

Investment Mandate

Fund

Dana i-Makmur

New Fund Objective

A fund which invests in Islamic fixed income securities, for example government and corporate sukuk (ranging from 40% to 100%) as well as Islamic deposits. This fund seeks to provide consistent return at low levels of volatility. Although the fund invests mainly in Malaysia, it may also partially invest in foreign Shariah approved fixed income securities (up to 50%) to enhance the fund's returns. Dana i-Makmur only invests in Shariah-compliant securities.

Reasoning

Given the larger fund size anticipated in the near future, the current 5% cash allocation has translated into an increasingly notable opportunity cost for the fund, which could otherwise be invested in higher yielding fixed income instruments compared to Islamic deposit placements.

With the expectation that the fund size will grow, we are also allowing allocation to partially invest in foreign Shariah approved fixed income securities (up to 50%), to further enhance the fund's return.



Great Eastern Takaful Berhad Investment-Linked Funds



Statement by the Manager and Audited Financial Information 31 December 2014



Contents

- 3** Message from CEO
- 5** Investment Management Committee
- 6** Fund Objectives
- 7** Investment Review and Outlook
- 11** 2014 Fund Performance
- 12** Fund Comparative Performance
- 15** Statement by the Manager
- 16** Shariah Committee's Report
- 17** Independent Auditor's Report
- 19** Statements of Assets and Liabilities
- 20** Statements of Income and Expenditure
- 21** Statements of Changes in Net Asset Value
- 22** Notes to the Financial Statements
- 54** Frequently Asked Questions





The future of 'responsible' investing is the way forward and the Shariah-compliant strategy adopted by GETB and the Islamic Finance industry might hold the key to its success.

Message from CEO

Assalamualaikum and warm greetings from Great Eastern Takaful Berhad (“GETB”). We are grateful to give you the 2014 Annual Report of GETB’s Investment-linked funds (“ILFs”) consisting of i-Makmur Fund, i-Mekar Fund and i-Majmuk Fund for the financial year ended 31st December 2014.

The year 2014 was challenging for the takaful industry. Globally, gross takaful contribution was estimated to achieve US\$14 billion in 2014 compared to the estimated US\$12.3 billion contribution in 2013. The world has seen a year-on-year growth of takaful contributions moderated to a compounded annual growth rate (“CAGR”) of 14% from a high of 22% CAGR in 2013¹. For Malaysia and other ASEAN countries such as Indonesia, Brunei, Singapore and Thailand, have continued to achieve a healthy growth of 22% CAGR, driven by strong economics dynamics and young demographics. As a basis of comparison, the Gulf Cooperation Council (“GCC”) countries registered a CAGR growth of 12%.

As at 2014, the lion share of global gross takaful contribution went to Saudi Arabia cooperatives account, which accounted for almost half (48%) of the global gross contribution. ASEAN countries, particularly Malaysia and Indonesia, accounted for almost one-third (33%) of total global gross contributions while other GCC7 countries contributed 15%.

Malaysia has always been regarded as the strong and steady growth story for the family takaful market. Total net contribution of family takaful reached almost RM4.5 billion with steady growth from the regular contribution type of products. The regulator involvement in the growth story in Malaysia has always been prevalent, with the latest introduction of Bank Negara Malaysia (“BNM”)’s concept paper on the Life Insurance and Family Takaful for Everyone (“LIFE”) framework. LIFE framework recommends a wide range of enhancement from operating flexibility, product disclosure and delivery channels to market practices. The initiatives of LIFE will be reflected in the relevant policy documents to be issued under the Islamic Financial Services Act (“IFSA”) 2013, once it is finalised.

Malaysia is and has always been positioning itself as the preferred Islamic finance hub; in an attempt to attract Islamic direct and portfolio investments onto its shores. The government’s strong initiatives via BNM’s Financial Sector Blueprint and the Securities Commission’s (“SC”) Capital Market Masterplan 2 have seen strong growth in the Islamic Finance Sector in recent years.

As companies tweak their business models to adapt to the changing regulatory and market landscape, a flurry of mergers and acquisitions (“M&A”) activities were inevitable. In Malaysia, the takaful and insurance industry attracted new players from overseas. These foreign players were keen to acquire local takaful operators and insurance companies in a bid to grow their presence in this part of the world. Among the notable M&As were Khazanah Nasional Berhad’s partnership with Sun Life Financial Inc. in their 98% acquisition of CIMB Aviva Assurance Berhad for RM1.8 billion and American International Assurance Bhd’s acquisition of ING’s 60% stake in ING Public Takaful Ehsan Berhad.

¹ Source: *EY Global Takaful Insights 2014*

CEO'S Message (continued)

Globally, the Islamic Finance industry is projected to exceed US\$2.5 trillion² of assets in 2015 as the industry realised US\$2.1 trillion of assets in the year 2014, owing to the popularity in traditional markets such as Malaysia and the Middle East and boosted by moves into new markets in Europe, Australia and China. Out of this projection of US\$2.5 trillion of Islamic Finance assets, takaful assets represents only a mere 2% compared to the 86% of Islamic banking assets. The Islamic Finance industry is driven by around 1500 corporations worldwide in more than 90 countries, some 40% of which are non-Muslims nations. Again, this presents an opportunity for the takaful sector to leap onto a rapid growth trajectory on the backdrop of the Islamic Finance global expansion.

At this juncture, the Islamic Finance industry has stamped its mark in the ethical investing and 'fair' finance space. What started as a small movement of 'avoidance' in sin stocks (shares of companies with businesses similar to those prohibited in Islam), has evolved to a more sophisticated method that considers the environmental, social and governance ("ESG") criteria in investment decisions. This 'responsible' ESG investing term is a now widely used term that comprises a wide range of different approaches and strategies. There is a huge market for investments with a 'responsible' dimension and considers the environmental, social and good governance aspects. Islamic Finance structures fit well into this scheme as an exclusion strategy. The future of 'responsible' investing is the way forward and the Shariah-compliant strategy adopted by GETB and the Islamic Finance industry might hold the key to its success.

We continue to be proud and note that GETB's assets under management are 100% Shariah-compliant and we continue to embrace our commitment to our certificate holders as firm as our commitment to God. We appreciate your continuous support and trust in your takaful investment-linked contribution.

Thank you.

for Great Eastern Takaful Berhad,

Zafri Ab Halim

Chief Executive Officer

² Source: *AlHuda Centre of Islamic Banking and Economics* ("CIBE")

Investment Management Committee

Members of The Committee

Mr. Zafri Ab Halim (Chairman)
Chief Executive Officer

Mr. Hafidz Hamzah
Head, Investment

Ms. Rozita Ali
Head, Finance

Mr. Shizal Fisham Ramli
Head, Actuarial and Product Development

Ms. Syahriza Senan
Head, Risk Management & Compliance

Advisors

Dr. Ahmad Basri Ibrahim (Chairman)

Dr. Wan Sabri Wan Yusof

Dr. Akhtarzaite Abdul Aziz

Dr. Mohamad Sabri Zakaria

Dr. Siti Salwani Razali

Dr. Mahamad Arifin

Secretary

Ms. Syahriza Senan

Fund Objectives



i-Makmur Fund

A fund which invests in Islamic fixed income securities, for example government and corporate sukuku (ranging from 40% to 95%) with balance invested in Islamic Deposits. This fund seeks to provide consistent return at low levels of volatility. i-Makmur fund only invests in Shariah-compliant securities.

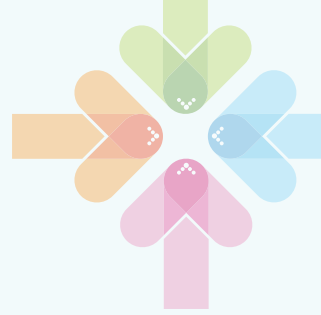
i-Mekar Fund

A fund where 80% to 100% of investments are in Shariah-compliant equities, which may be volatile in the short term. This fund seeks to achieve medium to long-term capital appreciation. Although the fund invests mainly in Malaysia (80% - 100%), it may partially invest in Singapore (up to 25%) and Hong Kong (up to 25%), if and when necessary, to enhance the fund's returns. i-Mekar fund only invests in Shariah-compliant securities.

i-Majmuk Fund

A fund which invests in a mixture of Shariah-compliant equities, Islamic fixed income securities and Islamic deposits. There is flexibility in asset allocation as this fund may invest solely in Islamic fixed income securities or Shariah-compliant equities. This fund seeks to provide medium to long-term capital appreciation, with a moderate level of volatility. i-Majmuk fund only invests in Shariah-compliant securities.

Investment Review and Outlook



2014 Equity Market Review

2014 was a mildly positive year for equities with the MSCI World Index recording a +2.9% gain. Developed markets outperformed emerging markets, driven mainly by the economic recovery in the US. Accommodative interest rate policies globally and the strengthening outlook in the US helped pull global markets higher despite a less than sanguine outlook in Europe and Japan as well as plummeting commodity prices in the latter half of the year. Over in Asia, the Morgan Stanley Capital International Asia Ex Japan (“MSCI Asia Ex Japan”) Index ended the year marginally higher at +2.2%. Most markets performed well in the first half of the year but lost momentum as the strengthening US dollar and fall in oil price caused the Asian markets to fall, erasing earlier gains. Nevertheless, most Asian markets managed to close in positive territory except for Malaysia and Korea.

Domestically, Malaysia underperformed the region as the FTSE Bursa Malaysia Shariah Index (FBMS) fell 4.2% during the year. The index started the year with a fair bit of optimism and hit a high in July. However, things took a turn in the second half of the year with concerns over Malaysia’s oil revenue dependence amidst falling oil prices, weakening currency, higher budget deficit and lower GDP growth forecasts.

2015 Equity Market Outlook

Going into 2015 we are of the view that global economic recovery remains fragile. The low oil price, which saw transfer of wealth from the net oil exporter to net importer, has a slight positive impact to the global economy as consumers have more disposable income to spend. This year, we see monetary policies divergence between the US and other countries. In a deflationary and fragile economic recovery environment, most of the major central banks such as European Central Bank (“ECB”), Bank of Japan (“BOJ”), and Bank of China (“BOC”) are adopting an accommodative monetary policy, while the United States (“US”), on the other hand, will be embarking on its interest rate tightening mode later part of the year. This divergence will continue to lend support to the US dollar strength and net inflow of funds into the US from the other regions.

Investment Review and Outlook (continued)

2015 Equity Market Outlook (continued)

Domestically, we are cautious on the stock market this year as Malaysia's economic outlook pales in comparison to its peers given its net oil and gas exporter status. The domestic economy faces headwinds as a low oil price weakens the country's fiscal deficit, current account and GDP growth. With a weaker fiscal and current account position, the Ringgit will continue to be under pressure while Bank Negara is likely to keep interest rate unchanged. Consumption spending is expected to be lackluster in view of the high household debt, weak consumer sentiment, and the impact of GST. In addition, government spending is constrained by the need to strengthen the fiscal position. On the other hand, export which has seen a decent recovery last year from a low base is very much dependent on the extent of the global economic recovery. In terms of valuation, although Malaysia's PER has adjusted downwards in the recent market sell down, it remains unattractive as it is trading at a slight premium to its long term average and its Asian peers. Furthermore, we expect negative earnings momentum as consensus expectation on corporate earnings is too optimistic. In short, Malaysia lacks rerating catalyst and hence, it is expected to underperform its Asian peers this year.

2014 Fixed Income Market Review

Global fixed income market ended the year better than expected, despite expectations of the U.S. ending its stimulus programme. 2014 started off with a broad sell-off in Emerging Markets ("EM") triggered by anticipation of a shift of capital flow back to the U.S. as the U.S. Federal Reserve ("Fed") ends its quantitative easing ("QE") programme. Sentiment took a turn with the Fed conveying its dovish stance to keep a low interest rate environment longer than expected on the back of slow wage growth and inflation numbers staying below its official target of 2%. In addition, Europe and Japan's easing policies partially alleviated concerns on diminishing global liquidity due to the end of U.S.'s QE.

On the domestic front, fixed income market investors were cautious ahead of the 25bps hike in the Overnight Policy Rate ("OPR") by Bank Negara Malaysia ("BNM") in Jul14. OPR was raised from 3.00% to 3.25% as the Malaysian economy grew 6.3% in 1H14, supported by sustained domestic investment activities. Subsequently, BNM paused further rate hikes as Malaysia's economic growth slowed to 5.6% in 3Q14. In addition, the central bank's expectations of slower export growth and moderating private consumption in 2H14 signalled no more interest rate hike for the year. Market sentiment improved thereafter, driving both sovereign and corporate bonds yields lower across the curves.

Investment Review and Outlook (continued)

2014 Fixed Income Market Review (continued)

Global market sentiment however took a beating when the Brent crude oil price plunged about 40% in 4Q14 on signs of oversupply amidst Shale gas productions in the U.S and weaker demand outlook due to slowing world major economies including China, Europe and Japan. Given oil-related revenues accounting for about 30% of total government revenue for Malaysia, concerns on budget deficit and risks to downward revision of the country's sovereign rating outlook caused foreign investors to reduce their holdings in both Malaysian equities and Sukuk particularly the short-term bills. The 10-year benchmark Government Investment Issue ("GII") yield increased to 4.41% from 4.15% end Nov14, before closing the year at 4.24%. Ringgit ended the year as the worst performing currency in Asia ex-Japan.

On a year-on-year basis, long-term GII yields (maturities 10-year and above) fell 5-20 bps on better relative valuations against the short to medium term GII (maturities below 10-year). Short to medium term GII yields however, rose 7-25 bps due to the 25 bps OPR hike and weaker Ringgit. In the Corporate Sukuk market, overall yields rose 6-25 bps across tenures. Short-term credit spreads tightened marginally whilst credit spreads from mid to long tenures widened 4-18 bps as corporate yields lagged movements in GII.

Meanwhile, in response to the tumbling oil price, the Malaysian government revised up the 2015 budget deficit target from 3.0% to 3.2%, while the growth forecast was being revised down from 5% - 6% to 4.5% - 5.5%.

2015 Fixed Income Market Outlook

Global growth outlook may remain sluggish in 2015 on the back of mild recovery in major developed economies including Europe and Japan, and a slowing economy in China. Coupled with low inflation outlook, if not deflation for some countries, due to expectation of low commodity prices, some economies around the globe have continued to ease monetary policies, including Europe, Japan, Canada, Australia and the Asia region such as China, India and South Korea. U.S. rates may also stay low for an extended period until a more sustained wage growth is in sight and Fed's inflation target is met. This may lend support to the U.S. Treasuries this year.

While the Fed has ended its QE programme, the European Central Bank has as well as Bank of Japan will continue their easing monetary policies. This could mitigate fears on shrinking global liquidity following the end of the U.S. QE programme. Monetary policies of the world's major economies will continue to affect sentiment and expectation of capital flows to and from the EM including Malaysia. Risk of potential unwinding of positions in sovereign bonds by foreign investors given the current high foreign ownership of about 44% of total outstanding MGS may also cause some volatility in the domestic bond market in 2015.

Investment Review and Outlook (continued)

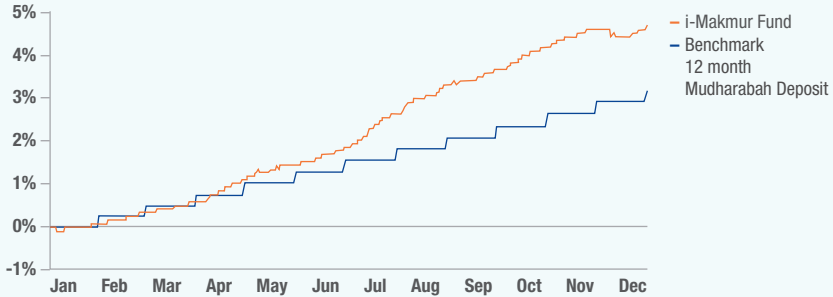
2015 Fixed Income Market Outlook (continued)

On the back of the weakening global growth outlook, Malaysia is expected to expand at a slower pace in 2015. While government remains committed to its fiscal consolidation efforts via removal of fuel subsidies and implementation of Goods and Services Tax (“GST”) in April 2015, Malaysia’s growth trajectory, current account positions, government’s contingent liability concerns and budget deficit numbers will be closely monitored by international rating agencies. While it may be premature to call for a cut in OPR by the central bank, focus will be on domestic growth and impact of low oil price. Barring significant downside risks to growth following implementation of GST in April 2015, BNM is likely to keep OPR stable at 3.25% for 2015. In short, the domestic bond market is expected to remain volatile influenced by macro data including GDP growth, fiscal deficits, currency movements and sovereign ratings. The only positive scenario would probably involve Malaysia’s benign inflation and stable interest rate outlook.

2014 Fund Performance

(Full Year Performance)

i-Makmur Fund



i-Mekar Fund



i-Majmuk Fund



Funds Comparative Performance

i-Makmur Fund

	2014 (RM)	2014 (%)
I. Composition of fund according to industry sectors and category of investments		
Corporate Bonds & Hybrid Capital Market Instruments		
Building Materials/Construction	1,495,200	10.67%
Financial Services	2,814,385	20.09%
Power	1,108,548	7.91%
Highway	485,583	3.47%
Properties	1,309,482	9.35%
Plantation	2,519,465	17.98%
Transport Services	1,303,861	9.31%
Utilities/Infrastructure	888,051	6.34%
	11,924,575	85.11%
Low Risk Assets		
Cash & Deposits	2,086,660	14.89%
Total	14,011,235	100.00%
II. Total NAV	14,011,235	-
III. Number of Units	11,379,976	-
IV. NAV Per Unit	1.231	-
V. Highest NAV per unit during the financial year	1.231	-
VI. Lowest NAV per unit during the financial year	1.175	-
VII. Total annual return of the fund (%)		
Capital growth	-	4.50%
VIII. Total return (%)		
One-year	-	4.50%
Three-years	-	14.63%
IX. Performance of relevant benchmark indices		
- 12 months Mudharabah deposit		
One-year	-	3.21%
Three-years	-	9.94%

Funds Comparative Performance (continued)

i-Mekar Fund

	2014 (RM)	2014 (%)
I. Composition of fund according to industry sectors and category of investments		
Equities		
Building Materials/Construction	4,885,000	13.69%
Conglomerates	1,516,350	4.25%
Petroleum, Chemical & Gas	3,548,134	9.95%
Resource Based	2,688,000	7.53%
Properties	4,699,500	13.17%
Telecommunication & Cables	4,104,935	11.51%
Transport Services	2,308,500	6.47%
Others	1,564,500	4.39%
Utilities/Infrastructure	3,580,750	10.04%
	28,895,669	80.99%
Low Risk Assets		
Cash & Deposits	6,780,437	19.01%
Total	35,676,106	100.00%
II. Total NAV	35,676,106	–
III. Number of Units	26,328,038	–
IV. NAV Per Unit	1.355	–
V. Highest NAV per unit during the financial year	1.545	–
VI. Lowest NAV per unit during the financial year	1.312	–
VII. Total annual return of the fund (%)		
Capital growth	–	-5.40%
VIII. Total return (%)		
One-year	–	-5.38%
Three-years	–	36.73%
IX. Performance of relevant benchmark indices – FBMS (%)		
One-year	–	-4.17%
Three-years	–	21.42%

Funds Comparative Performance (continued)

i-Majmuk Fund

	2014 (RM)	2014 (%)
I. Composition of fund according to industry sectors and category of investments		
Corporate Bonds & Hybrid Capital Market Instruments		
Building Materials/Construction	2,119,500	11.93%
Conglomerates	551,400	3.10%
Petroleum, Chemical & Gas	1,609,510	9.06%
Resource Based	555,578	3.13%
Properties	2,053,992	11.56%
Telecommunication & cables	2,504,400	14.10%
Transport Services	841,700	4.74%
Others	951,700	5.36%
Utilities/Infrastructure	1,763,500	9.93%
	12,951,280	72.92%
Low Risk Assets		
Cash & Deposits	4,810,092	27.08%
Total	17,761,372	100.00%
II. Total NAV	17,761,372	–
III. Number of Units	14,611,519	–
IV. NAV Per Unit	1.216	–
V. Highest NAV per unit during the financial year	1.361	–
VI. Lowest NAV per unit during the financial year	1.181	–
VII. Total annual return of the fund (%)		
Capital growth	–	-5.59%
VIII. Total return (%)		
One-year	–	-5.59%
Three-years	–	24.08%
IX. Performance of relevant benchmark indices – weighted benchmark		
One-year	–	-0.48%
Three-years	–	15.68%

Statement by the Manager

We, Datuk Kamaruddin bin Taib and Dato Koh Yaw Hui, being two of the Directors of Great Eastern Takaful Berhad, do hereby state that, in the opinion of the Manager, the accompanying financial information of the investment-linked funds of Great Eastern Takaful Berhad, comprising the i-Makmur Fund, i-Mekar Fund and i-Majmuk Fund set out on pages 19 to 53 have been prepared in accordance with the accounting policies as described in Note 2.2 to the financial information and the Guidelines on Investment-Linked Insurance/Takaful Business issued by Bank Negara Malaysia.

On behalf of the Board,

Datuk Kamaruddin bin Taib

Dato Koh Yaw Hui

Kuala Lumpur, Malaysia
29 January 2015

Shariah Committee's Report

To the unit holders of the investment-linked funds of **Great Eastern Takaful Berhad**,

We, Dr. Ahmad Basri Ibrahim and Dr. Mohamad Sabri Zakaria, being two of the members of the Shariah Committee of the i-Makmur Fund, i-Mekar Fund and i-Majmuk Fund (collectively known as "the Funds") are of the opinion that Great Eastern Takaful Berhad ("the Manager"), has fulfilled their duties in the following manner for the financial year from 1 January 2014 to 31 December 2014.

In our opinion:

- a. For the year under review, the i-Mekar and i-Majmuk funds were invested in accordance with the list of Shariah-approved securities published by Securities Commission; and
- b. The i-Makmur fund was invested in accordance with the list of Shariah-approved sukuku published by Rating Agency Malaysia Berhad and Malaysian Rating Corporation Berhad.

Signed on behalf of the Shariah Committee,

Dr. Ahmad Basri Ibrahim

Dr. Mohamad Sabri Zakaria

Kuala Lumpur, Malaysia
29 January 2015

Independent Auditors' Report

to the unitholders of the Investment-linked funds of
Great Eastern Takaful Berhad (Incorporated in Malaysia)

Report on the financial information

We have audited the financial information of the Investment-Linked Funds of Great Eastern Takaful Berhad ("the Manager"), which comprise the statements of assets and liabilities as at 31 December 2014 of i-Makmur Fund, i-Mekar Fund and i-Majmuk Fund, the statements of income and expenditure and statements of changes in net asset value for the year ended 31 December 2014 for i-Makmur Fund, i-Mekar Fund and i-Majmuk Fund, and a summary of significant accounting policies and other explanatory information ("financial information"), as set out on pages 19 to 53.

Directors' responsibility for the financial information

"The Directors of the Manager are responsible for the preparation of financial information in accordance with the accounting policies as described in Note 2.2 to the financial information and the Guidelines on Investment-Linked Insurance/Takaful Business issued by Bank Negara Malaysia, and for such internal control as the directors determine are necessary to enable the preparation of financial information that are free from material misstatement, whether due to fraud or error.

Auditors' responsibility

Our responsibility is to express an opinion on these financial information 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 about whether the financial information are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial information. The procedures selected depend on our judgment, including the assessment of risks of material misstatement of the financial information, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the Funds' preparation of financial information in accordance with the accounting policies as described in Note 2.2 to the financial information and the Guidelines on Investment-Linked Insurance/Takaful Business issued by Bank Negara Malaysia 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 the 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 information.

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

Independent Auditors' Report (continued)
to the unitholders of the Investment-linked funds of
Great Eastern Takaful Berhad (Incorporated in Malaysia)

Opinion

In our opinion, the financial information have been prepared, in all material respects, in accordance with the accounting policies as described in Note 2.2 to the financial information and the Guidelines on Investment-Linked Insurance/Takaful Business issued by Bank Negara Malaysia.

Other matters

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

Ernst & Young
AF: 0039
Chartered Accountants

Brandon Bruce Sta Maria
No. 2937/09/15(J)
Chartered Accountant

Kuala Lumpur, Malaysia
29 January 2015

Statements of Assets and Liabilities

As at 31 December 2014

	Note	2014			2013		
		i-Makmur fund	i-Mekar fund	i-Majmuk fund	i-Makmur fund	i-Mekar fund	i-Majmuk fund
		RM	RM	RM	RM	RM	RM
Assets							
Investments	3	14,164,575	37,115,669	17,931,280	9,961,060	14,810,690	9,695,178
Tax recoverable		–	53,930	30,754	–	–	–
Deferred tax assets	4	2,997	8,770	–	5,200	–	–
Other receivables	6	327,051	97,332	1,011,128	729,497	1,458,455	1,104,701
Cash and bank balances		45,500	75,724	146,839	91,912	133,607	100,222
Total assets		14,540,123	37,351,425	19,120,001	10,787,669	16,402,752	10,900,101
Liabilities							
Provision for taxation		18,127	–	–	98,577	10,949	5,614
Deferred tax liabilities	4	–	–	14,482	–	190,911	134,136
Other payables	7	347,758	1,564,217	1,315,377	523,543	1,238,786	985,420
Total liabilities		365,885	1,564,217	1,329,859	622,120	1,440,646	1,125,170
Net asset value of funds (“NAV”)							
		14,174,238	35,787,208	17,790,142	10,165,549	14,962,106	9,774,931
Represented by:							
Unitholders’ capital		12,417,552	34,454,968	16,634,593	9,055,203	12,251,502	7,921,339
Undistributed income		1,756,686	1,332,240	1,155,549	1,110,346	2,710,604	1,853,592
Total unitholders’ account	5	14,174,238	35,787,208	17,790,142	10,165,549	14,962,106	9,774,931
Units in circulation							
	5	11,379,976	26,328,038	14,611,519	8,557,989	10,250,756	7,546,915
NAV per unit							
	5	1.246	1.359	1.218	1.188	1.460	1.295

The accompanying notes form an integral part of the financial information.

Statements of Income and Expenditure

For the Financial Year Ended 31 December 2014

Note	2014			2013		
	i-Makmur fund	i-Mekar fund	i-Majmuk fund	i-Makmur fund	i-Mekar fund	i-Majmuk fund
	RM	RM	RM	RM	RM	RM
Net investment income:						
Profit from deposit with Islamic financial institutions	50,392	79,637	88,648	49,167	31,290	61,342
Profit from Islamic private debt securities	459,426	–	–	265,848	–	26,335
Profit from government investment issues	37,207	–	–	37,083	–	1,820
Dividend income	–	496,582	221,624	–	215,929	128,915
Investment expenses	–	(193,159)	(78,760)	–	(82,624)	(38,626)
	547,025	383,060	231,512	352,098	164,595	179,786
Gain on disposal of investments	103,509	890,561	643,394	86,412	587,702	368,149
Net unrealised investment gain	27,540	–	–	–	1,744,181	1,106,913
Other operating income	113	189	160	110	164	116
Total income	678,187	1,273,810	875,066	438,620	2,496,642	1,654,964
Net unrealised investment loss	–	(2,496,043)	(1,495,676)	(94,755)	–	–
Asset management charges	(59,815)	(309,233)	(146,713)	(43,320)	(121,572)	(91,421)
Other outgo	(2,156)	(3,785)	(2,122)	(2,912)	309	(2,450)
Total outgo	(61,971)	(2,809,061)	(1,644,511)	(140,987)	(121,263)	(93,871)
Excess of income over outgo/ (excess of outgo over income) before taxation	616,216	(1,535,251)	(769,445)	297,633	2,375,379	1,561,093
Taxation	30,124	156,887	71,402	(18,447)	(172,535)	(105,683)
Net income/(loss) for the year	646,340	(1,378,364)	(698,043)	279,186	2,202,844	1,455,410
Distributable income brought forward	1,110,346	2,710,604	1,853,592	831,160	507,760	398,182
Net income/(loss) for the year	646,340	(1,378,364)	(698,043)	279,186	2,202,844	1,455,410
Distributable income carried forward	1,756,686	1,332,240	1,155,549	1,110,346	2,710,604	1,853,592
Analysis of income/(loss) after taxation:						
Net realised gain	618,800	1,117,679	797,633	373,941	458,663	348,497
Net unrealised gain/(loss)	27,540	(2,496,043)	(1,495,676)	(94,755)	1,744,181	1,106,913
	646,340	(1,378,364)	(698,043)	279,186	2,202,844	1,455,410

The accompanying notes form an integral part of the financial information.

Statements of Changes in Net Asset Value

For the Financial Year Ended 31 December 2014

	2014			2013		
	i-Makmur fund	i-Makmur fund	i-Makmur fund	i-Makmur fund	i-Makmur fund	i-Makmur fund
	Unitholders' capital	Distributable income	Total	Unitholders' capital	Distributable income	Total
	RM	RM	RM	RM	RM	RM
NAV at the beginning of the financial year	9,055,203	1,110,346	10,165,549	6,825,810	831,160	7,656,970
Net income for the year	–	646,340	646,340	–	279,186	279,186
Amounts received from units created	5,525,537	–	5,525,537	3,361,319	–	3,361,319
Amounts paid for units cancelled	(2,163,188)	–	(2,163,188)	(1,131,926)	–	(1,131,926)
NAV at the end of the financial year	12,417,552	1,756,686	14,174,238	9,055,203	1,110,346	10,165,549

	2014			2013		
	i-Mekar fund	i-Mekar fund	i-Mekar fund	i-Mekar fund	i-Mekar fund	i-Mekar fund
	Unitholders' capital	Distributable income	Total	Unitholders' capital	Distributable income	Total
	RM	RM	RM	RM	RM	RM
NAV at the beginning of the financial year	12,251,502	2,710,604	14,962,106	5,636,784	507,760	6,144,544
Net (loss)/income for the year	–	(1,378,364)	(1,378,364)	–	2,202,844	2,202,844
Amounts received from units created	25,174,139	–	25,174,139	7,639,037	–	7,639,037
Amounts paid for units cancelled	(2,970,673)	–	(2,970,673)	(1,024,319)	–	(1,024,319)
NAV at the end of the financial year	34,454,968	1,332,240	35,787,208	12,251,502	2,710,604	14,962,106

	2014			2013		
	i-Majmuk fund	i-Majmuk fund	i-Majmuk fund	i-Majmuk fund	i-Majmuk fund	i-Majmuk fund
	Unitholders' capital	Distributable income	Total	Unitholders' capital	Distributable income	Total
	RM	RM	RM	RM	RM	RM
NAV at the beginning of the financial year	7,921,339	1,853,592	9,774,931	5,670,269	398,182	6,068,451
Net (loss)/income for the year	–	(698,043)	(698,043)	–	1,455,410	1,455,410
Amounts received from units created	10,315,975	–	10,315,975	2,608,017	–	2,608,017
Amounts paid for units cancelled	(1,602,721)	–	(1,602,721)	(356,947)	–	(356,947)
NAV at the end of the financial year	16,634,593	1,155,549	17,790,142	7,921,339	1,853,592	9,774,931

The accompanying notes form an integral part of the financial information.

Notes to the Financial Statements

– 31 December 2014

1. The Manager and its Principal Activities

The i-Makmur fund, i-Mekar fund and i-Majmuk fund (collectively known as “the Funds”) are managed by Great Eastern Takaful Berhad (“the Manager”). The Manager was incorporated as a private limited liability company on 29 September 2010, incorporated under the Companies Act, 1965 and domiciled in Malaysia. On 10 December 2013, the status of the Manager was converted from a private company to a public company. Its principal activity is the managing of family takaful business including takaful investment-linked business. There has been no significant change in the nature of these activities during the financial year.

The financial information were authorised for issue by the Board of Directors of the Manager in accordance with a resolution on 29 January 2015.

2. Significant Accounting Policies

2.1 Basis of Preparation

The financial information of the Funds have been prepared in accordance with the accounting policies described in Note 2.2 to the financial information and the Guidelines on Investment-Linked Insurance / Takaful issued by Bank Negara Malaysia (“BNM”).

The financial information have been prepared under the historical cost convention except as disclosed in the significant accounting policies in Note 2.2 to the financial information.

The financial statements are presented in Ringgit Malaysia (“RM”).

2.2 Summary of Significant Accounting Policies

a. Revenue Recognition

Revenue is recognised when it is probable that the economic benefits associated with the transactions will flow to the Funds, and the amount of the revenue can be measured reliably.

- i. Profit income is recognised on an accrual basis that reflects the effective profit/yield of the asset.
- ii. Dividend income is recognised on a declared basis when the right to receive payment is established.
- iii. Net proceeds arising from the disposal of investments are set off against the weighted average cost of investments. The resulting gains or losses are taken to statements of income and expenditure.

2. Significant Accounting Policies (continued)

2.2 Summary of Significant Accounting Policies (continued)

(b) Investment Charges

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

(c) Net Creation of Units

Net creation of units represents contribution paid by unitholders as payment for a new contract or subsequent payments to increase the amount of that contract. Net creation of units is recognised on a receipt basis.

(d) Net Cancellation of Units

Net cancellation of units represents cancellation of units arising from surrenders and withdrawals. Cancellation is recognised upon surrendering of the related takaful contract.

(e) Income Tax

Income tax on profit or loss for the year comprises current and deferred tax. Current tax is the expected amount of income taxes payable in respect of the taxable profit/surplus for the year and is measured using the tax rates that have been enacted at the reporting date.

Deferred tax is provided for, using the liability method on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts in the statement of assets and liabilities. In principle, deferred tax liabilities are recognised for all taxable temporary differences and deferred tax assets are recognised for all deductible temporary differences, unused tax losses and unused tax credits to the extent that it is probable that taxable profits will be available against which the deductible temporary differences, unused tax losses and unused tax credits can be utilised.

Deferred tax is measured at the tax rates that are expected to apply in the period when the asset is realised or the liability is settled, based on tax rates that have been enacted or substantively enacted at the reporting date. Deferred tax is recognised in the statements of income and expenditure.

2. Significant Accounting Policies (continued)

2.2 Summary of Significant Accounting Policies (continued)

(f) Financial Assets

Financial instruments are recognised in the statements of assets and liabilities when the Funds have become party to the contractual provisions of the instruments.

Financial instruments are classified as liabilities or equity in accordance with the substance of the contractual arrangements. Financial instruments are offset when the Fund has a legally enforceable right to offset and intends to settle either on a net basis or to realise the asset and settle the liability simultaneously.

Regular way purchase and sales of all categories of investments in financial instruments are recognised on trade dates i.e. dates on which the Funds commits to purchase or sell the financial instruments.

The Funds classify investments at fair value through profit or loss (“FVTPL”) or loans and receivables (“LAR”), as appropriate.

(i) Fair Value Through Profit or Loss (“FVTPL”)

Financial assets classified as FVTPL are all financial assets acquired with the intention to sell in the near future. These investments are recorded at fair value at inception. Subsequent to initial recognition, these investments are re-measured at fair value in which the changes in fair value and realised gains and losses are recognised in the statements of income and expenditure. Transaction costs are recognised in the statements of income and expenditure as incurred.

The fair value of financial assets that are actively traded in organised financial markets is determined by reference to quoted market prices at the reporting date.

The fair value of investments in quoted unit and property trusts is determined by reference to published Net Asset Values.

Financial assets classified as FVTPL include equities and fixed income securities.

2. Significant Accounting Policies (continued)

2.2 Summary of Significant Accounting Policies (continued)

(f) Financial Assets (continued)

(ii) Loans and Receivables (“LAR”)

LAR are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. These investments are initially recognised at cost, being the fair value consideration paid for the acquisition of the investment. All transaction costs directly attributable to the acquisition are also included in the cost of investment.

Subsequent to initial measurement, LAR are measured at amortised cost, using effective profit rate method, less any provisions for impairment. Gains and losses are recognised in statements of income and expenditure when assets are derecognised or impaired, as well as through the amortisation process.

(g) Derecognition of Financial Assets

A financial asset is derecognised when:

- (i) The contractual right to receive cash flows from the financial asset has expired.
- (ii) The Fund retains the contractual rights to receive cash flows from the asset but has assumed an obligation to pay them in full without material delay to a third party.
- (iii) The Fund has transferred its rights to receive cash flows from the asset and either:
 - has transferred substantially all the risks and rewards of the asset, or
 - has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

2. Significant Accounting Policies (continued)

2.2 Summary of Significant Accounting Policies (continued)

(h) Impairment of Financial Instruments

At each reporting date, the Fund assesses whether there is any objective evidence that a financial asset or group of financial assets is impaired.

Assets carried at cost

If there is objective evidence that an impairment loss has been incurred on a financial asset carried at cost, the carrying amount of the asset will be written down to the recoverable amount. Such impairment losses are not reversed in subsequent periods.

Assets carried at amortised cost

If there is objective evidence that an impairment loss has been incurred on a financial asset carried at amortised cost, the amount of the impairment loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the financial asset's original effective profit rate. The carrying amount of the asset is reduced and the loss is recorded in the statements of income and expenditure.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed to the extent that the carrying amount of the asset does not exceed its amortised cost at the reversal date. The reversal of impairment loss is recognised in the statements of income and expenditure.

(i) Other Receivables

Other receivables are non-derivative financial assets with fixed or determinable payments. These include balances due from brokers and other investment receivables. Receivables are recognised initially at fair value.

Receivables that are individually determined to be impaired at the reporting date relate to debtors that are in significant financial difficulties and have defaulted on payments. These receivables are not secured by any collateral or credit enhancements.

2. Significant Accounting Policies (continued)

2.2 Summary of Significant Accounting Policies (continued)

(j) Financial Liabilities

Financial liabilities are recognised in the statements of assets and liabilities when a Fund becomes a party to the contractual obligations of the financial instrument.

Financial liabilities are recognised when due and measured on initial recognition at the fair value of the consideration received plus directly attributable transaction costs. Subsequent to initial recognition, financial liabilities are measured at amortised cost using the effective profit rate method, except for derivatives, which are measured at fair value.

A financial liability is derecognised when the obligation under the liability is discharged, cancelled or has expired. Gains or losses are recognised in the statements of income and expenditure.

(k) Other Payables

Other payables are recognised initially at fair value plus directly attributable transaction costs, and are subsequently measured at amortised cost using the effective profit rate method.

Payables are derecognised when the obligation under the liability is extinguished. Gains and losses are recognised in the statements of income and expenditure when the liabilities are derecognised, and through the amortisation process.

(l) Unitholders' Account

Unitholders' account of the Funds represent equity instruments in the statements of assets and liabilities.

(m) Cash and Cash Equivalents

Cash and cash equivalents comprise cash at bank and on hand and short-term, highly liquid investments with maturity of three months or less that are readily convertible to a known amounts of cash and which are subject to an insignificant risk of changes in value.

2. Significant Accounting Policies (continued)

2.2 Summary of Significant Accounting Policies (continued)

(n) Foreign Currency Transactions

In preparing the financial statements of the Funds, transactions in currencies other than the Funds' functional currency (foreign currencies) are recorded in the functional currency using the exchange rates prevailing at the dates of transactions. At each reporting date, monetary items denominated in foreign currencies are translated at the rates prevailing on the reporting date. Non-monetary items carried at fair value that are denominated in foreign currencies are translated at the rates prevailing on the date when the fair value was determined.

Exchange differences arising on the settlement of monetary items, and on the translation of monetary items are included in the statements of income and expenditure for the year.

The principal exchange rate for every unit of Singapore Dollar ruling at the reporting date used is RM2.64.

3. Investments

2014	i-Makmur fund RM	i-Mekar fund RM	i-Majmuk fund RM
(a) LAR			
Islamic investment accounts with licensed Islamic banks	2,240,000	8,220,000	4,980,000
(b) FVTPL			
Quoted Shariah-approved equities			
– Quoted in Malaysia		28,895,669	12,951,280
Islamic private debt securities	11,924,575	–	–
	11,924,575	28,895,669	12,951,280
	14,164,575	37,115,669	17,931,280

Notes to the Financial Statements (continued)
– 31 December 2014

3. Investments (continued)

2013	i-Makmur fund RM	i-Mekar fund RM	i-Majmuk fund RM
(a) LAR			
Islamic investment accounts with licensed Islamic banks	1,680,000	1,480,000	2,340,000
(b) FVTPL			
Quoted Shariah-approved equities			
– Quoted in Malaysia	–	13,203,770	7,279,713
Financial instruments with embedded derivatives	–	4,185	9,610
Unit trusts – REITS	–	122,735	65,855
Government investment issues	999,200	–	–
Islamic private debt securities	7,281,860	–	–
	<u>8,281,060</u>	<u>13,330,690</u>	<u>7,355,178</u>
	<u>9,961,060</u>	<u>14,810,690</u>	<u>9,695,178</u>

(c) Details of investments

2014 i-Makmur fund	Quantity held (in unit of shares)	Cost RM	Market value RM	Market value as a % of NAV (%)
FVTPL				
Islamic Private Debt Securities				
Banking				
Amlslamic Bank Berhad	1,000,000	1,000,000	1,004,530	7.09%
Amlslamic Bank Berhad	500,000	503,470	502,265	3.54%
RHB Islamic Bank Berhad	1,000,000	1,000,000	1,007,590	7.11%
Total Banking	<u>2,500,000</u>	<u>2,503,470</u>	<u>2,514,385</u>	<u>17.74%</u>
Properties				
Encorp Systembilt Sdn Bhd	500,000	514,675	503,170	3.55%
Encorp Systembilt Sdn Bhd	800,000	794,720	806,312	5.69%
Suria KLCC Sdn Bhd	300,000	300,000	300,000	2.12%
Total Properties	<u>1,600,000</u>	<u>1,609,395</u>	<u>1,609,482</u>	<u>11.36%</u>

Notes to the Financial Statements (continued)
– 31 December 2014

3. Investments (continued)

(c) Details of investments (continued)

2014 (continued) i-Makmur fund (continued)	Quantity held (in unit of shares)	Cost RM	Market value RM	Market value as a % of NAV (%)
FVTPL (continued)				
Islamic Private Debt Securities (continued)				
Construction				
Konsortium Lebuhraya Utara Sdn Bhd	400,000	390,880	389,256	2.75%
Konsortium Lebuhraya Utara Sdn Bhd	100,000	96,860	96,327	0.68%
WCT Holdings Berhad	1,500,000	1,504,890	1,495,200	10.55%
Total Construction	2,000,000	1,992,630	1,980,783	13.98%
Agriculture				
Bumitama Agri Ltd	1,000,000	1,013,100	1,019,990	7.20%
First Resources Ltd	1,500,000	1,504,410	1,499,475	10.58%
Total Agriculture	2,500,000	2,517,510	2,519,465	17.78%
Transport and Utilities				
Malaysia Airport Holdings Sdn Bhd	1,300,000	1,300,000	1,303,861	9.20%
Malakoff Power Bhd	300,000	300,780	301,191	2.12%
Sarawak Energy Berhad	300,000	300,000	307,332	2.17%
Tanjung Bin Power Sdn Bhd	400,000	400,840	400,020	2.82%
Tanjung Bin Power Sdn Bhd	100,000	100,510	100,005	0.71%
TNB Northern Energy Bhd	400,000	371,040	372,776	2.63%
TNB Western Energy Bhd	500,000	504,200	515,275	3.64%
Total Transport and Utilities	3,300,000	3,277,370	3,300,460	23.29%
Total Islamic Private Debt Securities	11,900,000	11,900,375	11,924,575	84.15%
Total FVTPL	11,900,000	11,900,375	11,924,575	84.15%

Notes to the Financial Statements (continued)
– 31 December 2014

3. Investments (continued)

(c) Details of investments (continued)

2014 (continued) i-Mekar fund	Quantity held (in unit of shares)	Cost RM	Market value RM	Market value as a % of NAV (%)
FVTPL				
Quoted Shariah-approved Equities in Malaysia				
Agriculture & Mining				
IJM Plantations Bhd	150,000	514,570	543,000	1.52%
IOI Corporation Bhd	75,000	360,353	360,000	1.01%
Sarawak Oil Palms Bhd	150,000	890,767	774,000	2.16%
Ta Ann Holdings Bhd	150,000	541,370	582,000	1.63%
Tanah Makmur Berhad	275,000	496,835	429,000	1.20%
Total Agriculture & Mining	800,000	2,803,895	2,688,000	7.52%
Conglomerate				
Sime Darby Bhd	165,000	1,535,229	1,516,350	4.24%
Total Conglomerate	165,000	1,535,229	1,516,350	4.24%
Construction				
Gamuda Bhd	300,000	1,402,518	1,503,000	4.20%
Hock Seng Lee Bhd	500,000	922,644	850,000	2.38%
IJM Corporation Bhd	300,000	1,859,661	1,971,000	5.51%
Muhibbah Engineering M Bhd	300,000	524,236	561,000	1.57%
Total Construction	1,400,000	4,709,059	4,885,000	13.66%
Oil & Gas				
Dayang Enterprise Holdings Bhd	350,000	1,139,803	1,015,000	2.84%
Dialog Group Bhd	600,000	886,847	900,000	2.51%
Petra Energy Bhd	325,800	933,169	563,634	1.57%
Petronas Chemicals Group Bhd	110,000	731,899	599,500	1.68%
UMW Oil & Gas Corporation Bhd	200,000	701,645	470,000	1.31%
Total Oil & Gas	1,585,800	4,393,363	3,548,134	9.91%

Notes to the Financial Statements (continued)
– 31 December 2014

3. Investments (continued)

(c) Details of investments (continued)

2014 (continued) i-Mekar fund (continued)	Quantity held (in unit of shares)	Cost RM	Market value RM	Market value as a % of NAV (%)
FVTPL (continued)				
Quoted Shariah-approved Equities in Malaysia (continued)				
Others – Manufacturing				
Kossan Rubber Industries Bhd	350,000	1,398,254	1,564,500	4.37%
Total Others – Manufacturing	350,000	1,398,254	1,564,500	4.37%
Property				
Eastern & Oriental Bhd	400,000	1,089,933	900,000	2.51%
Gabungan AQRS Berhad	300,000	511,220	375,000	1.05%
Glomac Bhd	750,000	815,505	735,000	2.05%
KSL Holdings Bhd	600,000	1,306,810	1,122,000	3.14%
S P Setia Bhd	475,000	1,567,982	1,567,500	4.38%
Total Property	2,525,000	5,291,450	4,699,500	13.13%
Telecommunication				
Axiata Group Bhd	250,000	1,675,658	1,762,500	4.92%
Digi.Com Bhd	100,000	451,232	617,000	1.72%
Telekom Malaysia Bhd	250,790	1,549,589	1,725,435	4.82%
Total Telecommunication	600,790	3,676,479	4,104,935	11.46%
Transport				
Integrax Bhd	300,000	677,600	684,000	1.91%
Misc Bhd	225,000	1,559,689	1,624,500	4.54%
Total Transport	525,000	2,237,289	2,308,500	6.45%

Notes to the Financial Statements (continued)
– 31 December 2014

3. Investments (continued)

(c) Details of investments (continued)

2014 (continued)	Quantity held (in unit of shares)	Cost RM	Market value RM	Market value as a % of NAV (%)
i-Mekar fund (continued)				
FVTPL (continued)				
Quoted Shariah-approved Equities in Malaysia (continued)				
Utilities				
Cypark Resources Berhad	125,000	335,995	268,750	0.75%
Tenaga Nasional Bhd	240,000	2,643,309	3,312,000	9.25%
Total Utilities	365,000	2,979,304	3,580,750	10.00%
Total Quoted Shariah-approved Equities in Malaysia				
	8,316,590	29,024,322	28,895,669	80.74%
Total FVTPL				
	8,316,590	29,024,322	28,895,669	80.74%
2014				
i-Majmuk fund				
FVTPL				
Quoted Shariah-approved Equities in Malaysia				
Agriculture & Mining				
IJM Plantations Bhd	46,900	156,440	169,778	0.95%
Sarawak Oil Palms Bhd	40,000	234,816	206,400	1.16%
Tanah Makmur Berhad	115,000	213,360	179,400	1.01%
Total Agriculture & Mining	201,900	604,616	555,578	3.12%

Notes to the Financial Statements (continued)
– 31 December 2014

3. Investments (continued)

(c) Details of investments (continued)

2014 (continued) i-Majmuk fund (continued)	Quantity held (in unit of shares)	Cost RM	Market value RM	Market value as a % of NAV (%)
FVTPL (continued)				
Quoted Shariah-approved Equities in Malaysia (continued)				
Conglomerate				
Sime Darby Bhd	60,000	566,225	551,400	3.10%
Total Conglomerate	60,000	566,225	551,400	3.10%
Construction				
Gamuda Bhd	150,000	707,929	751,500	4.22%
Hock Seng Lee Bhd	225,000	427,132	382,500	2.15%
IJM Corporation Bhd	150,000	928,697	985,500	5.54%
Total Construction	525,000	2,063,758	2,119,500	11.91%
Others – Manufacturing				
Hartalega Holdings Bhd	40,000	254,845	281,200	1.58%
Kossan Rubber Industries Bhd	150,000	562,462	670,500	3.77%
Total Others – Manufacturing	190,000	817,307	951,700	5.35%
Oil & Gas				
Dayang Enterprise Holdings Bhd	175,000	538,724	507,500	2.85%
Dialog Group Bhd	231,840	349,455	347,760	1.95%
Petra Energy Bhd	100,000	286,779	173,000	0.97%
Petronas Chemicals Group Bhd	70,000	473,400	381,500	2.14%
UMW Oil & Gas Corporation Bhd	85,000	314,195	199,750	1.12%
Total Oil & Gas	661,840	1,962,553	1,609,510	9.03%

Notes to the Financial Statements (continued)
– 31 December 2014

3. Investments (continued)

(c) Details of investments (continued)

2014 (continued) i-Majmuk fund (continued)	Quantity held (in unit of shares)	Cost RM	Market value RM	Market value as a % of NAV (%)
FVTPL (continued)				
Quoted Shariah-approved Equities in Malaysia (continued)				
Property				
Eastern and Oriental Bhd	200,000	519,957	450,000	2.53%
Gabungan AQRS Berhad	150,000	273,500	187,500	1.05%
Glomac Bhd	350,000	376,702	343,000	1.93%
KSL Holdings Bhd	220,000	507,255	411,400	2.31%
S P Setia Bhd	200,634	663,260	662,092	3.72%
Total Property	1,120,634	2,340,674	2,053,992	11.54%
Transport				
Integrax Bhd	100,000	228,305	228,000	1.28%
Misc Bhd	85,000	601,882	613,700	3.45%
Total Transport	185,000	830,187	841,700	4.73%
Telecommunication				
Axiata Group Bhd	100,000	686,950	705,000	3.96%
Digi.Com Bhd	70,000	355,072	431,900	2.43%
OCK Group Berhad	262,500	238,150	210,000	1.18%
OPCOM Holdings Berhad	500,000	295,334	297,500	1.67%
Telekom Malaysia Berhad	125,000	848,144	860,000	4.83%
Total Telecommunication	1,057,500	2,423,650	2,504,400	14.07%

3. Investments (continued)

(c) Details of investments (continued)

2014 (continued) i-Majmuk fund (continued)	Quantity held (in unit of shares)	Cost RM	Market value RM	Market value as a % of NAV (%)
FVTPL (continued)				
Quoted Shariah-approved Equities in Malaysia (continued)				
Utilities				
Cypark Resources Berhad	50,000	144,625	107,500	0.60%
Tenaga Nasional Bhd	120,000	1,240,155	1,656,000	9.31%
Total Utilities	170,000	1,384,780	1,763,500	9.91%
Total Quoted Shariah-approved Equities in Malaysia	4,171,874	12,993,750	12,951,280	72.76%
Total FVTPL	4,171,874	12,993,750	12,951,280	72.76%

Notes to the Financial Statements (continued)
– 31 December 2014

3. Investments (continued)

(c) Details of investments (continued)

2013 i-Makmur fund	Quantity held (in unit of shares)	Cost RM	Market value RM	Market value as a % of NAV (%)
FVTPL				
Government Investment Issues				
Government Investment Issues	1,000,000	996,700	999,200	9.83%
Total Government Investment Issues	1,000,000	996,700	999,200	9.83%
Islamic Private Debt Securities Infrastructure and Utilities				
Danga Capital Berhad	1,000,000	1,012,500	1,009,500	9.93%
Encorp Systembilt Sdn Bhd	1,500,000	1,508,075	1,526,050	15.01%
Kapar Energy Ventures Sdn Bhd	1,500,000	1,512,645	1,505,250	14.81%
Konsortium Lebuhraya Utara Sdn Bhd	1,000,000	945,300	949,400	9.34%
Malakoff Power Bhd	300,000	300,780	301,050	2.96%
Pengurusan Air Spv Berhad	300,000	302,700	302,370	2.97%
Sarawak Energy Berhad	500,000	505,700	504,800	4.97%
Danainfra Nasional	1,200,000	1,200,000	1,183,440	11.64%
Total Infrastructure and Utilities	7,300,000	7,287,700	7,281,860	71.63%
Total Islamic Private Debt Securities	7,300,000	7,287,700	7,281,860	71.63%
Total FVTPL	8,300,000	8,284,400	8,281,060	81.46%

Notes to the Financial Statements (continued)
– 31 December 2014

3. Investments (continued)

(c) Details of investments (continued)

2013 (continued) i-Mekar fund	Quantity held (in unit of shares)	Cost RM	Market value RM	Market value as a % of NAV (%)
FVTPL				
Quoted Shariah-approved Equities in Malaysia				
Agriculture & Mining				
IOI Corporation Bhd	50,000	237,443	235,500	1.57%
Kuala Lumpur Kepong Bhd	10,000	218,000	249,000	1.66%
Sarawak Oil Palms Bhd	100,000	628,176	651,000	4.35%
Ta Ann Holdings Bhd	70,000	271,608	291,900	1.95%
WTK Holdings Bhd	15,000	26,943	19,650	0.13%
Total Agriculture & Mining	245,000	1,382,170	1,447,050	9.66%
Conglomerate				
Cahaya Mata Sarawak Bhd	25,700	157,714	176,559	1.18%
DRB-Hicom Bhd	50,000	132,500	141,000	0.94%
MMC Corporation Bhd	50,000	144,560	144,000	0.96%
Sime Darby Bhd	70,000	661,298	666,400	4.45%
Total Conglomerate	195,700	1,096,072	1,127,959	7.53%
Construction				
Gamuda Bhd	165,000	718,322	792,000	5.29%
IJM Corporation Bhd	75,000	414,746	441,000	2.95%
Muhibbah Engineering M Bhd	125,000	230,583	285,000	1.90%
WCT Holdings Berhad	31,050	89,280	63,653	0.43%
Total Construction	396,050	1,452,931	1,581,653	10.57%

Notes to the Financial Statements (continued)
– 31 December 2014

3. Investments (continued)

(c) Details of investments (continued)

2013 (continued) i-Mekar fund (continued)	Quantity held (in unit of shares)	Cost RM	Market value RM	Market value as a % of NAV (%)
FVTPL (continued)				
Quoted Shariah-approved				
Equities in Malaysia (continued)				
Motor				
MBM Resources Bhd	50,000	184,693	160,500	1.07%
UMW Holdings Bhd	15,000	184,700	180,900	1.21%
Total Motor	65,000	369,393	341,400	2.28%
Oil & Gas				
Alam Maritim Resources Bhd	250,000	226,200	392,500	2.62%
Bumi Armada Bhd	50,000	197,609	201,500	1.35%
Dayang Enterprise Holdings Bhd	100,000	474,295	579,000	3.87%
Dialog Group Bhd	150,000	405,230	537,000	3.59%
M'sia Marine & Heavy Engineering Holdings	125,000	479,764	437,500	2.92%
Perdana Petroleum Bhd	140,000	120,000	222,600	1.49%
Petronas Chemicals Group Bhd	50,000	336,862	346,000	2.31%
Sapurakencana Petroleum Bhd	165,369	539,093	810,308	5.42%
UMW Oil & Gas Corporation Bhd	90,000	292,070	360,900	2.41%
Yinson Holdings Bhd	25,000	42,500	168,500	1.13%
Total Oil & Gas	1,145,369	3,113,622	4,055,808	27.11%
Others – Manufacturing				
Brahim's Holdings Bhd	100,000	115,500	184,000	1.23%
Hartalega Holdings Bhd	35,500	200,421	256,665	1.72%
Kossan Rubber Industries Bhd	160,000	523,669	691,200	4.62%
Total Others – Manufacturing	295,500	839,589	1,131,865	7.57%

Notes to the Financial Statements (continued)
– 31 December 2014

3. Investments (continued)

(c) Details of investments (continued)

2013 (continued) i-Mekar fund (continued)	Quantity held (in unit of shares)	Cost RM	Market value RM	Market value as a % of NAV (%)
FVTPL (continued)				
Quoted Shariah-approved Equities in Malaysia (continued)				
Property				
IOI Properties Group Berhad	24,999	56,498	62,747	0.42%
Total Property	24,999	56,498	62,747	0.42%
Technology				
Globetronics Technology Bhd	200,400	396,880	635,268	4.25%
Inari Amertron Bhd	225,000	221,485	366,750	2.45%
Total Technology	425,400	618,365	1,002,018	6.70%
Telecommunication				
Axiata Group Bhd	70,000	420,072	483,000	3.23%
Digi.Com Bhd	80,000	314,707	396,800	2.65%
Telekom Malaysia Bhd	40,400	199,874	224,220	1.50%
Total Telecommunication	190,400	934,654	1,104,020	7.38%
Utilities				
Puncak Niaga Holdings Bhd	65,000	205,890	211,250	1.41%
Tenaga Nasional Bhd	100,000	784,606	1,138,000	7.61%
Total Utilities	165,000	990,496	1,349,250	9.02%
Total Quoted Shariah-approved Equities in Malaysia	3,148,418	10,853,791	13,203,770	88.24%

Notes to the Financial Statements (continued)
– 31 December 2014

3. Investments (continued)

(c) Details of investments (continued)

2013 (continued) i-Mekar fund (continued)	Quantity held (in unit of shares)	Cost RM	Market value RM	Market value as a % of NAV (%)
FVTPL (continued)				
Financial Instruments with Embedded Derivatives				
Construction				
WCT Holdings Berhad Warrants 20160310	5,400	1,836	2,160	0.01%
WCT Holdings Berhad Warrants 20171211	5,400	–	2,025	0.01%
Total Construction	10,800	1,836	4,185	0.02%
Total Financial Instruments with Embedded Derivatives	10,800	1,836	4,185	0.02%
Unit Trusts – REITS				
Property				
Axis Real Estate Investment Trust	41,889	107,673	122,735	0.82%
Total Property	41,889	107,673	122,735	0.82%
Total Unit Trusts – REITS	41,889	107,673	122,735	0.82%
Total FVTPL	3,201,107	10,963,300	13,330,690	89.08%

Notes to the Financial Statements (continued)
– 31 December 2014

3. Investments (continued)

(c) Details of investments (continued)

2013 (continued) i-Majmuk fund	Quantity held (in unit of shares)	Cost RM	Market value RM	Market value as a % of NAV (%)
FVTPL				
Quoted Shariah-approved Equities in Malaysia				
Agriculture & Mining				
Sarawak Oil Palms Bhd	45,000	271,673	292,950	3.00%
Ta Ann Holdings Bhd	60,000	232,186	250,200	2.56%
Total Agriculture & Mining	105,000	503,859	543,150	5.56%
Conglomerate				
Cahaya Mata Sarawak Bhd	19,300	118,227	132,591	1.36%
Sime Darby Bhd	42,500	398,974	404,600	4.14%
Total Conglomerate	61,800	517,201	537,191	5.50%
Construction				
Gamuda Bhd	100,000	452,699	480,000	4.91%
IJM Corporation Bhd	60,000	342,779	352,800	3.61%
WCT Holdings Berhad	71,300	205,780	146,165	1.50%
Total Construction	231,300	1,001,258	978,965	10.02%
Motor				
MBM Resources Bhd	40,000	147,734	128,400	1.31%
UMW Holdings Bhd	10,000	122,950	120,600	1.23%
Total Motor	50,000	270,684	249,000	2.54%

Notes to the Financial Statements (continued)
– 31 December 2014

3. Investments (continued)

(c) Details of investments (continued)

2013 (continued) i-Majmuk fund (continued)	Quantity held (in unit of shares)	Cost RM	Market value RM	Market value as a % of NAV (%)
FVTPL (continued)				
Quoted Shariah-approved Equities in Malaysia (continued)				
Oil & Gas				
Alam Maritim Resources Bhd	200,000	204,747	314,000	3.21%
Bumi Armada Bhd	29,000	114,647	116,870	1.20%
Dayang Enterprise Holdings Bhd	60,000	280,638	347,400	3.55%
Dialog Group Bhd	50,000	120,500	179,000	1.83%
M'sia Marine & Heavy Engineering Holdings	75,000	275,778	262,500	2.69%
Perdana Petroleum Bhd	112,000	96,000	178,080	1.82%
Petronas Chemicals Group Bhd	10,000	67,800	69,200	0.71%
Sapurakencana Petroleum Bhd	95,052	207,256	465,755	4.76%
UMW Oil & Gas Corporation Bhd	36,000	100,800	144,360	1.48%
Yinson Holdings Bhd	35,000	59,500	235,900	2.41%
Total Oil & Gas	702,052	1,527,666	2,313,065	23.66%
Others – Manufacturing				
Brahim's Holdings Bhd	96,000	110,140	176,640	1.81%
Hartalega Holdings Bhd	20,800	120,558	150,384	1.54%
Kossan Rubber Industries Bhd	100,000	328,044	432,000	4.42%
Total Others – Manufacturing	216,800	558,742	759,024	7.77%
Technology				
Globetronics Technology Bhd	105,400	182,888	334,118	3.42%
Total Technology	105,400	182,888	334,118	3.42%

Notes to the Financial Statements (continued)
– 31 December 2014

3. Investments (continued)

(c) Details of investments (continued)

2013 (continued) i-Majmuk fund (continued)	Quantity held (in unit of shares)	Cost RM	Market value RM	Market value as a % of NAV (%)
FVTPL (continued)				
Quoted Shariah-approved Equities in Malaysia (continued)				
Telecommunication				
Axiata Group Bhd	40,000	266,452	276,000	2.82%
Digi.Com Bhd	70,000	350,798	347,200	3.55%
Maxis Bhd	20,000	112,512	145,400	1.49%
Total Telecommunication	130,000	729,762	768,600	7.86%
Utilities				
Tenaga Nasional Bhd	70,000	550,338	796,600	8.15%
Total Utilities	70,000	550,338	796,600	8.15%
Total Quoted Shariah-approved Equities in Malaysia	1,672,352	5,842,398	7,279,713	74.46%
Financial Instruments with Embedded Derivatives				
Construction				
WCT Holdings Berhad Warrants 20160310	12,400	4,216	4,960	0.05%
WCT Holdings Berhad Warrants 20171211	12,400	–	4,650	0.05%
Total Construction	24,800	4,216	9,610	0.10%
Total Financial Instruments with Embedded Derivatives	24,800	4,216	9,610	0.10%

Notes to the Financial Statements (continued)
– 31 December 2014

3. Investments (continued)

(c) Details of investments (continued)

2013 (continued) i-Majmuk fund (continued)	Quantity held (in unit of shares)	Cost RM	Market value RM	Market value as a % of NAV (%)
FVTPL (continued)				
Unit Trusts – REITS				
Property				
Axis Real Estate Investment Trust	22,476	55,358	65,855	0.67%
Total Property	22,476	55,358	65,855	0.67%
Total Unit Trusts – REITS	22,476	55,358	65,855	0.67%
Total FVTPL	1,719,628	5,901,972	7,355,178	75.25%

Notes to the Financial Statements (continued)
– 31 December 2014

4. Deferred Tax (Assets)/Liabilities

	i-Makmur fund RM	i-Mekar fund RM	i-Majmuk fund RM
2014			
At 1 January 2014	(5,200)	190,911	134,136
Recognised in the statements of income and expenditure (Note 8)	2,203	(199,681)	(119,654)
At 31 December 2014	(2,997)	(8,770)	14,482
2013			
At 1 January 2013	2,381	51,299	45,583
Recognised in the statements of income and expenditure (Note 8)	(7,581)	139,612	88,553
At 31 December 2013	(5,200)	190,911	134,136

The deferred tax (assets)/liabilities relate to the unrealised (losses)/gains on investments of the Funds.

Notes to the Financial Statements (continued)
– 31 December 2014

5. Unitholders' Accounts

i-Makmur fund	2014	
	No. of Units	RM
Amount received for creations during the year	4,637,530	5,525,537
Amount paid for cancellations during the year	(1,815,543)	(2,163,188)
	2,821,987	3,362,349
Unitholders' account brought forward	8,557,989	10,165,549
Net income for the year	–	646,340
At end of the year	11,379,976	14,174,238
Net asset value per unit at 31 December 2014		1.246

i-Makmur fund	2013	
	No. of Units	RM
Amount received for creations during the year	2,952,847	3,361,319
Amount paid for cancellations during the year	(994,373)	(1,131,926)
	1,958,474	2,229,393
Unitholders' account brought forward	6,599,515	7,656,970
Net income for the year	–	279,186
At end of the year	8,557,989	10,165,549
Net asset value per unit at 31 December 2013		1.188

Notes to the Financial Statements (continued)
– 31 December 2014

5. Unitholders' Accounts (continued)

	2014	
	No. of Units	RM
i-Mekar fund		
Amount received for creations during the year	18,228,313	25,174,139
Amount paid for cancellations during the year	(2,151,031)	(2,970,673)
	16,077,282	22,203,466
Unitholders' account brought forward	10,250,756	14,962,106
Net loss for the year	–	(1,378,364)
At end of the year	26,328,038	35,787,208
Net asset value per unit at 31 December 2014		1.359

	2013	
	No. of Units	RM
i-Mekar fund		
Amount received for creations during the year	5,676,977	7,639,037
Amount paid for cancellations during the year	(761,226)	(1,024,319)
	4,915,751	6,614,718
Unitholders' account brought forward	5,335,005	6,144,544
Net income for the year	–	2,202,844
At end of the year	10,250,756	14,962,106
Net asset value per unit at 31 December 2013		1.460

Notes to the Financial Statements (continued)
– 31 December 2014

5. Unitholders' Accounts (continued)

i-Majmuk fund	2014	
	No. of Units	RM
Amount received for creations during the year	8,364,071	10,315,975
Amount paid for cancellations during the year	(1,299,467)	(1,602,721)
	7,064,604	8,713,254
Unitholders' account brought forward	7,546,915	9,774,931
Net loss for the year	–	(698,043)
At end of the year	14,611,519	17,790,142
Net asset value per unit at 31 December 2014		1.218

i-Majmuk fund	2013	
	No. of Units	RM
Amount received for creations during the year	2,322,811	2,608,017
Amount paid for cancellations during the year	(317,912)	(356,947)
	2,004,899	2,251,070
Unitholders' account brought forward	5,542,016	6,068,451
Net income for the year	–	1,455,410
At end of the year	7,546,915	9,774,931
Net asset value per unit at 31 December 2013		1.295

Notes to the Financial Statements (continued)
 – 31 December 2014

6. Other Receivables

	i-Makmur fund RM	i-Mekar fund RM	i-Majmuk fund RM
2014			
Amount due from shareholders' fund	–	34,767	–
Amount due from family takaful fund	198,087	–	908,359
Profits receivable	112,319	62,505	34,130
Sundry receivables	16,645	60	68,639
	327,051	97,332	1,011,128
	i-Makmur fund RM	i-Mekar fund RM	i-Majmuk fund RM
2013			
Amount due from family takaful fund	652,094	1,406,041	1,009,021
Profits receivable	77,403	37,510	22,347
Sundry receivables	–	14,904	73,333
	729,497	1,458,455	1,104,701

Notes to the Financial Statements (continued)
 – 31 December 2014

7. Other Payables

	i-Makmur fund RM	i-Mekar fund RM	i-Majmuk fund RM
2014			
Amount due to shareholders' fund	342,690	–	1,201,542
Amount due to family takaful fund	–	342,030	–
Sundry creditors	5,068	1,222,187	113,835
	347,758	1,564,217	1,315,377
	i-Makmur fund RM	i-Mekar fund RM	i-Majmuk fund RM
2013			
Amount due to shareholders' fund	503,266	1,074,262	931,776
Sundry creditors	20,277	164,524	53,644
	523,543	1,238,786	985,420

Notes to the Financial Statements (continued)
– 31 December 2014

8. Taxation

The Malaysian tax charge on family takaful business (including investment-linked business) is based on the method prescribed under the Income Tax Act, 1967 for family takaful business. The statutory tax rate for family takaful business is 8%.

	i-Makmur fund RM	i-Mekar fund RM	i-Majmuk fund RM
2014			
Income tax:			
Current year provision	47,267	38,970	41,035
(Over)/under provision in prior year	(79,594)	3,824	7,217
Deferred tax:			
Relating to origination and reversal of temporary differences (Note 4)	2,203	(199,681)	(119,654)
	<u>(30,124)</u>	<u>(156,887)</u>	<u>(71,402)</u>

A reconciliation of income tax expense applicable to the excess of income over outgo before taxation at the income tax rate applicable to the Funds, to income tax expense at the effective income tax rate is as follows:

	i-Makmur fund RM	i-Mekar fund RM	i-Majmuk fund RM
2014			
Excess of income over outgo/ (excess of outgo over income) before taxation	616,216	(1,535,251)	(769,445)
Tax rate 8%	49,297	(122,820)	(61,556)
Income not subject to tax	–	(38,194)	(17,233)
Expenses not deductible for tax purposes	173	303	170
(Over)/under provision in prior year	(79,594)	3,824	7,217
	<u>(30,124)</u>	<u>(156,887)</u>	<u>(71,402)</u>

Notes to the Financial Statements (continued)
 – 31 December 2014

8. Taxation (continued)

	i-Makmur fund RM	i-Mekar fund RM	i-Majmuk fund RM
2013			
Income tax:			
Current year provision	26,028	32,923	17,130
Deferred tax:			
Relating to origination and reversal of temporary differences (Note 4)	(7,581)	139,612	88,553
	18,447	172,535	105,683

A reconciliation of income tax expense applicable to the excess of income over outgo before taxation at the income tax rate applicable to the Funds, to income tax expense at the effective income tax rate is as follows:

	i-Makmur fund RM	i-Mekar fund RM	i-Majmuk fund RM
2013			
Excess of income over outgo before taxation	297,633	2,375,379	1,561,093
Tax rate 8%	23,811	190,030	124,887
Income not subject to tax	(5,596)	(28,381)	(23,985)
Expenses not deductible for tax purposes	232	10,886	4,781
	18,447	172,535	105,683

Frequently Asked Questions

1. How did the investment-linked funds perform in 2014?

Dana i-Makmur did exceptionally well in 2014 with year-to-date (“YTD”) returns of 4.7% versus its benchmark that recorded a YTD return of 3.2%.

Both Dana i-Mekar and Dana i-Majmuk for 2014 have underperformed their respective benchmark. Both Funds were adversely affected by the high equity exposure into the oil and gas related stocks. On top of Oil and gas stocks, both funds were also affected by the sell-down in the small to mid caps stocks.

2. Where can I find the latest and historical pricing for the said investment-linked funds?

You can find the funds’ unit pricing from our website at www.i-great.com.

3. Are investment-linked plans for me?

Consider the benefits but think about the risks too. Make sure you understand the risks that come with investing in a fund exposed to volatility of financial markets. Bear in mind that the potential for high returns comes with high risks.

4. Do I need to monitor the financial markets when I invest in investment-linked funds?

It is advisable to monitor the performance of your units and keep yourself abreast of developments in financial markets. As financial products become more sophisticated, consumers must mature with the markets and with maturity comes responsibility.

5. Can I perform fund switching and is there any charge for it?

Fund switching can be done without any limits to its frequency and without any charge.