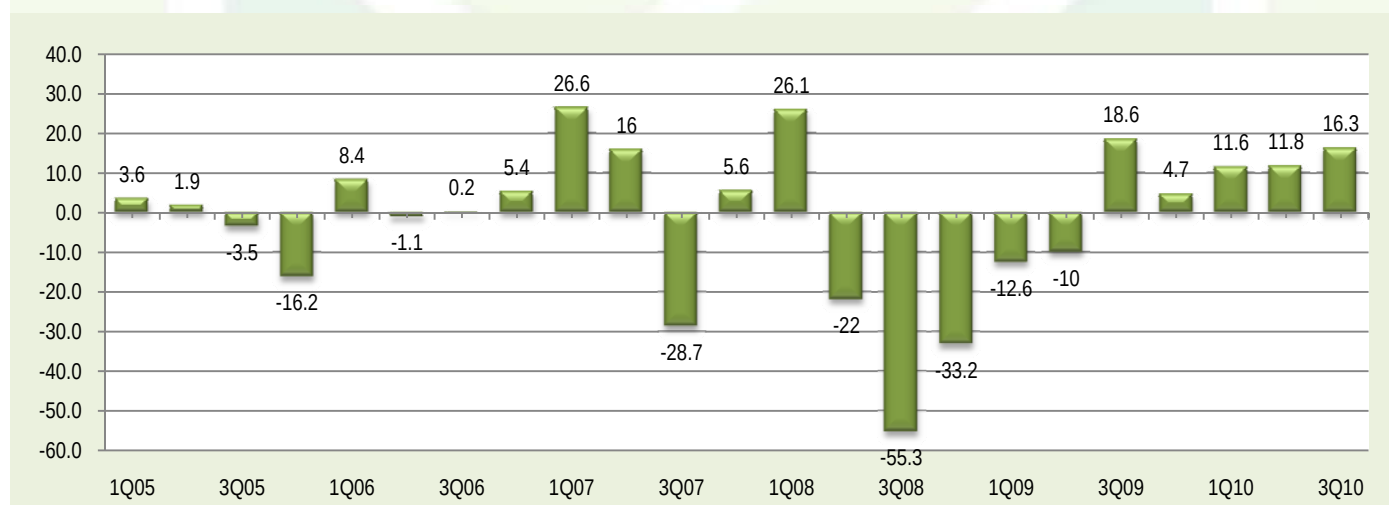
Graph 2 Malaysia Inflation Rate (quarterly)



Source : Bloomberg

Reflecting the improving macroeconomics fundamentals, the Ringgit strengthened by about 11% vis-a-vis the US dollar to hit a 13-year high to close at RM3.06. Apart from the weakening of the USD against other currencies especially Asian currencies, renewed foreign investors' interest over Malaysian capital markets also contributed to the Ringgit best performance this year. Net portfolio inflow recorded 5th quarterly inflow since 2Q2009 until 3Q2010 with a total of RM63.0 billion invested in Malaysia's bond and equity markets (Graph 3).

Graph 3 Total Net Portfolio Investment Into Malaysia (RM bil quarterly)



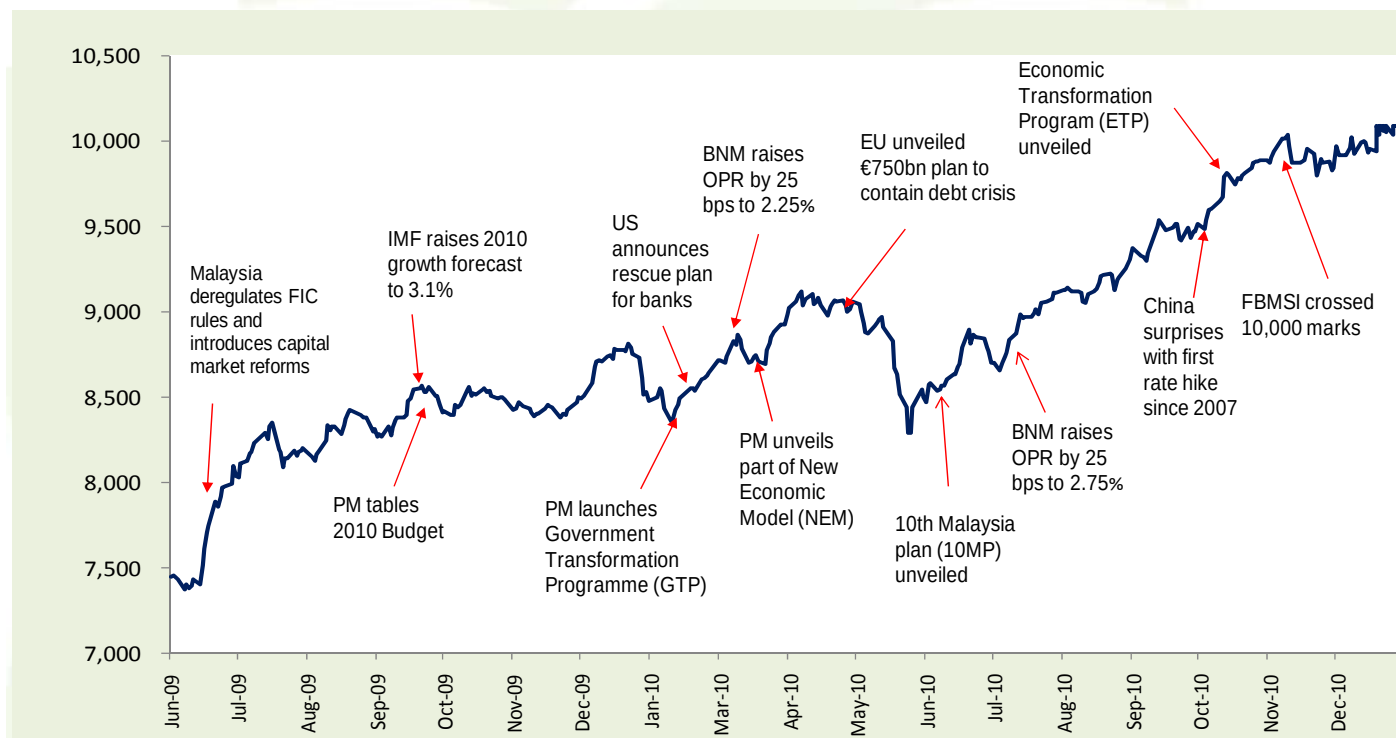
Source : Bank Negara Malaysia, Affin Investment Bank Bhd

EQUITY AND FIXED INCOME MARKET REVIEW

Equity Markets

Commencing the financial period under review at 7,445.71 points on 30 June 2009, the main benchmark for the Shariah-compliant stocks, FTSE-Bursa Malaysia Emas Shariah Index ("FBMSI") gathered the momentum and performed well in 2H2009 in anticipation that the global economic conditions have recovered from a deep recession in 1H2009, arising from coordinated fiscal stimulus packages and monetary easing around the globe. In tandem with a rebound in global equity markets, the FBMSI also recovered strongly to close at 8,509.52 points on 31 December 2009.

Graph 4 FBM Emas Shariah Index Performance (30 June 2009 – 31 December 2010)



Source : Bursa Malaysia

In 2010, the market started on the firmer note with the FBMSI crossing the 8,500 points level to touch a 18-month high of 8,826.37 points in mid January 2010. However, declines in global and regional equity markets caused the FBMSI to close sharply lower which saw the FBMSI fell 5.7% to a low of 8,362.50 points on 9 February 2010 before the market resumed its uptrend. This downshift was precipitated by the proposal to restrict the scope of bank activities in the US, credit tightening in China and the emergence of debt problems in several highly-indebted European nations. After reaching the high of 9,103.78 points on 12 April 2010, the market again experienced another major fall, sparked off by the deepening sovereign debt crisis in Europe. In addition, credit tightening measures implemented by China to cool down the surge in asset prices also created concerns on the sustainability of China's economic expansion that could undermine the global economic recovery. This time, the FBMSI lost 812.32 points or 8.92% from the recent high to close at 8,291.46 on 26 May 2010 before confidence was restored and the market bounced back. At the end of the 1H2010, the FBMSI recorded a gain of 2.99% to close at 8,764.17 points.

As the 2H2010 started, investors' sentiment recovered following the announcements of rescue loan packages for the highly-indebted European nations. The investor sentiment rose further after China depegged its currency to the USD, opening the way for a gradual appreciation of its currency. This has spurred demand for Asian currencies, including the Ringgit, which has been seen as proxies to China's growth. The announcement of liberalisation in the country's foreign exchange rules has further boosted the Ringgit which in turn attracted more foreign capital inflows into the country, which had already started flooding the emerging markets since 2009. The FBMSI surpassed the 10,000-mark on 10 November 2010 and continued to trend up and reached an all-time high of 10,111.79 on 29 December 2010 before closing the year end at 10,058.15 points. For the whole financial year under review, the FBMSI gained 35.1% on continuous inflows of short-term capital into emerging Asia in search for better returns.

Fixed Income Markets

2009 was a difficult year for the bond market in general as the market was still looking for the right signals on any economic improvements arising from unprecedented efforts by BNM by lowering the OPR to 2.00% to support the domestic economic activities. Similarly around the world, central bank has also loosened their monetary policy to avoid a global economic meltdown. To further spur economy, the government had also announced a larger budget deficit of 7.4% of GDP, which required it to raise more than RM90 billion.

The supply pressure coupled with economic uncertainty had caused the yield curve to bear steepening and drove the yield curve higher by year end.

Nonetheless, 2010 was generally a good year for fixed income market. Positive market developments coupled with liquidity flush and foreign funds inflow into the Malaysian bond market had pushed the yield curve lower and bull flattening throughout the year. As for private debt securities, the spreads between MGS/GII were getting tighter particularly for AAA and AA segments. This was due to higher demands coming into the market for riskier assets as credit prospect improved with the gradual economic recovery.

Money Markets

For Islamic money market, short-term rates rose over the period under review following Bank Negara Malaysia's move to increase OPR over the period from March 2010 to July 2010. The 1-Month General Investment Account Maybank rose from 2.05% at the beginning of the review period to 2.77% at the end of the financial period under review.

MARKET OUTLOOK AND INVESTMENT STRATEGY

Market Outlook

The local bourse has done reasonably well during the period under review. Apart from improving macroeconomic fundamentals and an appreciating currency, the better-than-expected performance was, to some extent, caused by inflows of portfolio funds to the emerging markets. Global investors reduced their exposure in the developed markets as economic growth in these countries had started to lose momentum, reviving the fear of a “double-dip”. As a result, equities in most of the emerging markets performed favourably during the period under review.

Concomitantly, the non-strategic foreign equity ownership of the Malaysian market picked up to 21.2% by end-August, from 20.6% at end-June. The increase in foreign participation in the local markets was partly on account of a strengthening ringgit on the back of rising currency yields, improving macroeconomic fundamentals as well as the liberalisation moves by the Central Bank to allow international trade to be settled in Ringgit. Active foreign participation was also believed to be spurred by the renewed interest arising from a series of blueprints unveiled by the government to transform Malaysia into a high-income economy by 2020. First off the ground was the Government Transformation Programme (“GTP”) in January, followed by the first part of the New Economic Model (“NEM”) in March, the 10th Malaysia Plan (“10MP”) in June, the Economic Transformation Programme (“ETP”) in October and finally, Part 2 of the NEM in early December.

Going into 2011, global equity markets are expected to be another positive year especially in emerging market like Malaysia. Continued economic recovery, rising liquidity, general election story, buoyant mergers and acquisition (M&A) activities and continued government as well as GLCs transformation programmes are believed to be the main key drivers to the next market rally in 2011. Notwithstanding the above, the emerging Asian markets are expected to be more volatile in 2011 amid strong rally in the last two years and concerns over slower economic activities. The International Monetary Fund (IMF) recently cuts its projection for the global economy to 4.2% in 2011 from 4.3% growth forecast given in January 2010, citing that the slowdown of growth in the advanced economy particularly the US and European countries, may result in the sluggishness to the world economy output. In contrast to the growth pattern of the advanced economies, the emerging economies especially Asia, entered the global crisis on a strong footing and is expected to continue leading the global recovery with robust economic activities mainly in China and India that have thus far help power growth in the rest of Asia. Hence, the Asia region is projected to grow by about 7.9% in 2010 and 6.7% in 2011.

Given the projected slowdown in the global economic recovery, Malaysian economy is expected to grow at a more moderate pace in 2011, with the Ministry of Finance expects the real GDP growth to ease to a range of 5.0-6.0% from 7.2% achieved in 2010. Under the NEM, reform initiatives to be taken by the government such as further liberalization of the services sector could enhance the country’s competitiveness and provide impetus for further growth in the medium-to-long term. The Malaysian government targets to achieve GDP growth rate of 6% per annum over the 2011-2020 period under the ETP which was unveiled in October 2010. On the other hand, the National Budget for 2011 which was unveiled in October 2010 outlining a massive amount of RM212 billion for allocation into various sectors primarily infrastructure and transportation sectors to spur growth and turning Malaysia into a developed nation by 2020. From an economic standpoint, proper allocation and efficient implementation would be able to elevate domestic growth and give the necessary support for investors’ confidence level, which would make Malaysia be more attractive in the eyes of the world. However, the downside risks such as weakening global trade and investment following the possible weaknesses in the US and euro area, geopolitical tension in Northern Africa nation and Middle Eastern, the anticipated tightening of monetary policies in several emerging Asian economies to contain inflationary pressures may further hinder regional trade and investment flows and thus could have an adverse impact in our domestic economy and an increase in market volatility.

On the fixed income side, 2011 is expected to be a challenging year. With economic recoveries continue to gain momentum particularly among the emerging markets such as Malaysia, the inflation threat is expected to dominate the fixed income market. This may result in volatility in yield curve particularly in the 1H2011 when the market is starting to price in expected changes in fiscal and monetary policies including interest rate hike by respective central banks to sustain economic recoveries and to deal with the inflation threat.

Investment Strategy

Looking ahead, in anticipation of the market volatility mainly influenced by the external factors, strategies for equity investment shall continuously be concentrating on stock pickings and cautiously undertaken in line with the fund stated objectives and asset allocation strategies in order to attain opportunities to enhance the overall return going forward.

For certain funds which asset allocations strategies to have certain level of exposure in fixed income, the focus and concentration would be more on private debt securities within AA segments for better yield pick-up. The funds are expected to maintain shorter duration for the 1H2011 in anticipation of more volatile market during the period amid concerns on inflation and interest rate hike before repositioning towards more exposure for longer term papers as the market stabilize.

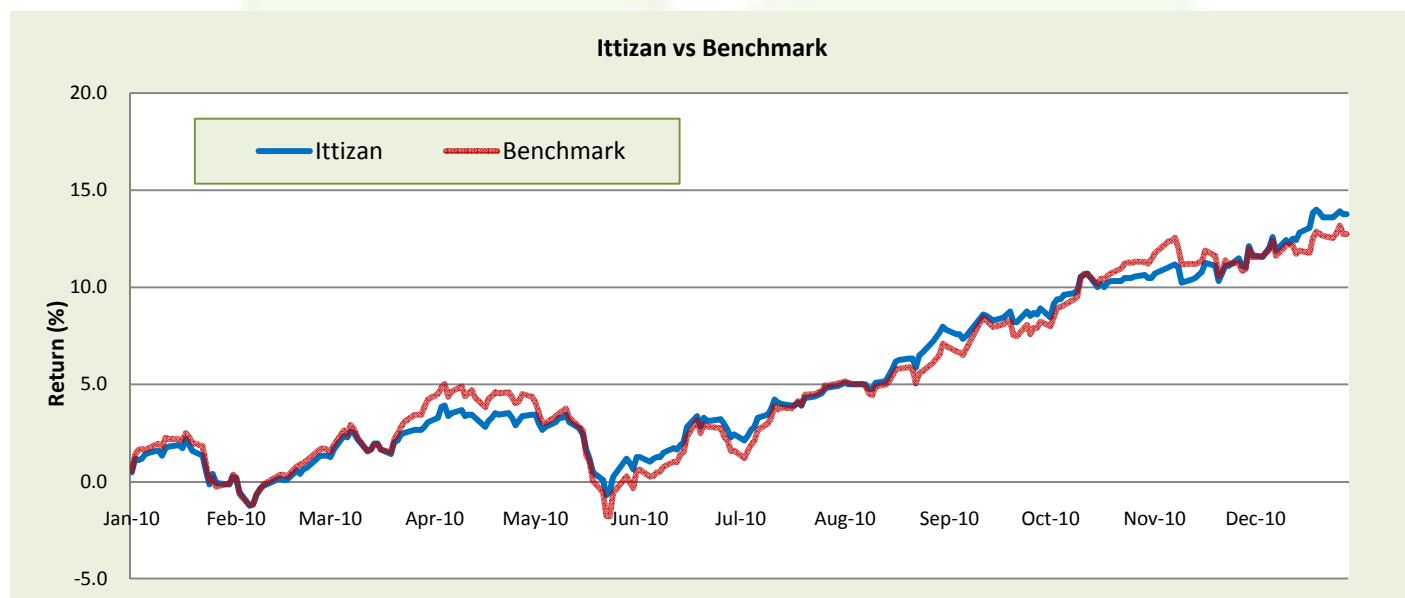


FUND PERFORMANCE REPORT

ITTIZAN (BALANCED FUND)

Performance Review

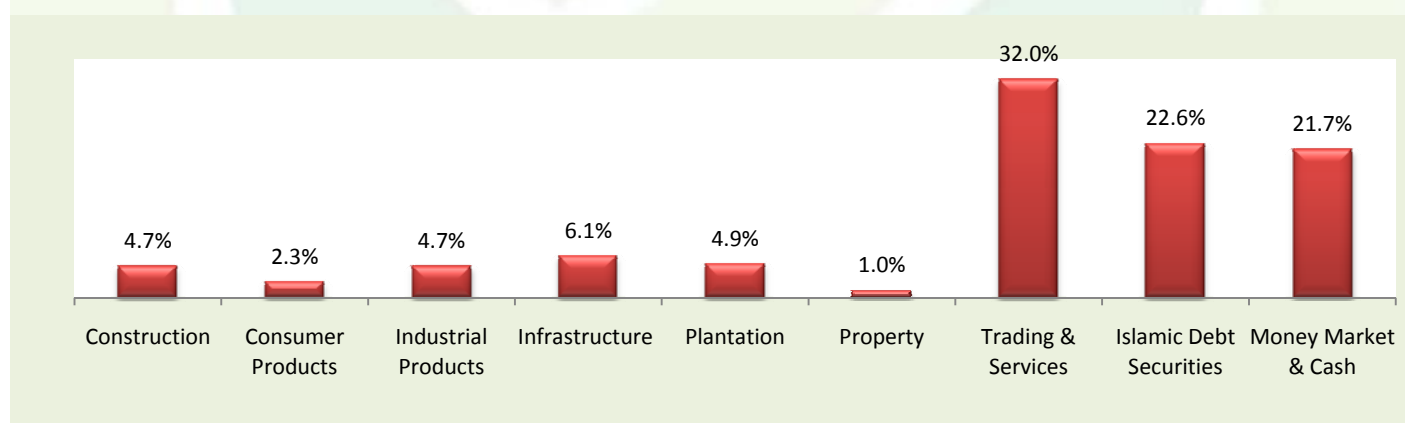
For the 12 months ended 31 December 2010, Ittizan outperformed its benchmark whereby it recorded a return of 13.77% against its benchmark (70% FBMSI and 30% 1-Month GIA) of 12.74%.

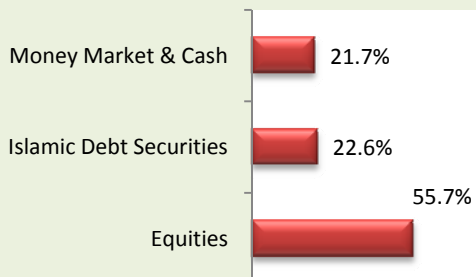


	Total Return			Average Annual Return		
	1-Year	3-Year	5-Year	1-Year	3-Year	5-Year
Ittizan	13.77	(0.38)	32.90	13.77	(0.13)	6.58
Benchmark	12.74	(0.88)	40.54	12.74	(0.29)	8.11

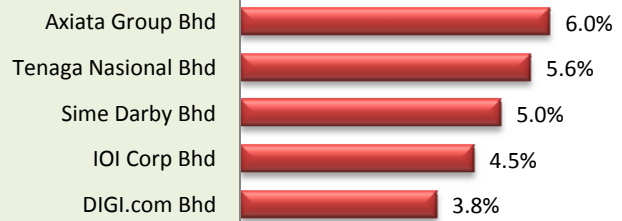
Asset Allocation

In terms of asset allocation, the fund has invested 55.7% in equity, 22.6% in Islamic debt securities and the remaining is in money market/cash. On equity sectoral allocation, trading & services was the top sector the fund invested in with 32% exposure. The details of asset allocation and the top 5 investment holdings are shown below:-





Top 5 Investment Holding



Fees/Charges levied to the Fund

Among the fees/charges levied to the fund are as follows:

- a) management fee which is calculated based on 1.5% per annum of the Gross Net Asset Value (NAV);
- b) custodian fee which is calculated based on 0.03% per annum of equity market value and at par value of debt securities.

Details on Distribution

There was no distribution declared for Ittizan for the period ended 31 December 2010.

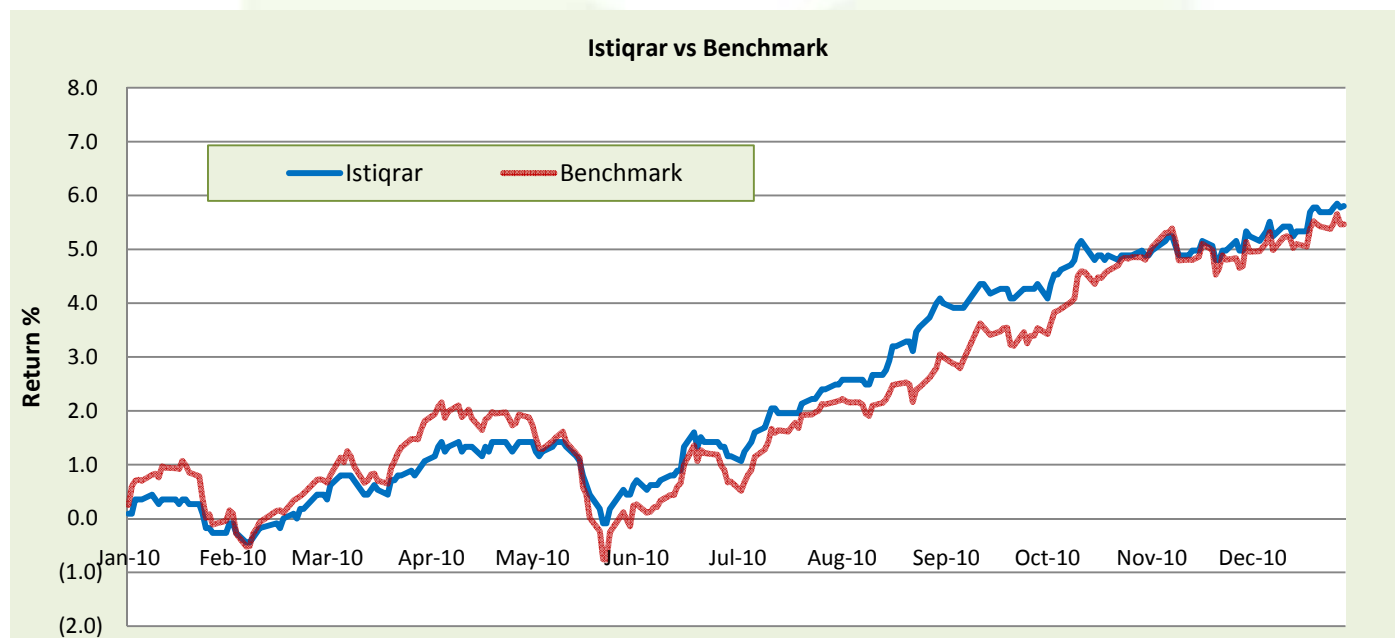
Descriptions of any changes in Fund's Objectives and Strategies

There were no material changes in fund's objectives and strategies for the period ended 31 December 2010.

ISTIQRAR (STABLE CAPITAL FUND)

Performance Review

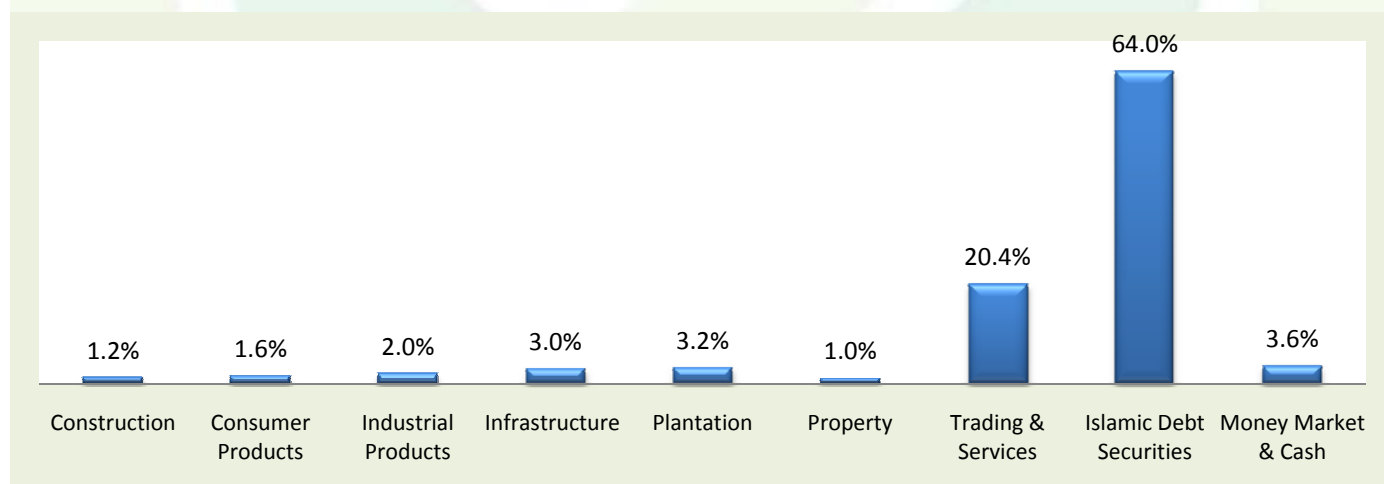
For the 12 months ending 31 December 2010, Istiqrar outperformed the benchmark whereby it recorded a return of 5.80% against the benchmark (30% FBMSI and 70% 1-Month GIA) of 5.47%.

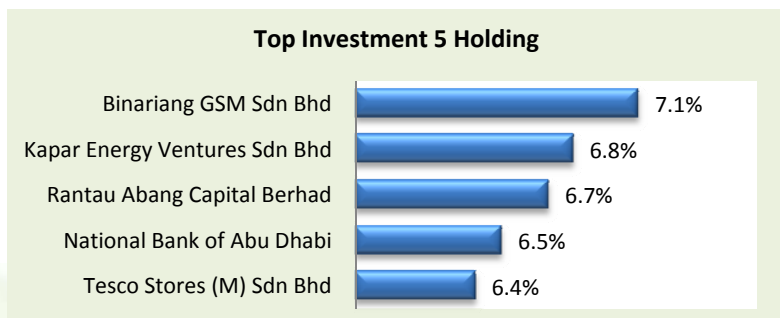
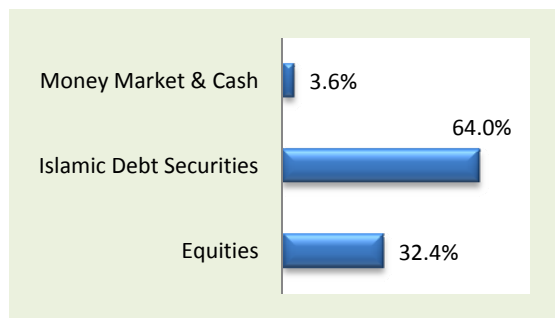


	Total Return			Average Annual Return		
	1-Year	3-Year	5-Year	1-Year	3-Year	5-Year
Istiqrar	5.80	(4.81)	11.77	5.80	(1.60)	2.35
Benchmark	5.47	1.76	21.71	5.47	0.59	4.34

Asset Allocation

In terms of asset allocation, the fund has invested 32.4% in equity, 64.0% in Islamic debt securities and the remaining is in money market/cash which is in accordance with its asset allocation strategy. On equity sectoral allocation, trading & services was the top sector the fund invested in with 20.4% exposure. The details of asset allocation and the top 5 investment holdings are shown below:-





Fees/Charges levied to the Fund

Among the fees/charges levied to the fund are as follows:

- management fee which is calculated based on 1.5% per annum of the Gross Net Asset Value (NAV);
- custodian fee which is calculated based on 0.03% per annum of equity market value and at par value of debt securities;

Details on Distribution

There was no distribution declared for Istiqrar for the period ended 31 December 2010.

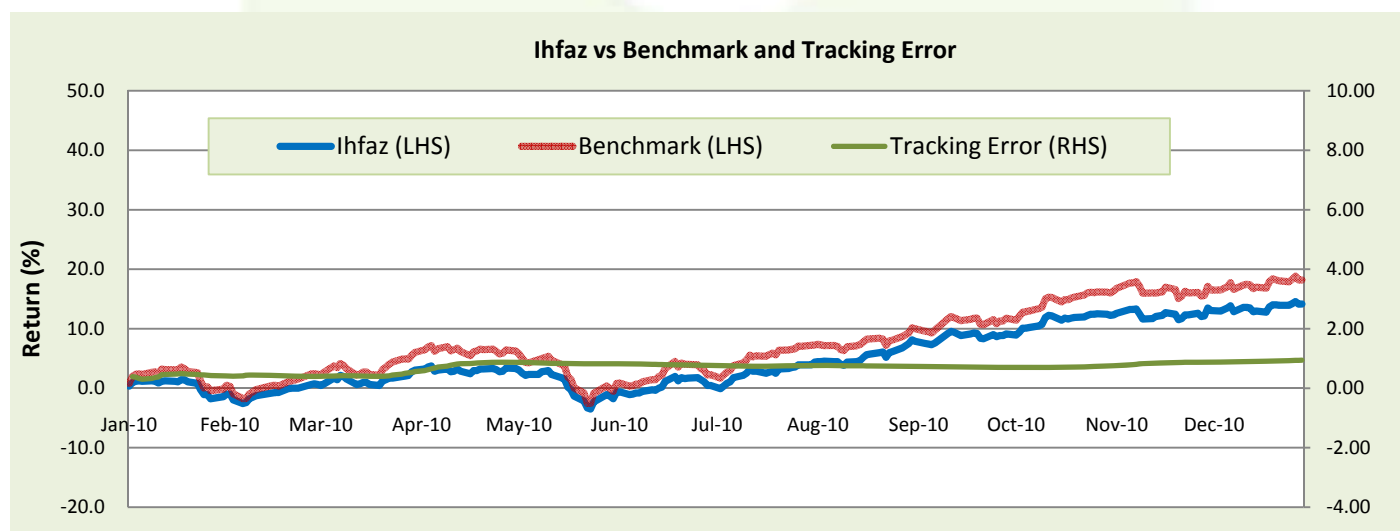
Descriptions of any changes in Fund's Objectives and Strategies

There were no material changes in fund's objectives and strategies for the period ended 31 December 2010.

IHFAZ (INDEX TRACKER FUND)

Performance Review

In line with the fund strategy to closely track its benchmark, its tracking error has consistently within the parameters set by the fund. For the 12 months ending 31 December 2010, the fund's tracking errors stood at 0.94% while the fund recorded a return of 14.15%.

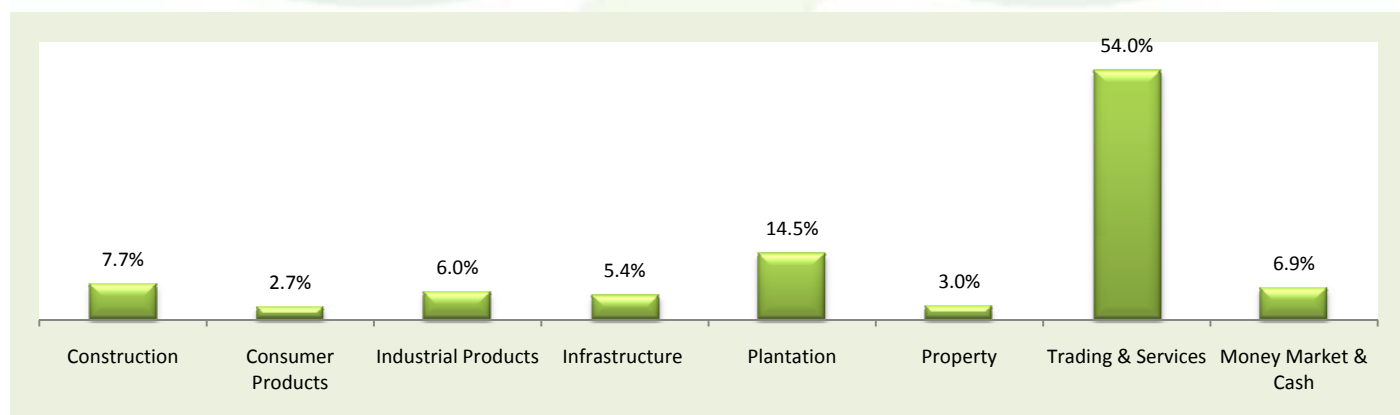


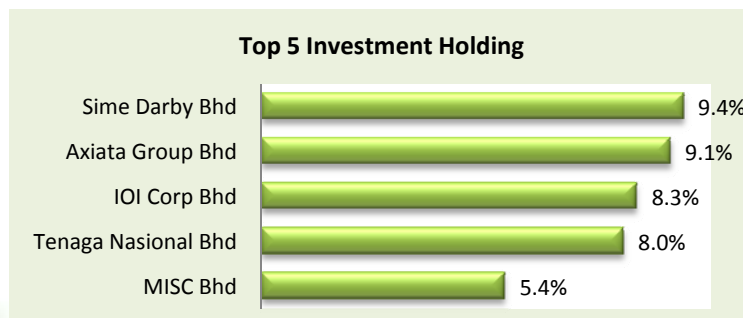
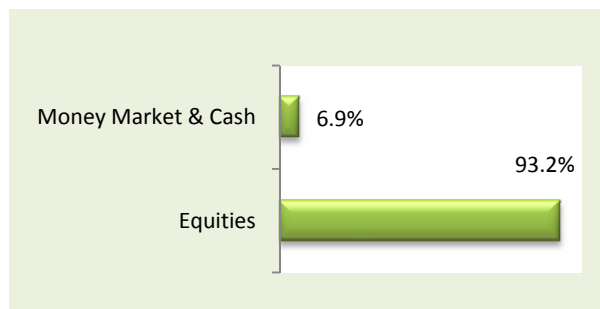
	Total Return			Average Annual Return		
	1-Year	3-Year	5-Year	1-Year	3-Year	5-Year
Ihfaz	14.15	-	-	14.15	-	-
Benchmark	18.20	-	-	18.20	-	-
Tracking Error	0.94	-	-	0.94	-	-

*Note : **Tracking error** (also called active risk) is a measure of the deviation from the benchmark. It measures of how closely a portfolio follows the index to which it is benchmarked. The index fund could have a tracking error close to zero, while an actively managed portfolio would normally have a higher tracking error.*

Asset Allocation

In terms of asset allocation, the fund has invested 93.2% in equity and the remaining is in money market/cash. On equity sectoral allocation, trading & services was the top sector the fund invested in which is in accordance to the Bursa Malaysia FBMSI index component allocation. The details of asset allocation and the top 5 investment holdings are shown below:-





Fees/Charges levied to the Fund

Among the fees/charges levied to the fund are as follows:

- management fee which is calculated based on 1.5% per annum of the equity market value and 1% of the remaining Gross Net Asset Value (NAV);
- custodian fee which is calculated based on 0.03% per annum of equity market value and at par value of debt securities.

Details on Distribution

There was no distribution declared for Ihfaz for the period ended 31 December 2010.

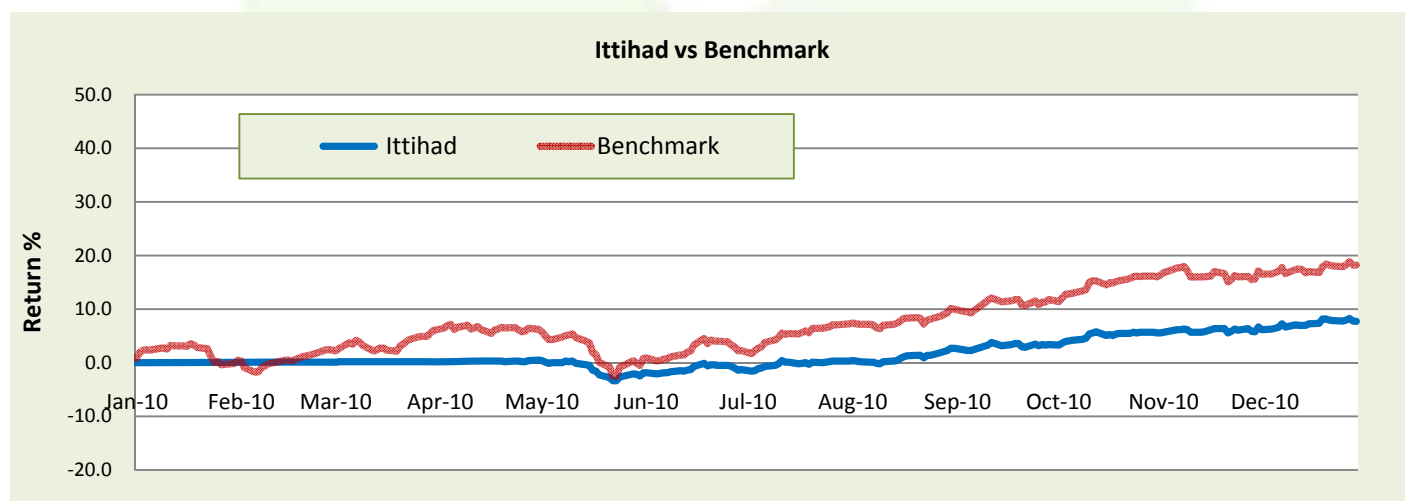
Descriptions of any changes in Fund's Objectives and Strategies

There were no material changes in fund's objectives and strategies for the period ended 31 December 2010.

ITTIHAD (GROWTH FUND)

Performance Review

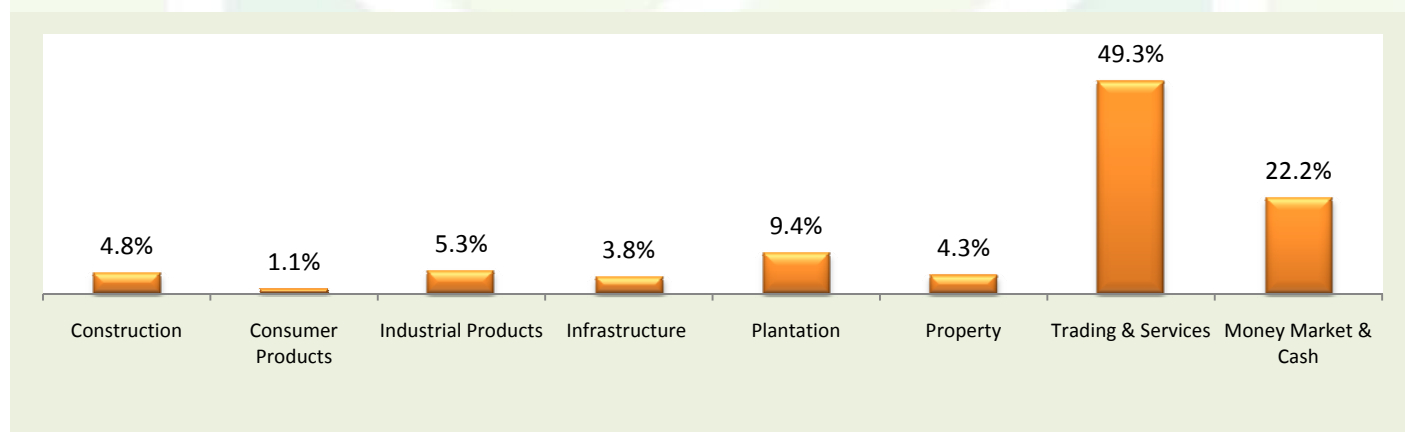
Being a considerably new fund, Ittihad had adopted a defensive strategy within the parameters set by the fund in achieving its investment objectives by keeping more cash to maintain its liquidity position and to cushion the market volatility. This strategy is able to generate positive growth to the fund in which it recorded 7.71% return for the 12 months ended 31 December 2010.

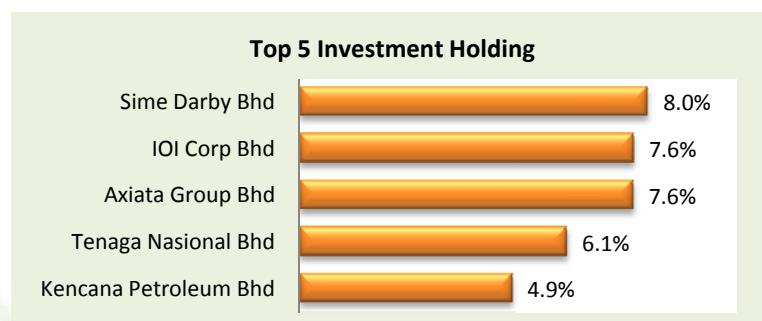
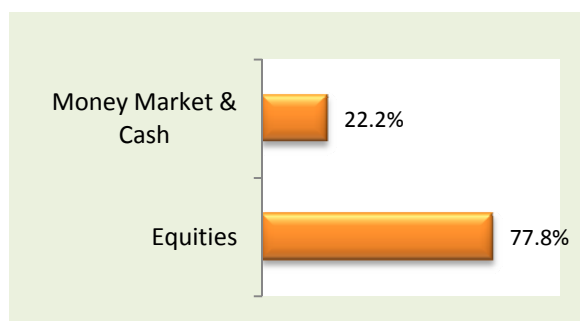


	Total Return			Average Annual Return		
	1-Year	3-Year	5-Year	1-Year	3-Year	5-Year
Ittihad	7.71	-	-	7.71	-	-
Benchmark	18.20	-	-	18.20	-	-

Asset Allocation

In terms of asset allocation, the fund has invested 77.8% in equity and the remaining is in money market/cash. On equity sectoral allocation, trading & services was the top sector the fund invested in with 49.3% exposure. The details of asset allocation and the top 5 investment holdings are shown below:-





Fees/Charges levied to the Fund

Among the fees/charges levied to the fund are as follows:

- management fee which is calculated based on 1.5% per annum of the equity market value and 1% of the remaining Gross Net Asset Value (NAV);
- custodian fee which is calculated based on 0.03% per annum of equity market value and at par value of debt securities.

Details on Distribution

There was no distribution declared for Ittihad for the period ended 31 December 2010.

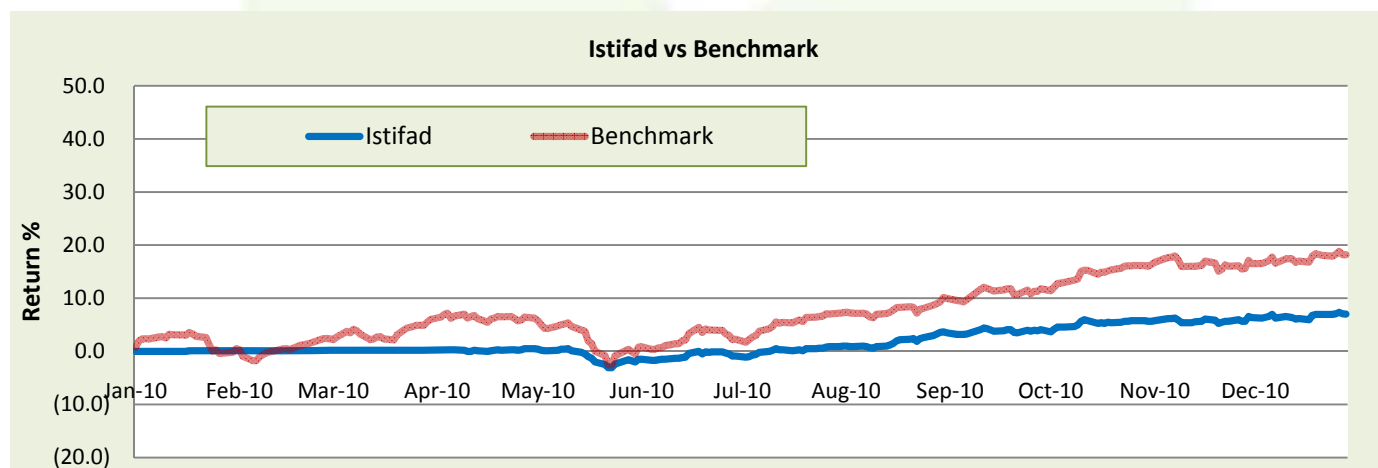
Descriptions of any changes in Fund's Objectives and Strategies

There were no material changes in fund's objectives and strategies for the period ended 31 December 2010.

ISTIFAD (BLUE CHIPS FUND)

Performance Review

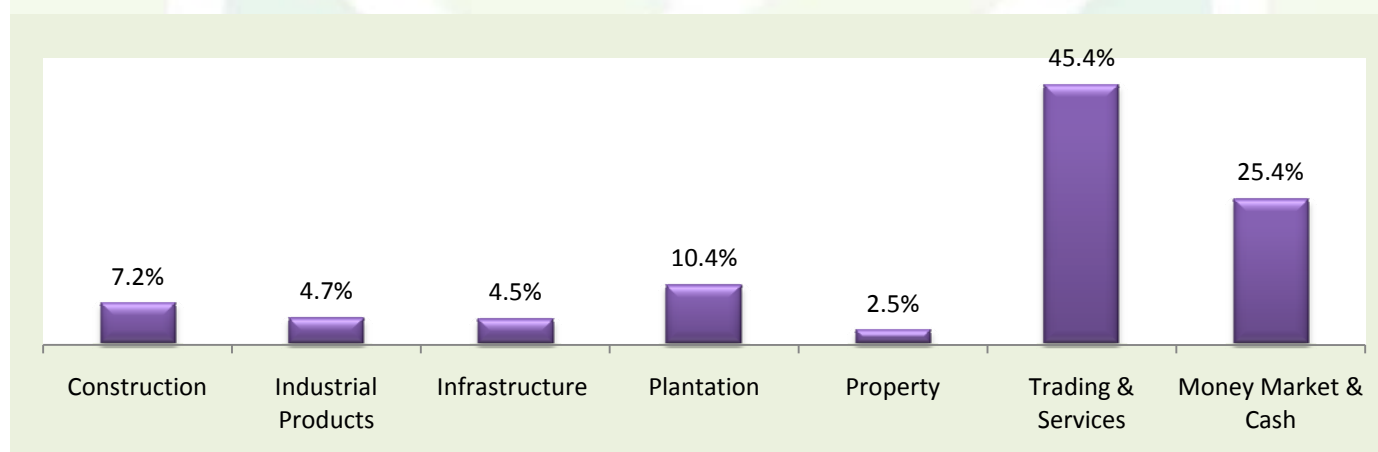
Being a considerably new fund, Istifad had adopted a defensive strategy within the parameters set by the fund in achieving its investment objectives by keeping more cash to maintain its liquidity position and to cushion the market volatility. This strategy is able to generate positive growth to the fund in which it recorded 7.01% return for the 12 months ended 31 December 2010.

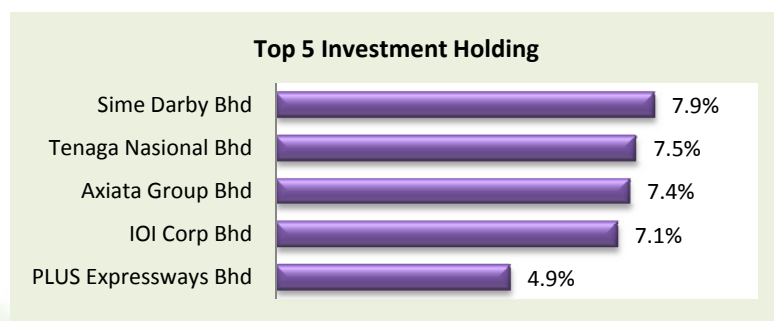
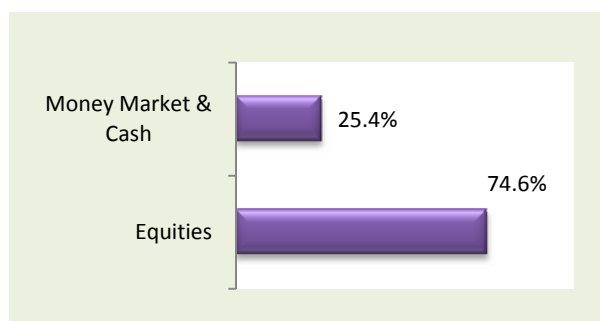


	Total Return			Average Annual Return		
	1-Year	3-Year	5-Year	1-Year	3-Year	5-Year
Istifad	7.01	-	-	7.01	-	-
Benchmark	18.20	-	-	18.20	-	-

Asset Allocation

In terms of asset allocation, the fund has invested 74.6% in equity and the remaining is in money market/cash. On equity sectoral allocation, trading & services was the top sector the fund invested in as most of the blue chip companies are included in this sector. The details of asset allocation and the top 5 investment holdings are shown below:-





Fees/Charges levied to the Fund

Among the fees/charges levied to the fund are as follows:

- management fee which is calculated based on 1.5% per annum of the equity market value and 1% of the remaining Gross Net Asset Value (NAV).
- custodian fee which is calculated based on 0.03% per annum of equity market value and at par value of debt securities.

Details on Distribution

There was no distribution declared for Istifad for the period ended 31 December 2010.

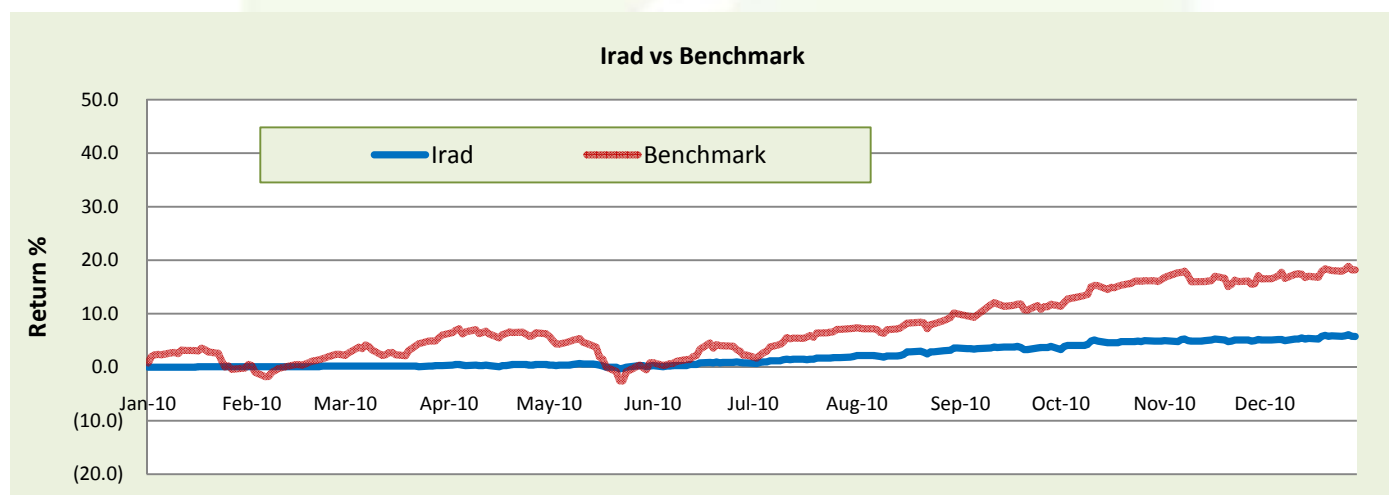
Descriptions of any changes in Fund's Objectives and Strategies

There were no material changes in fund's objectives and strategies for the period ended 31 December 2010.

IRAD (DIVIDEND YIELDERS FUND)

Performance Review

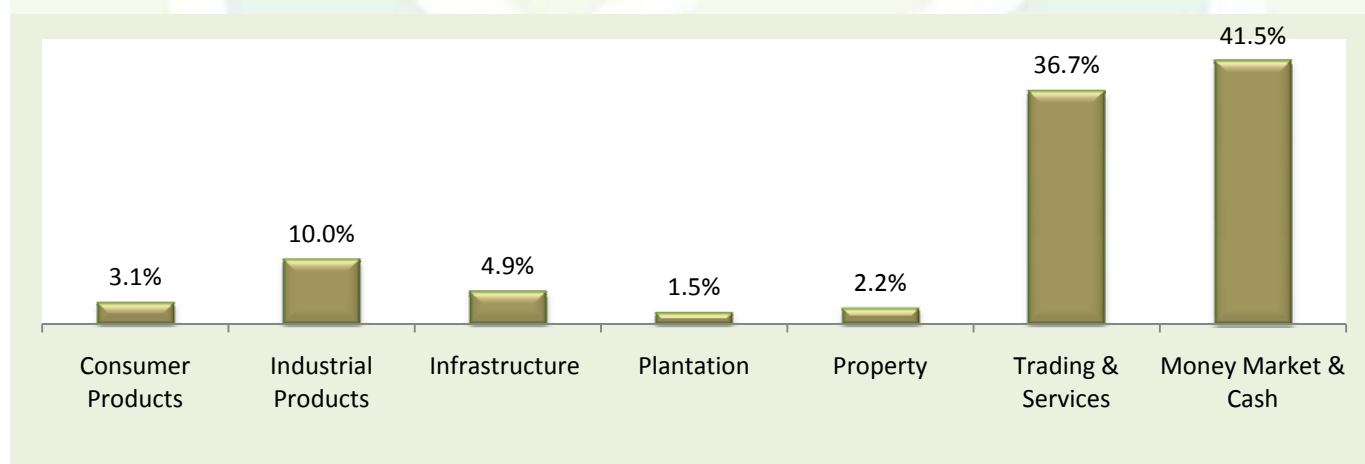
For the 12 months ending 31 December 2010, the fund recorded a gain of 5.74%. The Fund which focused on high dividend yielding stocks tend to be less volatile as compared to the overall market as reflected in the fund performance as at to date. Furthermore, being a considerably new fund, Irad had adopted a defensive strategy within the parameters set by the fund in achieving its investment objectives by keeping more cash to maintain its liquidity position and to cushion the market volatility.

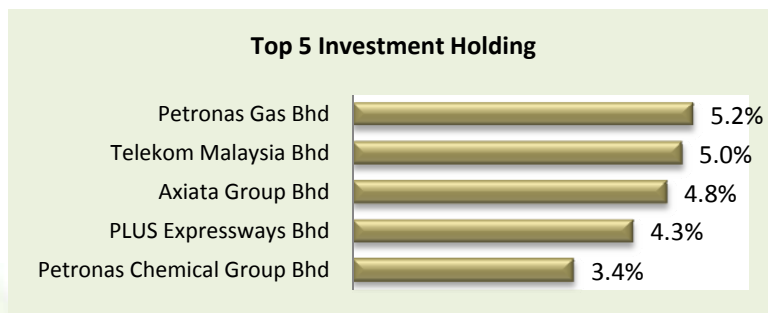
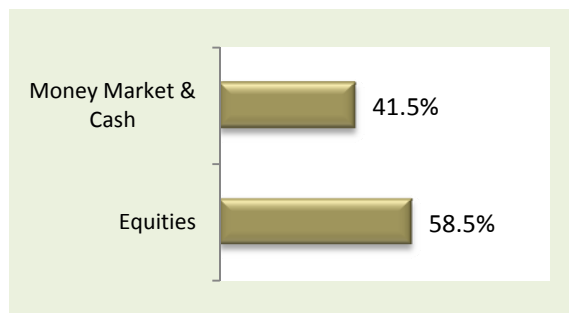


	Total Return			Average Annual Return		
	1-Year	3-Year	5-Year	1-Year	3-Year	5-Year
Irad	5.74	-	-	5.74	-	-
Benchmark	18.20	-	-	18.20	-	-

Asset Allocation

In terms of asset allocation, the fund has invested 58.5% in equity and the remaining is in money market/cash. On equity sectoral allocation, trading & services was the top sector the fund invested in with 36.7% allocation. The details of asset allocation and the top 5 investment holdings are shown below:-





Fees/Charges levied to the Fund

Among the fees/charges levied to the fund are as follows:

- management fee which is calculated based on 1.5% per annum of the equity market value and 1% of the remaining Gross Net Asset Value (NAV);
- custodian fee which is calculated based on 0.03% per annum of equity market value and at par value of debt securities.

Details on Distribution

There was no distribution declared for Irad for the period ended 31 December 2010.

Descriptions of any changes in Fund's Objectives and Strategies

There were no material changes in fund's objectives and strategies for the period ended 31 December 2010.

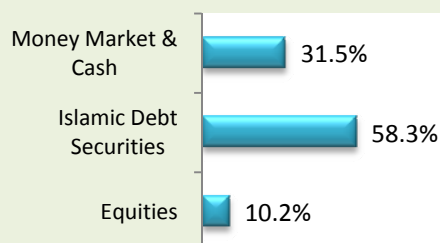
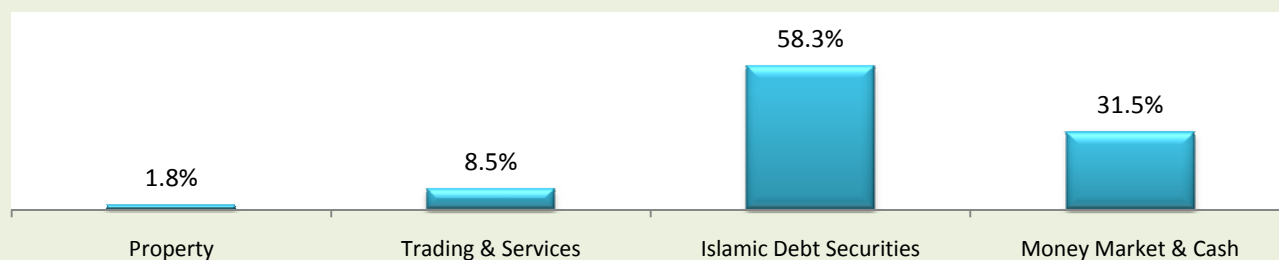
IHSAN (BALANCED FUND)

Performance Review

The fund is a new fund which was launched in March 2010, hence no past one year performance data is available for review.

Asset Allocation

As at 31 December 2010, the majority of the Fund's asset allocation is towards Islamic debt securities in line with its stated asset allocation mandate to invest up to 60% in Islamic debt securities. The Fund had invested 58.3% in Islamic debt securities with the top holding is Binariang GSM Sdn Bhd sukuk with a holding of 8.9% of the Fund's NAV. The details of asset allocation and the top 5 investment holdings are shown below:-



Top 5 Investment Holding



Fees/Charges levied to the fund

Among the fees/charges levied to the fund are as follows:

- annual management fee which is calculated based on 1.2% per annum of the Gross Net Asset Value (NAV);
- annual custodian fee which is calculated based on 0.03% per annum of equity market value and at par value of debt securities.

Details on Distribution

There was no distribution declared for Ihsan for the period ended 31 December 2010.

Descriptions of any changes in Fund's Objectives and Strategies

There were no material changes in fund's objectives and strategies for the period ended 31 December 2010.

SOFT COMMISION RECEIVED FROM BROKERS

Soft commissions received from brokers may be retained by the Company on behalf of the funds provided that the services rendered are related to the management of the investment linked funds and of demonstrable benefit to certificate owners as per the requirements of Clause 6.2 of the Guidelines on Investment-Linked Insurance/Takaful Business.

During the financial year under review, the management company had received on behalf of the funds, soft commissions in the form of research materials and investment related publications which are incidental to the investment management of the funds. Meanwhile, all dealings with brokers are executed at competitive market rates.

STATEMENT BY DIRECTORS

In the opinion of the Manager, the Takaful Investment-Linked Funds ("Funds") financial statements set out on pages 31 to 41, comprising the Statements of Assets and Liabilities as at 31 December 2010 and the related Statements of Income and Expenditure and Statements of Changes in Net Asset Value for the financial period ended 31 December 2010 together with the notes thereto, have been drawn up in accordance with the Guidelines on Investment-Linked Insurance/Takaful Business issued by Bank Negara Malaysia and give true and fair view of the financial position of the Funds as at 31 December 2010 and their financial performance and the movements in the Statements of Changes in Net Assets attributable to the unitholders of the Funds for period ended on that date.

Signed in accordance with a resolution of the Directors:

.....
Dato' Paduka Ismee Ismail

.....
Dato' Mohamed Hassan Kamil

Kuala Lumpur,
Date : 28 March 2011

REPORT OF THE AUDITORS

to the unitholders of the Takaful Malaysia's Investment-Linked Funds

(Company No. 131646-K) (Incorporated in Malaysia)

Report on the Financial Statements

We have audited the financial statements of Takaful Investment-Linked Funds ("Funds") of Syarikat Takaful Malaysia Berhad, which comprise the Statements of Assets and Liabilities as at 31 December 2010, and the related Statements of Income and Expenditure, Statements of Changes in Net Asset Value for the period then ended, and a summary of significant accounting policies and other explanatory notes, as set out on pages 31 to 41.

Directors' Responsibility for the Financial Statements

The Directors of the Manager are responsible for the preparation of these financial statements that give a true and fair view in accordance with the Guidelines on Investment-Linked Insurance/Takaful Business, and for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with approved standards on auditing in Malaysia. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgment, including the assessment of risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the Funds' preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Funds' internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Directors of the Manager, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements have been properly drawn up in accordance with the accounting policies set out in Note 1 to the financial statements and the Guidelines on Investment-Linked Insurance/Takaful Business so as to give a true and fair view of the financial position of the Funds as of 31 December 2010 and of their financial performance and changes in net assets attributable to the unitholders of the Funds for the period then ended in accordance with the Guidelines on Investment-Linked Insurance/Takaful Business.

Other Matters

This report is made solely to the unitholders of Takafulink Funds, as a body, in accordance with the Guidelines on Investment-Linked Insurance/Takaful Business and for no other purpose. We do not assume responsibility to any other person for the content of this report.

KPMG

Firm Number: AF 0758
Chartered Accountants
Petaling Jaya, Selangor

Date : 28 March 2011

STATEMENTS OF ASSETS AND LIABILITIES AS AT 31 DECEMBER 2010

	Note	ITTIZAN RM	ISTIQRAR RM	IHFAZ RM	ITTIHAD RM	ISTIFAD RM	IRAD RM	IHSAN RM
ASSETS								
Islamic Debt Securities	2	4,670,725	7,547,400	-	-	-	-	1,819,800
Quoted Shares	3	11,523,620	3,824,330	3,734,589	2,661,493	2,497,806	1,921,757	319,950
Other Assets		2,688,635	297,254	212,812	70,255	44,936	42,495	135,430
Deposits with Financial Institutions		2,416,000	-	-	894,534	1,126,000	1,564,935	973,000
Cash and Bank Balances		730	345,208	332,974	56,126	290	47,017	6,253
		21,299,710	12,014,192	4,280,375	3,682,408	3,669,032	3,576,204	3,254,433
LIABILITIES								
Provision for Taxation		152,431	51,983	25,936	10,277	11,290	12,863	5,500
Provision for Deferred Tax		138,768	44,351	55,773	17,689	14,417	9,060	1,191
Other Liabilities		347,198	121,823	187,862	231,735	293,340	268,834	121,483
		638,397	218,157	269,571	259,701	319,047	290,757	128,174
Net Asset Value		20,661,313	11,796,035	4,010,804	3,422,707	3,349,985	3,285,447	3,126,259
REPRESENTED BY								
Certificate holders Capital		11,160,436	8,769,775	3,163,732	3,162,614	3,115,268	3,091,799	3,085,186
Accumulated Income Carried Forward		9,500,877	3,026,260	847,072	260,093	234,717	193,648	41,073
		20,661,313	11,796,035	4,010,804	3,422,707	3,349,985	3,285,447	3,126,259
Number of Units		14,199,486	9,910,043	3,140,055	3,158,543	3,112,006	3,088,798	3,084,619
Net Asset Value Per Unit		1.4551	1.1903	1.2773	1.0836	1.0765	1.0637	1.0135

STATEMENTS OF ASSETS AND LIABILITIES

AS AT 30 JUNE 2009

	Note	ITTIZAN RM	ISTIQRAR RM	IHFAZ RM	ITTIHAD RM	ISTIFAD RM	IRAD RM	IHSAN RM
ASSETS								
Islamic Debt Securities	2	3,294,075	3,294,074	-	-	-	-	-
Quoted Shares	3	9,276,452	2,078,788	2,829,224	-	-	-	-
Other Assets		1,461,807	1,605,123	11,793	34,078	9,026	6,156	-
Deposits with Financial Institutions		7,734,000	5,576,000	-	3,010,710	3,010,710	3,010,710	-
Cash and Bank Balances		75,906	6,543	194,822	-	-	-	-
		21,842,240	12,560,528	3,035,839	3,044,788	3,019,736	3,016,866	-
LIABILITIES								
Provision for Taxation		-	-	1,057	870	870	870	-
Provision for Deferred Tax		-	-	1,105	-	-	-	-
Other Liabilities		5,057,056	1,739,776	7,144	6,245	5,775	5,717	-
		5,057,056	1,739,776	9,306	7,115	6,645	6,587	-
Net Asset Value		16,785,184	10,820,752	3,026,533	3,037,673	3,013,091	3,010,279	-
REPRESENTED BY								
Certificate holders Capital		11,104,686	8,674,201	3,008,750	3,033,637	3,008,786	3,005,944	-
Accumulated Income Carried Forward		5,680,498	2,146,551	17,783	4,036	4,305	4,335	-
		16,785,184	10,820,752	3,026,533	3,037,673	3,013,091	3,010,279	-
Number of Units		14,197,887	9,820,000	3,008,643	3,033,263	3,008,682	3,005,870	-
Net Asset Value Per Unit		1.182	1.102	1.006	1.001	1.001	1.001	-

STATEMENTS OF INCOME AND EXPENDITURE FOR FINANCIAL PERIOD ENDED 31 DECEMBER 2010

	ITTIZAN RM	ISTIQRAR RM	IHFAZ RM	ITTIHAD RM	ISTIFAD RM	IRAD RM	IHSAN RM
Income							
Gross Dividend Income	609,704	165,368	186,799	35,103	53,283	63,174	-
Profit Income:							
Islamic Debt Securities	276,623	315,079	-	-	-	-	19,455
Islamic Investment Accounts and Money Markets	262,536	146,882	-	77,321	75,723	86,734	49,296
Profit on Disposal:							
Islamic Debt Securities	49,843	3,950	-	-	-	-	-
Quoted Shares	706,681	18,504	124,181	5,157	1,241	-	-
Unrealised Capital Gain	2,649,069	585,253	683,350	221,114	180,215	113,247	14,893
	4,554,456	1,235,036	994,330	338,695	310,462	263,155	83,644
Outgo							
Investment Management Fees	(434,357)	(254,420)	(77,979)	(53,826)	(53,555)	(51,231)	(35,404)
Other Outgo	(8,521)	(4,573)	(7,515)	(1,716)	(1,658)	(1,558)	(476)
	(442,878)	(258,993)	(85,494)	(55,542)	(55,213)	(52,789)	(35,880)
Income Before Taxation	4,111,578	976,043	908,836	283,153	255,249	210,366	47,764
Taxation	(291,199)	(96,334)	(79,547)	(27,096)	(24,837)	(21,053)	(6,691)
Net Income	3,820,379	879,709	829,289	256,057	230,412	189,313	41,073

STATEMENTS OF INCOME AND EXPENDITURE FOR FINANCIAL YEAR ENDED 30 JUNE 2009

	ITTIZAN RM	ISTIQRAR RM	IHFAZ RM	ITTIHAD RM	ISTIFAD RM	IRAD RM	IHSAN RM
Income							
Gross Dividend Income	512,589	115,451	2,976	-	-	-	-
Profit Income:							
Islamic Debt Securities	141,015	146,111	-	-	-	-	-
Islamic Investment Accounts and Money Markets	147,806	145,610	10,240	10,878	10,878	10,878	-
Profit on Disposal:							
Quoted Shares	439,271	245,569	-	-	-	-	-
Unrealised Capital Gain	-	-	13,811	-	-	-	-
	1,240,681	652,741	27,027	10,878	10,878	10,878	-
Outgo							
Investment Management Fees	(356,711)	(190,195)	(6,977)	(5,617)	(5,600)	(5,597)	-
Loss on Disposal:							
Islamic Debt Securities	(276,964)	(290,304)	-	-	-	-	-
Unrealised Capital Loss	(914,471)	(30,859)	-	-	-	-	-
Other Income/(Outgo)	9	6	(105)	(355)	(103)	(76)	-
	(1,548,137)	(511,352)	(7,082)	(5,972)	(5,703)	(5,673)	-
(Outgo)/Income Before Taxation	(307,456)	141,389	19,945	4,906	5,175	5,205	-
Taxation	-	-	(2,162)	(870)	(870)	(870)	-
Net (Outgo) / Income	(307,456)	141,389	17,783	4,036	4,305	4,335	-

STATEMENTS OF CHANGES IN NET ASSET VALUE FOR FINANCIAL PERIOD ENDED 31 DECEMBER 2010

	ITTIZAN RM	ISTIQRAR RM	IHFAZ RM	ITTIHAD RM	ISTIFAD RM	IRAD RM	IHSAN RM
Net Asset Value at the Beginning of the Financial Period	16,785,184	10,820,752	3,026,533	3,037,673	3,013,091	3,010,279	-
Increase in Capital	-	-	-	-	-	-	3,000,000
Amount received from Units Creation	3,583,301	1,572,111	262,133	217,892	183,022	155,449	155,431
Amount paid from Units Cancellation	(3,527,551)	(1,476,537)	(107,151)	(88,915)	(76,540)	(69,594)	(70,245)
Net Income	3,820,379	879,709	829,289	256,057	230,412	189,313	41,073
Net Asset Value at the End of Financial Period	20,661,313	11,796,035	4,010,804	3,422,707	3,349,985	3,285,447	3,126,259

STATEMENTS OF CHANGES IN NET ASSET VALUE FOR FINANCIAL YEAR ENDED 30 JUNE 2009

	ITTIZAN RM	ISTIQRAR RM	IHFAZ RM	ITTIHAD RM	ISTIFAD RM	IRAD RM	IHSAN RM
Net Asset Value at the Beginning of the Financial Year	17,634,902	10,657,338	-	-	-	-	-
Increase in Capital	-	-	3,000,000	3,000,000	3,000,000	3,000,000	-
Amount received from Units Creation	1,666,798	695,853	9,134	34,989	9,154	6,214	-
Amount paid from Units Cancellation	(2,209,060)	(673,828)	(384)	(1,352)	(368)	(270)	-
Net (Outgo)/Income	(307,456)	141,389	17,783	4,036	4,305	4,335	-
Net Asset Value at the End of Financial Year	16,785,184	10,820,752	3,026,533	3,037,673	3,013,091	3,010,279	-

CASH FLOW STATEMENT FOR FINANCIAL PERIOD ENDED 31 DECEMBER 2010

2010	ITTIZAN RM	ISTIQRAR RM	IHFAZ RM	ITTIHAD RM	ISTIFAD RM	IRAD RM	IHSAN RM
Cash flow from operating activities							
Income before taxation	4,111,578	976,043	908,836	283,153	255,249	210,366	47,764
Adjustment for:							
Profit Income	(539,159)	(461,961)	-	(77,321)	(75,723)	(86,734)	(68,751)
Gross dividend income	(609,704)	(165,368)	(186,799)	(35,103)	(53,283)	(63,174)	-
Profit on disposal	(756,524)	(22,454)	(124,181)	(5,157)	(1,241)	-	-
Unrealised capital gain	(2,649,069)	(585,253)	(683,350)	(221,114)	(180,215)	(113,247)	(14,893)
Outgo from operations before changes in operating assets and liabilities	(442,878)	(258,993)	(85,494)	(52,542)	(55,213)	(52,789)	(35,880)
Proceeds from disposal of investment	11,177,544	6,293,538	1,226,223	2,144,175	1,885,951	1,445,775	-
Purchase of investment	(6,077,769)	(6,108,699)	(1,324,057)	(2,463,221)	(2,317,591)	(1,808,510)	(3,097,857)
(Increase)/Decrease in other assets	(1,226,828)	1,307,869	(201,019)	(36,177)	(35,910)	(36,339)	(135,430)
(Decrease)/Increase in other liabilities	(4,709,858)	(1,617,953)	180,718	225,490	287,565	263,117	121,483
Cash used in operations	(1,279,789)	(384,238)	(203,629)	(185,275)	(235,198)	(188,746)	(3,147,684)
Gross dividend income received	609,704	165,368	186,799	35,103	53,283	63,174	-
Profit income received	539,159	461,961	-	77,321	75,723	86,734	68,751
Net cash (used in)/ generated from operating activities	(130,926)	243,091	(16,830)	(72,851)	(106,192)	(38,838)	(3,078,933)
Cash flow from financing activities							
Proceeds from creations of units	3,583,301	1,572,111	262,133	217,892	183,022	155,449	155,431
Payment for cancellation of units	(3,527,551)	(1,476,537)	(107,151)	(88,915)	(76,540)	(69,594)	(70,245)
Net cash generated from financing activities	55,750	95,574	154,982	128,977	106,482	85,855	85,186
Net (decrease)/increase in cash and cash equivalents	(75,176)	338,665	138,152	56,126	290	47,017	(2,993,747)
Cash and cash equivalents at 1 July 2009	75,906	6,543	194,822	-	-	-	3,000,000
Cash and cash equivalents at 31 December 2010	730	345,208	332,974	56,126	290	47,017	6,253

CASH FLOW STATEMENT FOR FINANCIAL YEAR ENDED 30 JUNE 2009

2009	ITTIZAN RM	ISTIQRAR RM	IHFAZ RM	ITTIHAD RM	ISTIFAD RM	IRAD RM	IHSAN RM
Cash flow from operating activities							
(Outgo) /Income before taxation	(307,456)	141,389	19,945	4,906	5,175	5,205	-
Adjustment for:							
Profit income	(288,821)	(291,721)	(10,240)	(10,878)	(10,878)	(10,878)	-
Gross dividend income	(512,589)	(115,451)	(2,976)	-	-	-	-
(Gain)/loss on disposal	(162,307)	44,735	-	-	-	-	-
Unrealised capital loss/ (gain)	914,471	30,859	(13,811)	-	-	-	-
Outgo from operations before changes in operating assets and liabilities	(356,702)	(190,189)	(7,082)	(5,972)	(5,703)	(5,673)	-
Proceeds from disposal of investment	14,097,846	8,703,651	-	-	-	-	-
Purchase of investment	(13,619,801)	(8,597,407)	(2,815,413)	(3,010,710)	(3,010,710)	(3,010,710)	-
Increase in other assets (Decrease)/Increase in other liabilities	(23,665)	(996,328)	(11,793)	(34,078)	(9,026)	(6,156)	-
	(335,536)	(85,378)	7,144	6,245	5,775	5,717	-
Cash used in operations	(237,858)	(1,165,651)	(2,827,144)	(3,044,515)	(3,019,664)	(3,016,822)	-
Gross dividend income received	512,589	115,451	2,976	-	-	-	-
Profit income received	288,821	291,721	10,240	10,878	10,878	10,878	-
Net cash generated from/(used in) operating activities	563,552	(758,479)	(2,813,928)	(3,033,637)	(3,008,786)	(3,005,944)	-
Cash flow from financing activities							
Proceeds from creations of units	1,666,798	695,853	9,134	34,989	9,154	6,214	-
Payment for cancellation of units	(2,209,060)	(673,828)	(384)	(1,352)	(368)	(270)	-
Net cash (used in)/generated from financing activities	(542,262)	22,025	8,750	33,637	8,786	5,944	-
Net increase/(decrease) in cash and cash equivalents	21,290	(736,454)	(2,805,178)	(3,000,000)	(3,000,000)	(3,000,000)	-
Cash and cash equivalents at 1 July 2009	54,616	742,997	3,000,000	3,000,000	3,000,000	3,000,000	-
Cash and cash equivalents at 31 December 2010	75,906	6,543	194,822	-	-	-	-

NOTES TO THE FINANCIAL STATEMENTS

The Manager and its principal activities

The Manager is a public limited liability company, incorporated and domiciled in Malaysia and is listed on the Main Market of Bursa Malaysia Securities Berhad. The address of its registered office and principal place of business of the Company is located at:

26th Floor, Annexe Block
Dataran Kewangan Darul Takaf
No.4, Jalan Sultan Sulaiman
50000 Kuala Lumpur

The Company is principally engaged in managing family and general takaful business. The family takaful business includes investment-linked products.

The financial statements were approved by the Board of Directors of the Manager on 28 March 2011

1. Summary of significant accounting policies

The accounting policies set out below have been applied consistently to periods presented in these financial statements, unless otherwise stated.

(a) Basis of accounting

The financial statements have been prepared in accordance with the notes set out in Note 1, The Guidelines on Investment-Linked Insurance/Takaful Business issued by Bank Negara Malaysia – The Guidelines on Investment-Linked business and the requirements of the certificate document.

(b) Functional and presentation currency

These financial statements are presented in Ringgit Malaysia (RM), which is the funds' functional currency. All financial information presented in RM has been rounded to the nearest thousand, unless otherwise stated.

(c) Investments

Quoted shares, which are Shariah approved, are stated at the closing market prices as at the date of the statement of asset and liabilities.

Islamic debt securities are valued at cost adjusted for amortisation of premiums or accretion of discounts over their par values at the time of acquisition using the effective yield method. The carrying value is subsequently revalued to reflect their fair values by using price quoted by Bond Pricing Agency Malaysia.

Any increase or decrease in value of investments at each reporting date is taken into Statement of Income and Expenditure.

(d) Cash and Cash Equivalents

Cash and cash equivalents consist of cash on hand, balances and deposits with financial institutions and highly liquid investments which have insignificant risk of changes in value.

(e) Net Creation of Units

Net creation of units represents contributions paid by participants as payment for new certificate. Net creation of units is recognized on a receipt basis.

(f) Net Cancellation of Units

Net cancellation of units represents cancellation of units arising from the surrenders and withdrawals by participant. Net cancellation of units is recognized upon surrendering of the related takaful certificates.

(g) Income Recognition

Dividend income is recognized when the right to receive payment is established.

Income is recognized on time proportion basis that takes into account the effective yield of the asset.

Gain or loss of disposal of quoted shares is credited or charged to the Statement of Income and Expenditure.

(h) Tax Expense

Tax expense comprises current and deferred tax. Tax expense is recognised in the income statement except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantially enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognised using the balance sheet method, providing for temporary differences between the carrying amounts of assets and liabilities for reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for temporary differences in relation to the initial recognition of goodwill, the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit / loss. Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax liability is recognised for all taxable temporary differences.

A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which temporary difference can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

(i) Investment management fees

Investment management fees are calculated in accordance with the provisions of the certificate document.

2. Islamic debt securities

	31 December 2010 RM	30 June 2009 RM
(i) Ittizan		
Cost	4,562,500	3,201,258
Accretion of discount	24,866	11,683
Unrealised capital gain	83,359	81,134
Market value	4,670,725	3,294,075
(ii) Istiqrar		
Cost	7,372,126	3,201,258
Accretion of discount	20,089	11,682
Unrealised capital gain	155,185	81,134
Market value	7,547,400	3,294,074
(iii) Ihsan		
Unquoted in Malaysia		
Islamic debt securities		
Cost	1,809,248	-
Amortisation of premium	(1,156)	-
Unrealised capital gain	11,708	-
Market value	1,819,800	-

3. Quoted shares

	31 December 2010 RM	30 June 2009 RM
(i) Ittizan		
Quoted in Malaysia		
Cost	9,897,246	10,283,739
Unrealised capital gain/(loss)	1,626,374	(1,007,287)
Market value	11,523,620	9,276,452
(ii) Istiqrar		
Quoted in Malaysia		
Cost	3,445,208	2,202,461
Unrealised capital gain/(loss)	379,122	(123,673)
Market value	3,824,330	2,078,788
(iii) Ihfaz		
Quoted in Malaysia		
Cost	3,037,428	2,815,413
Unrealised capital gain	697,161	13,811
Market value	3,734,589	2,829,224
(iv) Ittihad		
Quoted in Malaysia		
Cost	2,440,379	-
Unrealised capital gain	221,114	-
Market value	2,661,493	-
(v) Istifad		
Quoted in Malaysia		
Cost	2,317,591	-
Unrealised capital gain	180,215	-
Market value	2,497,806	-
(vi) Irad		
Quoted in Malaysia		
Cost	1,808,510	-
Unrealised capital gain	113,247	-
Market value	1,921,757	-
(vii) Ihsan		
Quoted in Malaysia		
Cost	315,609	-
Unrealised capital gain	4,341	-
Market value	319,950	-

4. Financial Instruments

The Funds are exposed to market, credit, liquidity and profit rate risks.

Market risk

Market risk arises when the value of securities fluctuates in response to the activities of the individual companies, general market or economic conditions. The market risk is managed through portfolio diversification and asset allocation whereby the securities exposure will be reduced in the event of anticipated market weakness.

Credit risk

Credit risk refers to the ability of an issuer or a counterparty to make timely profit and principal payments. The maximum exposure to credit risk is represented by the carrying amount of each financial asset as disclosed in the Statement of Assets and Liabilities.

Liquidity risk

This may come about when realisation of units is required in excess of normal amounts. The extent of exposure to the risk is contained in provisions set out in the prospectus.

Profit rate risk

When the profit rate rises, bond prices fall and vice versa. The market risk is monitored through periodic reviews of its asset and liability positions with the objective to limit the net changes in the value of assets and liabilities arising from profit rate movements.

Fair values

The fair values of investment have been disclosed in notes 2 and 3. The basis of deriving the fair values is disclosed in Note 1(c).

DETAILS OF INVESTMENTS

ITTIZAN

Security Name	Number of Units	Total Cost	Market Value	% of NAV
Construction				
Gamuda Berhad	146,800	433,077	559,308	2.71%
WCT Berhad	128,000	223,738	408,320	1.98%
	274,800	656,815	967,628	4.68%
Consumer				
UMW Holdings Bhd	54,000	319,612	379,080	1.83%
Tan Chong Motor Holdings Bhd	20,000	104,143	103,600	0.50%
	74,000	423,755	482,680	2.33%
Industrial Products				
KNM Group Bhd	40,087	287,424	113,847	0.55%
Petronas Gas Bhd	51,300	471,586	569,430	2.76%
Uchi Technologies Bhd	217,000	297,127	282,100	1.37%
	308,387	1,056,137	965,377	4.67%
Infrastructure Project Company				
Digi.Com Bhd	31,800	623,653	782,280	3.79%
YTL Power International Bhd	195,948	382,787	478,113	2.31%
	227,748	1,006,441	1,260,393	6.09%
Plantation				
IJM Plantations Bhd	30,000	90,922	89,400	0.43%
IOI Corporation Bhd	160,250	665,720	931,053	4.51%
	190,250	756,642	1,020,453	4.93%
Property				
IJM Land Berhad	40,000	93,749	114,400	0.55%
Mah Sing Group Bhd	50,000	92,127	92,000	0.45%
	90,000	185,876	206,400	1.00%
Trading/Services				
Axiata Group Berhad	259,950	1,130,861	1,234,763	5.98%
Dialog Group Berhad	198,289	239,948	354,937	1.72%
Kencana Petroleum Berhad	199,336	202,480	480,400	2.33%
KFC Holdings (M) Bhd	60,000	228,700	229,200	1.11%
KPJ Healthcare Bhd	40,000	120,298	148,800	0.72%
Maxis Berhad	40,000	214,175	212,000	1.03%
Media Chinese International Ltd	100,000	86,536	86,000	0.42%
MISC Bhd	24,000	192,950	200,640	0.97%
Parkson Holdings Berhad	20,402	137,607	109,967	0.53%
Petronas Dagangan Bhd	28,000	220,683	327,600	1.59%
Petra Perdana Berhad	25,942	44,106	27,499	0.13%
Plus Expressways Bhd	47,900	162,052	216,508	1.05%
Sime Darby Bhd	118,000	796,222	1,038,400	5.03%
Tenaga Nasional Bhd	138,550	1,337,957	1,159,664	5.61%
Telekom Malaysia Bhd	226,300	697,007	794,313	3.84%
	1,526,669	5,811,580	6,620,689	32.02%
Total Malaysian Equities	2,691,854	9,897,246	11,523,620	55.72%

Security Name	Number of Units	Total Cost	Market Value	% of NAV
Malaysian Debt Securities				
Tanjung Offshore Bhd 6.95%	500,000	515,900	525,000	2.54%
Rantau Abang Capital Berhad 5.24%	250,000	253,508	264,350	1.28%
Malaysian Debt Ventures Bhd 5.19%	250,000	252,918	267,200	1.29%
Projek Lebuhraya Utara Selatan Bhd	500,000	430,750	484,650	2.35%
Lingkar Transkota Holdings Bhd 4.60%	250,000	243,200	254,175	1.23%
Kapar Energy Ventures Sdn Bhd 6.85%	500,000	538,000	535,900	2.59%
Maybank Islamic Sub-Debt 5.00%	500,000	508,050	512,700	2.48%
Westports Malaysia Sdn Bhd 4.54%	500,000	505,050	509,350	2.47%
Tesco Stores (M) Sdn Bhd 4.25%	500,000	504,250	507,150	2.45%
Binariang Gsm Sdn Bhd 6.60%	500,000	555,650	555,050	2.69%
Padiberas Nasional Berhad 5.05%	250,000	255,225	255,200	1.24%
	4,500,000	4,562,500	4,670,725	22.59%
Total Malaysian Equities & Debt Securities	7,191,854	14,459,746	16,194,345	78.31%

ISTIQRAR

Security Name	Number of Units	Total Cost	Market Value	% of NAV
Construction				
WCT Berhad	45,000	90,169	143,550	1.22%
	45,000	90,169	143,550	1.22%
Consumer				
UMW Holdings Bhd	15,000	88,815	105,300	0.89%
Tan Chong Motor Holdings Bhd	15,000	78,107	77,700	0.66%
	30,000	166,922	183,000	1.55%
Industrial Products				
KNM Group Bhd	10,000	59,262	28,400	0.24%
Petronas Gas Bhd	11,600	112,433	128,760	1.09%
Uchi Technologies Bhd	60,000	82,452	78,000	0.66%
	81,600	254,147	235,160	1.99%
Infrastructure Project Company				
Digi.Com Bhd	8,700	145,045	214,020	1.81%
YTL Power International Bhd	58,144	121,091	141,871	1.20%
	66,844	266,135	355,891	3.02%
Plantation				
IOI Corporation Bhd	65,173	419,752	378,655	3.21%
	65,173	419,752	378,655	3.21%
Property				
KLCC Property Holdings Bhd	12,000	33,029	40,200	0.34%
Mah Sing Group Bhd	45,000	82,793	82,800	0.70%
	57,000	115,822	123,000	1.04%

Security Name	Number of Units	Total Cost	Market Value	% of NAV
Trading/Services				
Axiata Group Berhad	111,075	442,803	527,606	4.47%
KFC Holdings (M) Bhd	10,000	38,107	38,200	0.32%
Maxis Berhad	20,000	107,119	106,000	0.90%
Media Chinese International Limited	80,000	69,381	68,800	0.58%
MISC Berhad	14,000	112,554	117,040	0.99%
Parkson Holdings Berhad	10,201	65,233	54,983	0.47%
Petronas Chemicals Group Berhad	20,000	106,515	110,400	0.94%
Petronas Dagangan Bhd	10,000	66,051	117,000	0.99%
Petra Perdana Berhad	42,212	72,819	44,745	0.38%
Plus Expressways Bhd	63,000	221,856	284,760	2.41%
Sime Darby Bhd	46,000	317,005	404,800	3.43%
Tenaga Nasional Bhd	35,900	311,021	300,483	2.55%
Telekom Malaysia Bhd	65,600	201,796	230,256	1.95%
	527,988	2,132,262	2,405,073	20.38%
Total Malaysian Equities	873,605	3,445,210	3,824,330	32.41%
Malaysian Debt Securities				
Tanjung Offshore Bhd 6.95%	500,000	515,900	525,000	4.45%
Rantau Abang Capital Berhad 5.24%	750,000	760,523	793,050	6.72%
Malaysian Debt Ventures Bhd 5.19%	500,000	505,835	534,400	4.53%
Projek Lebuhraya Utara Selatan Bhd	500,000	430,750	484,650	4.11%
Lingkar Transkota Holdings Bhd 4.60%	500,000	486,400	508,350	4.31%
Kapar Energy Ventures Sdn Bhd 6.85%	750,000	807,000	803,850	6.81%
Maybank Islamic Sub-Debt 5.00%	500,000	508,050	512,700	4.35%
Westports Malaysia Sdn Bhd 4.54%	500,000	505,050	509,350	4.32%
National Bank Of Abu Dhabi 4.75%	750,000	752,318	772,350	6.55%
Tesco Stores (M) Sdn Bhd 4.25%	750,000	756,375	760,725	6.45%
Binariang Gsm Sdn Bhd 6.60%	750,000	833,475	832,575	7.06%
Padiberas Nasional Berhad 5.05%	500,000	510,450	510,400	4.33%
	7,250,000	7,372,125	7,547,400	63.96%
Total Malaysian Equities & Debt Securities	8,123,605	10,817,335	11,371,730	96.37%

IHFAZ

Security Name	Number of Units	Total Cost	Market Value	% of NAV
Construction				
Gamuda Berhad	23,500	66,295	89,535	2.23%
IJM Corporation Bhd	15,320	66,749	95,444	2.38%
Malaysian Resources Corp	6,700	9,848	13,333	0.33%
WCT Bhd	8,800	24,467	28,072	0.70%
YTL Corporation Bhd	9,800	65,741	82,418	2.05%
	64,120	233,100	308,802	7.70%
Consumer				
Nestle (M) Bhd	800	25,353	34,672	0.86%
Tan Chong Motor Holdings Bhd	2,600	12,927	13,468	0.34%
UMW Holdings Bhd	8,700	51,342	61,074	1.52%
	12,100	89,622	109,214	2.72%
Industrial Products				
Hartalega Holdings Berhad	2,550	13,125	13,617	0.34%
Lafarge Malayan Cement Bhd	5,300	32,605	40,651	1.01%
Petronas Gas Bhd	10,600	104,139	117,660	2.93%
Shell Refining Co (F.O.M.) Bhd	1,600	16,872	17,216	0.43%
Supermax Corporation Bhd	2,125	9,603	8,458	0.21%
Top Glove Corporation Bhd	6,000	37,934	29,880	0.74%
Wah Seong Corporation Bhd	5,335	13,080	11,043	0.28%
	33,510	227,358	238,525	5.95%
Infrastructure Project Company				
Digi.Com Bhd	5,900	135,894	145,140	3.62%
YTL Power International Bhd	28,400	62,284	69,296	1.73%
	34,300	198,178	214,436	5.35%
Plantation				
Genting Plantations Berhad	4,100	23,636	36,080	0.90%
Batu Kawan Bhd	2,700	24,282	45,630	1.14%
IOI Corporation Bhd	57,553	270,808	334,383	8.34%
Kuala Lumpur Kepong Bhd	7,400	92,805	163,540	4.08%
	71,753	411,530	579,633	14.46%
Property				
KLCC Property Holdings Bhd	5,000	16,038	16,750	0.42%
Mah Sing Group Bhd	8,000	13,818	14,720	0.37%
SP Setia Bhd	14,800	63,281	88,060	2.20%
	27,800	93,136	119,530	2.98%
Trading/Services				
Airasia Bhd	25,100	31,768	63,503	1.58%
Axiata Group Berhad	76,700	230,275	364,325	9.08%
Dialog Group Bhd	18,395	15,184	32,927	0.82%
Maxis Berhad	30,100	162,968	159,530	3.98%
MISC Bhd	25,900	214,862	216,524	5.40%

Security Name	Number of Units	Total Cost	Market Value	% of NAV
MMC Corporation Bhd	13,100	27,224	36,418	0.91%
Parkson Holdings Berhad	9,060	45,526	48,833	1.22%
Petronas Dagangan Bhd	5,800	47,213	67,860	1.69%
Petronas Chemicals Group Berhad	22,000	118,673	121,440	3.03%
Plus Expressways Bhd	35,000	112,886	158,200	3.94%
Sapuracrest Petroleum Bhd	8,800	22,150	27,280	0.68%
Sime Darby Bhd	42,800	309,735	376,640	9.39%
Star Publications (M) Bhd	5,800	18,860	19,198	0.48%
Tenaga Nasional Bhd	38,500	300,322	322,245	8.03%
Telekom Malaysia Bhd	42,600	126,857	149,526	3.73%
	399,655	1,784,504	2,164,449	53.99%
Total Malaysian Equities	643,238	3,037,428	3,734,589	93.15%

ITTIHAD

Security Name	Number of Units	Total Cost	Market Value	% of NAV
Construction				
Gamuda	17,000	59,070	64,770	1.89%
IJM Corporation Bhd	8,000	38,995	49,840	1.46%
WCT Bhd	15,000	43,832	47,850	1.40%
	40,000	141,897	162,460	4.75%
Consumer				
Tan Chong Motor Holdings Bhd	7,000	35,897	36,260	1.06%
	7,000	35,897	36,260	1.06%
Industrial Products				
An Joo Resources Bhd	5,000	13,858	14,500	0.42%
JCY International Bhd	39,700	61,853	31,959	0.93%
Petronas Gas Berhad	12,000	121,090	133,200	3.89%
	56,700	196,801	179,659	5.25%
Infrastructure Project Co.				
Digi.Com Bhd	2,000	44,819	49,200	1.44%
YTL Power International Bhd	33,000	75,732	80,520	2.35%
	35,000	120,551	129,720	3.79%
Plantation				
IOI Corporation Bhd	45,000	246,669	261,450	7.64%
IJM Plantations Berhad	20,000	61,001	59,600	1.74%
	65,000	307,669	321,050	9.38%
Property				
IJM Land Berhad	5,000	11,421	14,300	0.42%
SP Setia Bhd	10,000	41,307	59,500	1.74%
Mah Sing Group Bhd	40,000	74,214	73,600	2.15%
	55,000	126,942	147,400	4.31%

Security Name	Number of Units	Total Cost	Market Value	% of NAV
Trading/Services				
Axiata Group Berhad	55,000	221,684	261,250	7.63%
Dialog Group Bhd	50,000	54,698	89,500	2.61%
Kencana Petroleum Bhd	69,000	102,073	166,290	4.86%
KFC Holdings (M) Berhad	15,000	57,188	57,300	1.67%
Maxis Berhad	22,000	117,116	116,600	3.41%
Media Chinese International Ltd	30,000	26,018	25,800	0.75%
MISC Bhd	11,000	93,964	91,960	2.69%
Parkson Holdings Bhd	10,100	56,463	54,439	1.59%
Petronas Chemicals Group Bhd	20,000	107,594	110,400	3.23%
Plus Expressways Bhd	28,300	94,788	127,916	3.74%
Sime Darby Bhd	31,000	271,592	272,800	7.97%
Tenaga Nasional Bhd	25,000	210,826	209,250	6.11%
Telekom Malaysia Bhd	28,900	96,618	101,439	2.96%
	395,300	1,510,621	1,684,944	49.25%
Total Malaysian Equities	654,000	2,440,379	2,661,493	77.79%

ISTIFAD

Security Name	Number of Units	Total Cost	Market Value	% of NAV
Construction				
Gamuda Bhd	25,100	82,136	95,631	2.85%
IJM Corporation Bhd	11,000	53,528	68,530	2.05%
YTL Corporation Bhd	9,000	67,231	75,690	2.26%
	45,100	202,895	239,851	7.16%
Industrial Products				
Petronas Gas Bhd	14,100	146,967	156,510	4.67%
	14,100	146,967	156,510	4.67%
Infrastructure Project Company				
Digi.Com Bhd	2,800	63,317	68,880	2.06%
YTL Power International Berhad	33,000	75,619	80,520	2.40%
	35,800	138,936	149,400	4.46%
Plantation				
IOI Corporation Bhd	41,000	227,676	238,210	7.11%
Kuala Lumpur Kepong Bhd	5,000	82,372	110,500	3.30%
	46,000	310,049	348,710	10.41%
Property				
SP Setia Bhd	14,000	67,349	83,300	2.49%
	14,000	67,349	83,300	2.49%

Security Name	Number of Units	Total Cost	Market Value	% of NAV
Trading/Services				
Axiata Group Berhad	52,000	208,506	247,000	7.37%
KFC Holdings (M) Berhad	15,000	57,188	57,300	1.71%
Maxis Berhad	21,000	111,485	111,300	3.32%
MISC Bhd	15,000	129,145	125,400	3.74%
Parkson Holdings Berhad	6,060	34,864	32,663	0.98%
Petronas Chemicals Group Berhad	20,000	107,594	110,400	3.30%
Plus Expressways Bhd	36,200	127,794	163,624	4.88%
Sime Darby Berhad	30,000	264,260	264,000	7.88%
Tenaga Nasional Bhd	30,000	255,241	251,100	7.50%
Telekom Malaysia Berhad	44,800	155,318	157,248	4.69%
	270,060	1,451,395	1,520,035	45.40%
Total Malaysian Equities	425,060	2,317,591	2,497,806	74.59%

IRAD

Security Name	Number of Units	Total Cost	Market Value	% of NAV
Malaysian Equities				
Consumer				
UMW Holdings Bhd	14,600	95,985	102,492	3.12%
	14,600	95,985	102,492	3.12%
Industrial Products				
JCY International Bhd	40,000	62,321	32,200	0.98%
Lafarge Malayan Cement Bhd	9,800	60,298	75,166	2.29%
Petronas Gas Bhd	15,300	152,078	169,830	5.17%
Uchi Technologies Bhd	40,000	54,437	52,000	1.58%
	105,100	329,134	329,196	10.03%
Infrastructure Project Company				
Digi.Com Bhd	3,900	88,945	95,940	2.92%
YTL Power International Bhd	27,000	59,641	65,880	2.01%
	30,900	148,586	161,820	4.93%
Plantation				
Hap Seng Plantations Holdings Bhd	15,000	36,389	50,250	1.53%
	15,000	36,389	50,250	1.53%
Property				
Mah Sing Group Bhd	40,000	74,214	73,600	2.24%
	40,000	74,214	73,600	2.24%
Trading/Services				
Amway (M) Holdings Bhd	11,200	87,704	92,960	2.83%
Axiata Group Berhad	33,000	147,298	156,750	4.77%

Security Name	Number of Units	Total Cost	Market Value	% of NAV
Bintulu Port Holdings Berhad	7,100	44,889	48,138	1.47%
KFC Holdings (M) Berhad	15,000	57,188	57,300	1.74%
KPJ Healthcare Bhd	22,000	72,345	81,840	2.49%
Maxis Berhad	17,200	91,326	91,160	2.77%
Media Chinese International Ltd	30,000	26,018	25,800	0.79%
MISC Bhd	10,300	88,042	86,108	2.62%
Petronas Dagangan Bhd	6,700	59,956	78,390	2.39%
Petronas Chemicals Group Berhad	20,000	107,594	110,400	3.36%
Plus Expressways Bhd	31,000	107,601	140,120	4.26%
Star Publication (M) Bhd	21,500	73,498	71,165	2.17%
Telekom Malaysia Berhad	46,800	160,743	164,268	5.00%
	271,800	1,124,202	1,204,399	36.68%
Total Malaysian Equities	477,400	1,808,510	1,921,757	58.53%

IHSAN

Security Name	Number of Units	Total Cost	Market Value	% of NAV
Property				
Mah Sing Group Bhd	30,000	55,547	55,200	1.77%
	30,000	55,547	55,200	1.77%
Trading/Services				
KFC Holdings (M) Berhad	15,000	57,188	57,300	1.83%
Media Chinese International Ltd	30,000	26,018	25,800	0.83%
Petronas Chemicals Group Bhd	20,000	107,594	110,400	3.53%
Axiata Group Berhad	15,000	69,262	71,250	2.28%
	80,000	260,062	264,750	8.47%
Total Malaysian Equities	110,000	315,609	319,950	10.24%

Malaysian Debt Securities

Westports Malaysia Sdn Bhd 4.54%	250,000	252,525	254,675	8.15%
National Bank Of Abu Dhabi 4.75%	250,000	250,773	257,450	8.24%
Tesco Stores (M) Sdn Bhd 4.25%	250,000	252,125	253,575	8.11%
Binariang Gsm Sdn Bhd 6.60%	250,000	277,825	277,525	8.88%
Padiberas Nasional Bhd 5.05%	250,000	255,225	255,200	8.16%
Lingkar Transkota Sdn Bhd 4.60%	250,000	267,050	254,175	8.13%
Malaysian Debt Ventures 5.19%	250,000	253,725	267,200	8.55%
	1,750,000	1,809,248	1,819,800	58.25%

Total Malaysian Equities & Debt Securities	1,860,000	2,124,857	2,139,750	68.49%
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COMPARATIVE PERFORMANCE TABLE

ITTIZAN

Portfolio Composition	31-Dec-10 (%)	30-Jun-09 (%)	30-Jun-08 (%)	30-Jun-07 (%)	30-Jun-06 (%)
a. Equities:	55.72	42.78	56.45	67.88	44.22
• Construction	4.68	5.66	5.60	7.89	2.57
• Consumer Products	2.33	3.37	1.68	4.95	2.13
• Industrial Products	4.67	5.14	7.27	3.90	5.26
• Infrastructure	6.09	5.20	4.20	2.08	1.88
• Plantation	4.93	3.23	10.14	12.69	0.99
• Property	1.00	0.60	1.06	3.40	-
• Trading & Services	32.02	19.58	25.41	30.60	30.42
• REITs	-	-	0.77	0.81	-
• Derivatives	-	-	0.32	1.56	0.97
b. Islamic Debt Securities	22.59	15.14	28.91	23.22	23.78
c. Money Market & Cash	21.69	42.08	14.64	8.90	32.00
TOTAL	100.00	100.00	100.00	100.00	100.00

	31-Dec-10	30-Jun-09	30-Jun-08	30-Jun-07	30-Jun-06
Total NAV (RM)	20,661,313	16,785,184	23,103,316	23,649,602	15,692,279
Number of units	14,199,486	14,197,887	17,669,009	17,297,969	16,030,603
NAV per Unit (RM)	1.455	1.182	1.310	1.3700	0.979
Highest NAV (RM)	1.458	1.390	1.560	1.380	1.040
Lowest NAV (RM)	1.230	1.030	1.270	0.973	0.970
Total Annual Return (% p.a)					
a) Capital Growth	13.77	(9.77)	(4.38)	39.95	(6.67)
b) Income Distributions	-	-	-	-	-
Average Annual Return :					
One-Year	13.77	(9.77)	(4.38)	39.95	(6.67)
Three-Year	(0.13)	8.60	9.63	-	-
Five-Year	6.58	-	-	-	-

Benchmark Performance (70% FBM Shariah Index : 30% 1-Month GIA Rates Maybank)

Average Annual Return :					
One-Year	12.74	(8.29)	(5.33)	38.29	3.13
Three-Year	(0.29)	8.22	12.03	-	-
Five-Year	8.11	-	-	-	-

* Note : 2010 return for one-year is based on 12-months from 31 Dec 2009 to 31 Dec 2010

ISTIQRAR

Portfolio Composition	31-Dec-10 (%)	30-Jun-09 (%)	30-Jun-08 (%)	30-Jun-07 (%)	30-Jun-06 (%)
a. Equities:	32.41	18.08	23.19	29.17	18.36
• Construction	1.22	0.86	1.89	3.20	0.87
• Consumer Products	1.55	0.78	-	0.54	0.70
• Industrial Products	1.99	2.22	0.99	0.57	1.13
• Infrastructure	3.02	3.55	3.49	1.95	0.86
• Plantation	3.21	2.49	5.39	5.75	1.05
• Property	1.04	0.34	0.00	2.69	1.64
• Trading & Services	20.38	7.84	11.43	14.47	12.00
• Derivatives	-	-	-	-	0.11
b. Islamic Debt Securities	63.96	28.66	62.18	57.72	44.34
c. Money Market & Cash	3.63	53.26	14.63	13.11	37.30
TOTAL	100.00	100.00	100.00	100.00	100.00

	31-Dec-10	30-Jun-09	30-Jun-08	30-Jun-07	30-Jun-06
Total NAV (RM)	11,796,035	10,820,752	11,708,998	11,722,068	9,411,485
Number of units	9,910,043	9,820,000	9,776,795	9,562,501	9,100,130
NAV per Unit (RM)	1.190	1.102	1.200	1.230	1.030
Highest NAV (RM)	1.200	1.240	1.300	1.240	1.060
Lowest NAV (RM)	1.111	1.080	1.190	1.030	1.030
Total Annual Return (% p.a)					
a) Capital Growth	5.80	(8.17)	(2.44)	19.42	(2.83)
b) Income Distributions	-	-	-	-	-
Average Annual Return :					
One-Year	5.80	(8.17)	(2.44)	19.42	(2.83)
Three-Year	(1.60)	2.93	4.72	-	-
Five-Year	2.35	-	-	-	-

Benchmark Performance (30% FBM Shariah Index : 70% 1-Month GIA Rates Maybank)

Average Annual Return :					
One-Year	5.47	(2.53)	(1.18)	17.60	2.35
Three-Year	0.59	4.63	6.26	-	-
Five-Year	4.34	-	-	-	-

* Note : 2010 return for one-year is based on 12-months from 31 Dec 2009 to 31 Dec 2010

Portfolio Composition	IHFAZ 31-Dec-10 (%)	ITTIHAD 31-Dec-10 (%)	ISTIFAD 31-Dec-10 (%)	IRAD 31-Dec-10 (%)	IHSAN 31-Dec-10 (%)
a. Equities:	93.15	77.79	74.59	58.53	10.24
• Construction	7.70	4.75	7.16	-	-
• Consumer Products	2.72	1.06	-	3.12	-
• Industrial Products	5.95	5.25	4.67	10.03	-
• Information Technology	-	-	0.00	-	-
• Infrastructure	5.35	3.79	4.46	4.93	-
• Plantation	14.46	9.38	10.41	1.53	-
• Property	2.98	4.31	2.49	2.24	1.77
• Trading & Services	53.99	49.25	45.40	36.68	8.47
b. Islamic Debt Securities	-	-	-	-	58.25
c. Money Market & Cash	6.85	22.21	25.41	41.47	31.51
TOTAL	100.00	100.00	100.00	100.00	100.00

	IHFAZ 31-Dec-10	ITTIHAD 31-Dec-10	ISTIFAD 31-Dec-10	IRAD 31-Dec-10	IHSAN 31-Dec-10
Total NAV (RM)	4,010,804	3,422,707	3,349,985	3,285,447	3,126,259
Number of units	3,140,055	3,158,543	3,112,006	3,088,798	3,084,619
NAV per Unit (RM)	1.2773	1.0836	1.0765	1.0637	1.0135
Highest NAV (RM)	1.2800	1.0890	1.0890	1.0670	1.0140
Lowest NAV (RM)	1.0040	0.9720	0.9720	1.0020	1.0000
Total Annual Return (% p.a)					
a) Capital Growth	14.15	7.71	7.01	5.74	-
b) Income Distributions	-	-	-	-	-
Average Annual Return :					
One-Year	14.15	7.71	7.01	5.74	-
Three-Year	-	-	-	-	-
Five-Year	-	-	-	-	-
Benchmark Performance	FBMSI	FBMSI	FBMSI	FBMSI	
Average Annual Return :					
One-Year	18.20	18.20	18.20	18.20	-
Three-Year	-	-	-	-	-
Five-Year	-	-	-	-	-

* 2010 return for one-year is based on 12-months from 31 Dec 2009 to 31 Dec 2010

** There was no performance return for Ihsan as the fund is a new fund.

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