

Investment Linked Fund Annual Report

as at 30 November 2013



**AIA PUBLIC
TAKAFUL**

Sebahagian daripada



**THE REAL LIFE
COMPANY**



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**AIA PUBLIC
TAKAFUL**

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**MESSAGE FROM CEO**

31 March 2014

Dear valued Certificate Holders,

Assalamualaikum and salam sejahtera,

In our continuous efforts to meet the long-term savings needs of our Certificate Holders, we are committed to developing real solutions to meet the real life needs of our customers. While we continue to focus on prudent management of your investment, we aim to keep you updated with clear, timely and relevant information to help you make informed investment decisions. So it gives me great pleasure to present our Investment Linked Fund Annual Report 2013.

Last year, the local bourse experienced sharp volatility caused by general election jitters in the earlier part of 2013, US Quantitative Easing tapering fears and deteriorating fundamentals of some key emerging economies. Yet, local equities recorded another record-breaking performance, with the FBM Syariah Index closing at a high of 12,734.2 points, up by 16.2 per cent compared with the year before.

We are pleased to inform that our Takaful Ehsan Balanced Fund returned 12.83 per cent against the benchmark of 8.62 per cent. Since inception in May 2011, the Fund has posted an annualised return of 6.69 per cent against the benchmark of 7.48%.

Following the historic formation of the new AIA Malaysia on 17 June 2013, it gives us great pleasure to announce another significant milestone for AIA in Malaysia. Effective 1 March 2014, the Takaful businesses and operations of AIA AFG Takaful Bhd. and AIA PUBLIC Takaful Bhd. (formerly known as ING PUBLIC Takaful Ehsan Berhad) have been integrated under a single Takaful license and is now known as AIA PUBLIC.

We believe that the single licence integration of the Takaful entities will accelerate the growth of our Takaful business in Malaysia and help us achieve our vision of becoming the Undisputed #1 Takaful Operator in Malaysia. With the integration, we now have the right fundamentals to grow our business and we will continue to focus on the expansion of our multi-distribution channels, while offering more innovative Family Takaful solutions.

On behalf of the management team, I would like to thank you for your loyalty and continuous support. We look forward to serving you better as we strive to accelerate our excellence in 2014.

Yours sincerely,

Wan Azman Wan Mamat
Chief Executive Officer

AIA PUBLIC TAKAFUL BHD.
(FORMERLY KNOWN AS ING PUBLIC TAKAFUL EHSAN BERHAD)
(Incorporated in Malaysia)
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MARKET REVIEW FOR THE FINANCIAL PERIOD ENDED 30 NOVEMBER 2013

1. Local Stock Market Commentary

Market Review

The year 2013 witnessed yet another record breaking performance with the FBM Syariah Index closing at a high of 12,734.2 points, up by 16.2% as compared to the year before. This record closing was arrived after a hard fought tug of war between bullish and bearish forces during the year.

During the year, the local bourse experienced sharp volatility caused by general election jitters in the earlier part of 2013 as well as US Quantitative Easing (QE) tapering fears and deteriorating fundamentals of some key emerging economies. Despite that, the FBM Syariah registered a gain of 16.2% for the financial year, thanks to strong local institutional support, solid interest in oil & gas sector, reduction in political risk, government's pro-active move to address Malaysia's budget deficit, recovering global economy and re-rating of key heavyweight, Tenaga Nasional which received a 15% average tariff increase.

Key Market Drivers:

Positive

1. Conclusion of the 13th General Election and the UMNO Election, which saw no major changes, ensured policy certainty at least until 2017/2018.
2. Malaysia government undertook a strong commitment to fiscal reform in its 2014 Budget tabled in Parliament on 25 October 2013. This includes implementing a 6% goods and services tax (GST) from 1 April 2015 to broaden its tax base and in the meantime, cutting subsidies to reduce its operating expenditure with the aim of reducing the fiscal deficit further to 3.5% of GDP in 2014. The subsidies rationalization included abolishment of sugar subsidy; 20 sen petrol hike and an average 14.9% electricity tariff hike.
3. Under the Economic Transformation Programme (ETP), there were a total of 196 projects with total committed investment of RM219.3billion in 2011-2013.
4. Petronas has awarded around RM40billion worth of contract, of which RM10billion each for hook-up, commissioning and maintenance services (HUC) and transportation and installation (T&I) packages to domestic oil and gas service providers.

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MARKET REVIEW FOR THE FINANCIAL PERIOD ENDED 30 NOVEMBER 2013 (CONT'D)

1. Local Stock Market Commentary (cont'd)

Key Market Drivers : (cont'd)

5. Privatization of MBF Holdings, Tradewinds (M) Bhd, Tradewinds Plantations and Padiberas Nasional.
6. Moody's raised sovereign credit rating outlook for Malaysia to "positive" from "stable".
7. Massive quantitative easing by the Bank of Japan advocated by its new prime minister, Shinzo Abe sparked economic recovery in Japan. China avoided an economic hard landing, Euro moves out of recession while US economy recovery gathers momentum.
8. A partial shutdown of US government's operation for 16 days from 1- 16 October was resolved swiftly preventing any significant damage to the US economy.
9. US military action in Syria was averted.
10. Janet Yellen was nominated as successor for Ben Bernake as US Federal Reserve chairperson. She is widely expected to continue with Bernake's loose monetary policy.

Negative

1. Election jitters at the beginning of the year until early March 2013.
2. Average CPO price for 2013 is RM2,368 per tonne vs RM2,858 per tonne in 2012.
3. Property stocks are affected by Malaysian government's move to curb speculation with higher RPGT (30%) and abolishment of Developer Interest Bearing Scheme (DIBS).
4. Fitch Rating Agency downgraded Malaysia's sovereign rating outlook to negative from stable on 30 July 2013 on account of weaker public finances and the lack of measures to tackle it.
5. US Federal Reserve signaled its intention to taper off US\$85billion monthly asset purchase in May 2013 resulted in foreign outflows weakening currencies and causing interest rates to rise in India and Indonesia. The Federal finally announced a modest USD10billion reduction of its support to USD75billion towards the end of the year.

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1. Local Stock Market Commentary (cont'd)

Key Market Drivers: (cont'd)

6. Twin deficits suffered by regional markets in particular Indonesia and India as well as Malaysia's narrowing current account surplus sparked further foreign outflows.
7. Measures by the Chinese government in 1H13 to curb property prices in urban areas affected investor sentiment.
8. Fear of a hard landing in China's economy on account of its economic imbalances and policy tightening.

Market Outlook

For 2014, we are cautiously optimistic about the stockmarket on the back of anticipation of economic recovery in the developed countries would in turn spur exports in emerging markets like Malaysia. We anticipate the market to be volatile while returns from equity market is projected to be single digit at best given subpar global economic growth despite recovery, China's growth slowing, outflows of foreign funds as QE tapering gathers momentum while the European debt crisis remains unresolved.

As QE tapering is a matter of timing, the risk of reversal of short-term capital flow from emerging markets back to the developed markets may repeat itself as witnessed in June to August 2013, but with a lesser extends as foreign ownership in the local equity market is slightly above 22%, not far away from its low of 20% recorded during the Lehman crisis.

On the local front, KLCI is already close to its historic high, cut in government spending, rising cost of living and doing business and possible rise in interest rates are headwinds for the equity market to move significantly higher.

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MARKET REVIEW FOR THE FINANCIAL PERIOD ENDED 30 NOVEMBER 2013 (CONT'D)

1. Local Stock Market Commentary (cont'd)

Long Term Catalysts

- Improving fiscal budget deficit and trade surplus, thus avoiding a rating downgrade and preventing a sovereign rating downgrade and sharp weakness in Ringgit.
- Acceleration in rolling out Economic Transformation Programme and Public-Private Partnership should lift GDP growth, eg LRT extension, MRT project, High Speed Railway, Pengerang oil storage and Iskandar development.
- Both the General Election and UMNO Election are now over, thus the Government can concentrate on implementing economic reforms and putting Malaysia on a sustainable growth path.
- Major transformation programme in China's Third Plenum will transit China into a more stable and stronger economy.
- Abenomics "Third Arrow" growth strategy is expected to help to sustain Japanese economic growth.

Concerns

- Execution risk of major reform program such as GST implementation and subsidy cut if political pressure mounts.
- Subpar global economic growth.
- FBM Syariah Index is already at all time high making it vulnerable to correction.
- Bank Negara may raise interest rates if growth is better than expected.
- Cut in subsidy and implementation of GST may hurt consumer demand and cost of doing business.
- Risk of fiscal deadlock in the US in 1Q14.
- Euro debt crisis has yet to be fully resolved.
- China may face policy uncertainty and slowdown in growth in the short run as it transit to a new economy as outlined in its recently concluded Third Plenum.

2. Local Sukuk Market Commentary

Economic, events and financial market conditions impacted the Fund:

- Elections
Malaysia held its general elections in May. The incumbents were returned to power and this removed the political uncertainty which had clouded the outlook for the Malaysian market. Government Investment Issue ("GII") tracked the rally in Malaysian Government Securities ("MGS") which saw the the GII yield curve flatten significantly.

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MARKET REVIEW FOR THE FINANCIAL PERIOD ENDED 30 NOVEMBER 2013 (CONT'D)

2. Local Stock Market Commentary (cont'd)

- **Tapering**
One of the key events this year was the US Federal Reserve's announcement that it would reduce its bond purchases, otherwise known as 'tapering' of its Quantitative Easing programme. The market reacted negatively when the Fed Chairman hinted that the first reduction could occur as early as September. The long-dated GII began their climb from the lows recorded post-elections and resulted in a steepening of the GII curve.

As can be expected, the concerns over reduced liquidity caused foreign ownership of Malaysian Government securities to fall from 48% in May to 41% in July.

Nevertheless, the taper did not materialize in September as widely anticipated because the Fed decided to wait for more evidence that the economic progress could be sustained. This led to a short rally in bonds, as market players came to a realization that the start of tapering was only a matter of time.

- **Sovereign rating changes and the budget**
In July, Fitch Ratings downgraded the rating outlook on the Malaysian sovereign rating to negative from stable because it said that 'prospects for budgetary reform and fiscal consolidation to address weaknesses in the public financed have worsened'. This added to the already cautious sentiment in the market following the hints of QE tapering and the 10-year MGS rose to as high as 4.13%. The high foreign shareholding in the MGS market added to fears of outflows.

The concerns that Fitch had raised were somewhat addressed in the Government's budget, where the government announced some fiscal consolidation measures such as a reduction in subsidies and the introduction of GST. The government said it planned to bring down its fiscal deficit to 3.5% of GDP in 2014 from 4.0% of GDP in 2013.

Following this, in November, Moody's changed the outlook on the Malaysian rating to positive. According to the rating agency, the change was underpinned by the improved prospects for fiscal consolidation and reform and continued macroeconomic stability. However, this failed to lift MGS prices higher as players continued to be bearish and looked to external data releases for guidance. Inflation fears that followed the reduction in subsidies had also sunk in.

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COMPARATIVE PERFORMANCE TABLE

AIA PUBLIC Takaful Ehsan Balanced Fund

For the fiscal year 2013, on a net basis the Fund returned 12.83% against the benchmark of 8.62%. Since inception in May 2011, the Fund has posted an annualized return 6.69% versus the benchmark 7.48%.

Performance to 30 November 2013

	1 Month Oct 13 - Nov 13	1 Year Nov 12- Nov 13	5 Year Nov 08 - Nov 13	Since Inception May 11- Nov 13
APT B A-Takaful Ehsan Balanced Fund	0.44%	12.83%	n/a	6.69%
Weighted Index*	-0.60%	8.62%	n/a	7.48%
Out/(Under)-performed	1.04%	4.21%	-	-0.79%

*50% FTSE Bursa Malaysia Shariah Emas Index + 50% All Malaysian Government Investment Issue

What investments influenced the Fund's performance over the year?

Positive

- The Fund was overweight in small to medium cap stocks like Prestariang, Yinson, Syarikat Takaful Malaysia, Kossan and Hua Yang.
- The Fund participated in IPO such as Matrix Concepts and UMW Oil & Gas have outperformed.
- The Fund overweight positions in cyclical sectors such as property, oil & gas, construction and technology have outperformed.
- The Fund underweight positions in finance, telecommunication, consumer and plantation sector have underperformed.
- The Fund's biased towards corporate and government-guaranteed sukuk versus GII contributed to its return due to their higher yields. Besides corporate sukuk yields which were relatively stable vis-à-vis GII had resulted in less volatile return.

Negative

- The Fund participated in IPO such as Airasia X has underperformed.
- The Fund was underinvested with equity exposure of 65% before the election and missed the relief rally post election.
- The Fund remained cautious on lower rated credits, thus unable to ride on the higher yields.

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COMPARATIVE PERFORMANCE TABLE (CONT'D)

What is your strategy going forward?

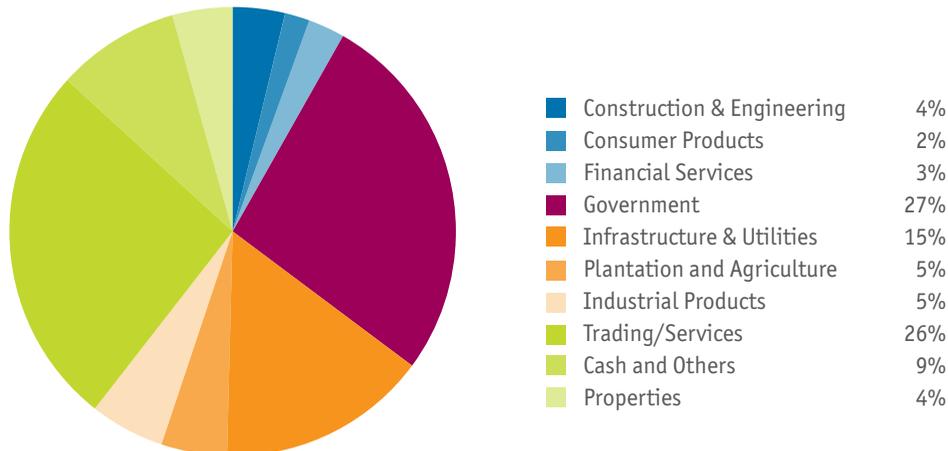
For equity, with expectations of a synchronized global growth, we prefer growth stocks over yield stocks with focus on companies with good growth prospects, decent profit margins, strong cash flows, balance sheet and decent valuation. We also favour exporters on the back of recovery in global exports and strong US dollar. As such, we like stocks in cyclical sectors i.e oil & gas, selected property stocks, construction and technology.

For fixed income, we think that the coming year will be a challenging one for fixed income markets, with inflation rearing its head and risky assets being preferred. Economic growth in the developed markets is gaining traction and while domestic demand could be dampened by the rising costs of living and household debt, growth overseas will help Malaysian exporters. Ongoing large government-driven infrastructure will also be supportive as we saw in 2013. Healthy economic growth is positive for credit quality and by extension, corporate sukuk markets. While the US Federal Reserve has announced that tapering will begin in January 2014, markets have taken this in stride and recognize that monetary policy continues to be an accommodative one.

Amidst the prospect of a steepening yield curve, the Fund will invest in short-to-medium tenured as well as high-grade corporate sukuk that offer good relative values for better yield pick-up while minimizing duration risk.

What changes, if any, you have in the Fund's investment objectives or risk characteristic?

We continue to maximise total returns with reasonable safety of principal and is suitable for participants who are willing to take moderate risk in order to achieve a reasonable return.



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COMPARATIVE PERFORMANCE TABLE (CONT'D)

Sector breakdown as at 30 November/ 31 December:

Category/Sectors	30 Nov 2013	31 Dec 2012	31 Dec 2011
Construction & Engineering	4%	0%	0%
Consumer Products	2%	0%	0%
Financial Services	3%	0%	0%
Government	27%	0%	0%
Infrastructure & Utilities	15%	0%	0%
Plantation and Agriculture	5%	0%	0%
Industrial Products	5%	0%	0%
Trading/Services	26%	0%	0%
Cash and Others	9%	0%	0%
Properties	4%	0%	0%
Shariah Approved Units Trust	0%	100%	100%
TOTAL	100%	100%	100%

Analysis of changes in Net Asset Value ("NAV")

	30 Nov 2013	31 Dec 2012	30 Nov 2011
Total NAV (RM)	6,360,646	6,909,242	62,739
Number of Units	5,437,100	6,541,022	60,823
NAV/unit (RM)	1.170	1.056	1.032
Highest NAV for the year (RM)	1.215	1.060	1.012
Lowest NAV for the year (RM)	1.028	1.009	0.932

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DETAILS OF INVESTMENTS

Takaful Ehsan Balance Fund

QUOTED SHARIAH-APPROVED SHARES

Quantity	Name of Counter	Aggregate Cost RM	Market Value RM	% of Net Asset Value
CONSTRUCTION & ENGINEERING				
19,800	IJM CORPORATION BHD	106,890	115,830	1.82%
22,200	GAMUDA BHD	91,975	105,672	1.66%
24,200	EVERSENDAI CORPORATION BERHAD	30,892	28,798	0.45%
CONSUMER PRODUCTS				
2,500	UMW HOLDINGS BHD	35,217	31,100	0.49%
10,000	ORIENTAL HOLDINGS BHD	86,378	86,100	1.35%
FINANCIAL SERVICES				
6,900	SYARIKAT TAKAFUL MALAYSIA BHD	43,818	72,588	1.14%
22,960	BIMB HOLDINGS BHD	82,372	103,090	1.62%
INFRASTRUCTURE & UTILITIES				
25,800	TIME DOTCOM BHD	99,452	100,620	1.58%
13,800	GLOBETRONICS TECHNOLOGY BHD	29,386	43,470	0.68%
45,000	GHL SYSTEMS BHD	24,977	35,325	0.56%
24,000	DIGI.COM BHD	106,202	116,880	1.84%
INDUSTRIAL PRODUCTS				
5,600	TOP GLOVE CORPORATION BHD	30,276	32,032	0.50%
29,300	TOMYPAK HOLDINGS BHD	38,244	41,313	0.65%
18,600	SUPERMAX CORPORATION BHD	37,876	49,848	0.78%
1,800	PETRONAS GAS BHD	34,366	42,948	0.68%
16,400	PETRONAS CHEMICALS GROUP BHD	103,548	110,700	1.74%
22,000	KOSSAN RUBBER INDUSTRIES BHD	37,984	82,280	1.29%
PLANTATION & AGRICULTURE				
56,400	TDM BHD	31,697	54,990	0.86%
20,600	KULIM (M) BHD	78,559	75,808	1.19%
2,800	KUALA LUMPUR KEPONG BHD	61,314	68,880	1.08%
20,200	IOI CORPORATION BHD	101,384	113,928	1.79%

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DETAILS OF INVESTMENTS (CONT'D)

Takaful Ehsan Balance Fund (cont'd)

QUOTED SHARIAH-APPROVED SHARES (CONT'D)

Quantity	Name of Counter	Aggregate Cost RM	Market Value RM	% of Net Asset Value
PROPERTIES				
11,400	YNH PROPERTY BHD	22,653	19,950	0.31%
21,200	UOA DEVELOPMENT BERHAD	38,590	42,188	0.66%
21,000	UEM SUNRISE BERHAD	67,962	48,300	0.76%
14,666	SUNWAY BERHAD	42,670	38,865	0.61%
17,000	MATRIX CONCEPTS HOLDINGS BHD	39,253	54,740	0.86%
40,133	HUA YANG BHD	50,264	85,483	1.34%
TRADING AND SERVICES				
32,900	YTL CORPORATION BHD	59,445	53,298	0.84%
13,800	YINSON HOLDINGS BHD	40,619	80,868	1.27%
33,000	WESTPORTS HOLDINGS BERHAD	83,325	83,820	1.32%
12,000	UMW OIL & GAS CORPORATION BHD	35,916	40,800	0.64%
27,600	TENAGA NASIONAL BHD	193,904	272,136	4.28%
17,200	TELEKOM MALAYSIA BHD	97,698	88,408	1.39%
16,900	SIME DARBY BHD	160,639	163,085	2.56%
34,100	SAPURAKENCANA PETROLEUM BHD	109,834	146,289	2.30%
29,400	PRESTARIANG BERHAD	35,710	76,440	1.20%
12,200	POS MALAYSIA BHD	42,607	73,200	1.15%
39,700	PERISAI PETROLEUM TEKNOLOGI	42,829	57,962	0.91%
16,200	MISC BHD	72,837	88,938	1.40%
30,100	MEDIA CHINESE INTERNATIONAL LT	34,847	29,950	0.47%
17,000	MBM RESOURCES BHD	63,227	61,030	0.96%
5,000	MAXIS BERHAD	32,816	35,150	0.55%
10,100	GAS MALAYSIA BERHAD	26,930	39,087	0.61%
19,800	DIALOG GROUP BHD	51,242	59,004	0.93%
3,000	BERJAYA AUTO BERHAD	2,100	4,560	0.07%
34,100	AXIATA GROUP BERHAD	228,086	229,152	3.60%
46,000	AIRASIA X BERHAD	58,075	47,840	0.75%
986,359		3,026,885	3,532,743	

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DETAILS OF INVESTMENTS (CONT'D)

Takaful Ehsan Balance Fund (cont'd)

QUOTED SHARIAH-APPROVED SHARES (CONT'D)

Quantity	Name of Counter	Aggregate Cost RM	Market Value RM	% of Net Asset Value
UNQUOTED CORPORATE SUKUKS				
700,000	PENGURUSAN AIR SELANGOR BERHAD	734,860	709,870	11.16%
1,500,000	KHAZANAH NASIONAL BERHAD	1,275,000	1,302,750	20.48%
480,000	CAGAMAS BERHAD	480,000	479,808	7.54%
2,680,000		2,489,860	2,492,428	
ISLAMIC MONEY MARKET				
550,000	HONG LEONG ISLAMIC BANK BERHAD	550,000	550,000	8.65%
550,000		550,000	550,000	

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Statement by Manager

We, Dato' Haji Abdul Aziz Dato' Dr Omar and Mohd Daruis bin Zainuddin, two of the Directors of AIA PUBLIC Takaful Bhd. (formerly known as ING PUBLIC Takaful Ehsan Berhad) ("the Manager"), state that, in the opinion of the Manager, the accompanying financial information set out on pages 16 to 22 have been prepared in accordance with the accounting policies prescribed in Note 3 to the financial information and the Guidelines on Investment-linked Insurance/Takaful Business issued by Bank Negara Malaysia ("BNM").

On behalf of Manager

Dato' Haji Abdul Aziz Dato' Dr Omar
Director

Mohd Daruis bin Zainuddin
Director

Kuala Lumpur
19 February 2014

AIA PUBLIC TAKAFUL BHD.
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Independent Auditors' Report to the Certificate Holders Of:

Takaful Ehsan Balanced Fund
(hereinafter referred to as "the Fund")

Report on the financial information

We have audited the financial information of the Fund, which comprise of the statements of assets and liabilities as at 30 November 2013, the statements of income and expenditure and changes in net asset value of the Fund for the financial period then ended, and a summary of significant accounting policies and other explanatory notes, as set out on pages 16 to 22.

Manager's Responsibility for the Financial Information

The Directors of AIA PUBLIC Takaful Bhd. (formerly known as ING PUBLIC Takaful Ehsan Berhad), as the Manager of the Fund, are responsible for the preparation of these financial information in accordance with the accounting policies prescribed in Note 3 to the financial information and the Guidelines on Investment-Linked Insurance/Takaful Business issued by Bank Negara Malaysia ("BNM") and for such internal control as the Manager determine as 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 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 Manager's preparation of the financial information 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 Fund's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by 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.

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Independent Auditors' Report to the Certificate Holders Of:

Takaful Ehsan Balanced Fund
(hereinafter referred to as "the Fund") (cont'd)

Opinion

In our opinion, the financial information have been properly drawn up in accordance with the accounting policies prescribed in Note 3 to the financial information and the Guidelines on Investment-linked Insurance/Takaful Business issued by BNM.

Other matters

This report is made solely to the certificate holders of the Fund, as a body in accordance with the Guidelines on Investment-linked Insurance/Takaful Business issued by BNM, and for no other purposes. We do not assume responsibility to any other person for the content of this report.

PRICEWATERHOUSECOOPERS
(No. AF:1146)
Chartered Accountants

JAYARAJAN A/L U.RATHINASAMY
(No. 2059/06/14(J))
Chartered Accountant

Kuala Lumpur, Malaysia
19 February 2014

AIA PUBLIC TAKAFUL BHD.
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STATEMENT OF ASSETS AND LIABILITIES AS AT 30 NOVEMBER 2013

	Note	Takaful Ehsan Balanced Fund	
		30.11.2013 RM	31.12.2012 RM
ASSETS			
Investments	4		
- Quoted Shariah-approved equities		3,532,743	-
- Unquoted corporate Sukuks		2,492,428	-
- Shariah-approved unit trust fund		-	6,302,800
- Islamic money market		550,000	-
Investment income due and accrued		11,104	-
Other receivables		4,627	425,088
Cash and bank balances		36,204	191,941
TOTAL ASSETS		6,627,106	6,919,829
LIABILITIES			
Current tax liabilities		33,233	-
Deferred tax liabilities		38,005	10,589
Other payables		195,222	-
TOTAL LIABILITIES		266,460	10,589
NET ASSETS VALUE ATTRIBUTABLE TO CERTIFICATE HOLDERS		6,360,646	6,909,240
REPRESENTED BY:			
Value of unit		5,701,966	6,786,720
Undistributed income carried forward		658,680	122,520
		6,360,646	6,909,240
Units in circulation		5,437,100	6,541,022
Net asset value attributable to certificate holders per unit		1.170	1.056

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INVESTMENT-LINKED FUND

STATEMENT OF INCOME AND EXPENDITURE FOR THE FINANCIAL PERIOD ENDED 30 NOVEMBER 2013

	Takaful Ehsan Balanced Fund	
	01.01.2013 to 30.11.2013 RM	01.01.2012 to 31.12.2012 RM
Investment income		
- Profit income from deposit with Islamic financial institution	17,041	-
- Profit income from unquoted corporate Sukuks	63,354	-
- Dividend income	91,517	-
Unrealised capital gain on financial investments	342,577	130,933
Gain on disposal of financial investments	290,040	532
Other income	-	248
Total income	804,529	131,713
Investment management fee	(106,206)	-
Other outgo	(101,514)	-
Total Outgo	(207,720)	-
Excess of income over outgo before taxation	596,809	131,713
Taxation	(60,649)	(10,474)
Excess of income over outgo after taxation	536,160	121,239
Undistributed income brought forward	122,520	1,281
Undistributed income carried forward	658,680	122,520

AIA PUBLIC TAKAFUL BHD.
(FORMERLY KNOWN AS ING PUBLIC TAKAFUL EHSAN BERHAD)
(Incorporated in Malaysia)
INVESTMENT-LINKED FUND

STATEMENTS OF CHANGES IN NET ASSET VALUE
ATTRIBUTABLE TO CERTIFICATE HOLDERS
FOR THE FINANCIAL PERIOD ENDED AS AT 30 NOVEMBER 2013

	Takaful Ehsan Balanced Fund	
	01.01.2013 to 30.11.2013 RM	01.01.2012 to 31.12.2012 RM
Net asset value attributable to certificate holder at the beginning of the financial year	6,909,240	62,739
Amount received from certificate holders for the creation of units	1,691,219	7,376,757
Amount paid to certificate holders for the cancellation of units	(2,775,973)	(651,495)
	5,824,486	6,788,001
Excess of income over outgo :		
- Net unrealised capital gain after taxation	315,161	120,459
- Other net gain/(loss) after taxation	220,999	780
Net asset value attributable to certificate holders at end of financial year/period	6,360,646	6,909,240

AIA PUBLIC TAKAFUL BHD.
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NOTES TO THE FINANCIAL INFORMATION - 30 NOVEMBER 2013

1. THE MANAGER AND ITS PRINCIPAL ACTIVITY

The investment-linked fund of AIA PUBLIC Takaful Bhd. (formerly known as ING PUBLIC Takaful Ehsan Berhad) consist of Takaful Ehsan Balanced Fund ("the Fund") and was launched on 19 May 2011.

The Takaful Ehsan Balanced fund aims to maximize total returns with reasonable safety of principal and is suitable for certificate owners who are willing to take moderate risk in order to achieve a reasonable return.

The Manager of the Funds is AIA PUBLIC Takaful Bhd. (formerly known as ING PUBLIC Takaful Ehsan Berhad), a company incorporated in Malaysia, engaged principally in the underwriting of Family Takaful business and investment-linked business.

The Fund's activities shall be conducted strictly in accordance with the requirement of the Shariah principles and shall be monitored by the Shariah Committee of the Manager.

The financial year end for the Fund has changed from 31st December to 30th November.

2. BASIS OF PREPARATION

The financial information of the fund have been prepared in accordance with the accounting policies as prescribed in Note 3 to the financial information and Guidelines on Investment-linked Insurance/Takaful Business 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 3 to the financial information.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The following accounting policies have been used consistently in dealing with items which are considered material in relation to the financial information.

(a) Financial assets at fair value through profit or loss ("FVTPL")

The Fund designate its investments of the Fund as financial assets at fair value through profit or loss ("FVTPL") at inception as they are managed and evaluated on a fair value basis, in accordance with the respective investment strategy and mandate.

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3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(a) Financial assets at fair value through profit and loss ("FVTPL")(cont'd)

Financial assets at FVTPL are initially recorded at fair value. Subsequent to initial recognition, financial assets at FVTPL are re-measured at fair value. Fair value adjustments and realised gain and losses on de-recognition are recognised in the Statements of Income and Expenditure.

(b) Fair value of financial assets

The fair values of unquoted corporate Sukuk and Islamic money market placement are based on indicative fair market prices/indices by reference to the quotations provided by financial institutions and brokers.

The fair values of quoted securities are based on current market prices. If the market for a financial asset is not active, the Funds establish fair value by using valuation techniques. These include the use of recent arm's length transactions, reference to other instruments that are substantially the same, discounted cash flow analysis and option pricing models.

Cash and cash equivalents with licensed financial institutions are stated at approximately their carrying amount as at the date of Statement of Assets and Liabilities.

(c) Cash and Cash Equivalents

Cash and cash equivalents consist of cash in hand, deposits held at call with financial institutions with original maturities of three months or less. It excludes deposits which are held for investment purpose.

(d) Financial Liabilities

All financial liabilities initially recorded at fair value. Subsequent to initial recognition, financial liabilities are carried at amortised cost using effective interest rate method.

(e) Management fee

Management fees are calculated on daily basis based on the net asset values of the Funds.

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3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(f) Net creation of units

Net creation of units represents Takaful contributions paid by certificate holders as payment for new contract or subsequent payments to increase the amount of that contract less switching within Funds. Net creation of units is recognised on a receipt basis.

(g) Net cancellation of units

Net cancellation of units represents cancellation of units arising from surrenders and withdrawals by certificate holders. Net cancellation of units is recognised upon surrendering of the related Takaful contract.

(h) Taxation

Income tax on the Statements of Income and Expenditure for the financial year comprises current and deferred tax. Current tax is the expected amount of income taxes payable in respect of the taxable profit for the financial year and is measured using the tax rates that have been enacted at the date of the Statements of Assets and Liabilities.

Deferred tax is provided for, using the liability method, on temporary differences at the date of the Statements of Assets and Liabilities between the tax bases of assets and liabilities and their carrying amounts in the financial information. In principle, deferred tax liabilities are recognised for all taxable temporary differences and deferred tax assets are recognised for all deductible temporary differences, to the extent that it is probable that taxable profits will be available against which the deductible temporary differences 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 date of Statements of Assets and Liabilities. Deferred tax is recognised in the Statements of Income and Expenditure.

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3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(i) Income recognition

Dividend income from equity instruments designated at FVTPL is recognised as investment income in Statements of Income and Expenditure, generally when the security becomes ex-dividend or the right to receive payment is established.

Profit income is recognised in Statement of Income and Expenditure using effective profit method.

4. INVESTMENTS

The details of the investments of the Fund are set out on pages 10 to 12 of the fund performance report.

5. PERFORMANCE TABLES

The details of the comparative performance tables of the Fund are set out on pages 7 and 9 of the fund performance report.

About AIA PUBLIC Takaful Bhd.

AIA PUBLIC Takaful Bhd. (*formerly known as ING PUBLIC Takaful Ehsan Berhad*) ("AIA PUBLIC") is jointly owned by AIA Co. Ltd. (AIA), Public Bank Berhad (PBB) and Public Islamic Bank Berhad (a wholly-owned subsidiary of PBB). Incorporated on 11 March 2011, AIA PUBLIC leverages on AIA and PBB Group's leadership positions as well as established infrastructure and distribution networks in the insurance and banking industries to drive growth and increase the Family Takaful penetration in the domestic market.

AIA PUBLIC is committed to offering the right Shariah compliant solutions to meet the different life stages needs of AIA customers.

Contact us for more information

AIA PUBLIC Takaful Bhd. (935955-M)
 (*formerly known as ING PUBLIC Takaful Ehsan Berhad*)
 99 Jalan Ampang, 50450 Kuala Lumpur
 Carline : 1 300 88 8922
 F : 03- 2056 3690
 E : my.customer@aiapublic.com.my
 AIA PUBLIC.COM.MY

AIA PUBLIC Takaful Bhd is licensed under the Islamic Financial Services Act 2013 and regulated by Bank Negara Malaysia

