

PRUDENTIAL BSN

TAKAFUL

TAKAFULINK
DANA DINAMIK
FUND PROFILE 2017

TAKAFUL & US

Takaful is a mutual assistance concept based on the principles of shared responsibility, cooperation and common interest. Each covered participant contributes on the basis of Tabarru' (donation) into a fund that will be used to support each other in times of need.

The principle of Takaful is to uphold the principle of 'brotherhood'. It strictly adheres to ethics and transparency of Shariah guidelines that prohibits uncertainty (Gharar), gambling (Maisir) and interest (Riba).

At Prudential BSN Takaful Berhad (PruBSN), we uphold these values through professional practice in order to give the customers everything they need and more. Values that are clearly reflected in each and every one of our transactions. Values that make us a prudent choice.

Our Funds are solely invested in Shariah-compliant investments, locally and abroad. Each investment is made after taking into consideration the risk and return involved.

Through agency and partnership channels, we offer a variety of innovative products that covers you in every aspect of your life. From protection to savings to spiritual fulfillment, each of our products is designed to provide peace of mind for you.



TAKAFULINK DANA DINAMIK

Features of Fund

Investment Objective	The Takafulink Dana Dinamik ("The Fund") aims to provide capital appreciation by actively investing in Shariah-compliant equities and equity-related securities. For defensive considerations, the Fund may invest in Shariah-compliant debentures and money market instruments.
Investment Strategy & Approach	The Fund seeks to achieve its objective by investing in the Eastspring Investments Dana Dinamik ("Target Fund"), a Shariah-compliant collective investment scheme managed by Eastspring Al-Wara' Investments Berhad ¹ that aims to achieve capital appreciation through investments in Shariah-compliant equities and equity related securities. For defensive considerations, the Target Fund may invest in Shariah-compliant debentures and money market instruments.
Asset Allocation	<ul style="list-style-type: none">• Up to 100% of the Fund's Net Asset Value ("NAV") in Target Fund; and• The remaining of the Fund's NAV not invested in the Target Fund will be invested in Islamic money market instruments.
Performance Benchmark	<ul style="list-style-type: none">• 50% Financial Times Stock Exchange Bursa Malaysia Emas Syariah Index (FBMS) + 50% Maybank 12-month Islamic Deposit Rate.
Fund Manager	Eastspring Investments Berhad (531241-U)
Asset Management Charge	1.25% p.a.

¹ Eastspring Al-Wara' Investments Berhad is the investment manager of Eastspring Investments Dana Dinamik.

TAKAFULINK DANA DINAMIK

Fund Performance

Takafulink Dana Dinamik is a new fund. There is no historical performance yet.

This table is based on Target Fund's historical performance

Year	Eastspring Investments Dana Dinamik (%)	Benchmark* (%)
2016	(3.42%)	(1.46%)
2015	12.03%	3.02%
2014	4.55%	(0.47%)
2013	18.25%	8.24%
2012	15.13%	7.53%

Performance is calculated on a NAV[#] year n-1 to NAV[#] year n basis with gross income or dividend reinvested.

* 50% Financial Times Stock Exchange Bursa Malaysia Emas Shariah Index (FBMS) + 50% Maybank 12-month General Investment Account ("GIA") Tier II rate.

The NAV here is referring to Eastspring Investments Dana Dinamik's Net Asset Value.

Important Note: This is strictly the performance of the investment fund, and not the returns earned on the actual contribution paid of the investment-linked takaful product.

Notice: Past performance of the Fund is not an indication of its future performance.

Additional disclosure for Takafulink Dana Dinamik

Takafulink Dana Dinamik feeds into Eastspring Investments Dana Dinamik, which is managed by Eastspring Al-Wara' Investments Berhad.

Please note that you will only be charged 1.25%, annual fund management charge at the Fund level. You will not be charged the annual management fee at the Target Fund level.

TAKAFULINK DANA DINAMIK

Unit Pricing

- Unit pricing is performed daily.
- Unit price is calculated based on market value of the underlying assets of the Fund, divided by number of units issued.
- Takafulink Fund does not pay any dividend. All incomes and capital gains are automatically rolled up in its unit price.
- Unit price is a single price at which units are created and cancelled.

Forward Pricing

- Units are created and cancelled at the next pricing date following receipt of contribution or notification of claim respectively.

Basis of calculation of past performance:

$$= \frac{\text{NAV* For Year } n}{\text{NAV* For Year } n-1} \% - 100\%$$

* The NAV here is referring to The Fund's Net Asset Value

Risk Factors

Please refer to the detailed Risk Factors listed below:

• Market Risk

Market risk refers to potential losses that may arise from changes in market prices of investments. Prices of Shariah-compliant securities that a fund invests in, fluctuate in response to various factors. For example, events or news that relate to the Shariah-compliant securities as well as the general market and/or economic conditions.

• Liquidity Risk

This refers to ease of a Shariah-compliant security can be sold at or near its fair value depending on volume traded in the market. Shariah-compliant securities which are traded infrequently are considered illiquid with a possibility of disposal at a discount to their fair value, should the disposal be required to meet liquidity requirement. This risk will apply to both sukuk and Shariah-compliant equities. This risk is mitigated through a systematic Shariah-compliant security selection process and portfolio diversification.

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Risk Factors

Please refer to the detailed Risk Factors listed below:

- **Rate of Return Risk**

Generally, valuation of sukuk will move inversely with rate of return movements. Therefore, the valuation of sukuk may fall when rate of return rise and vice versa. Should the Fund holds a sukuk until its maturity, such fluctuations would reduce as the sukuk approaches maturity. To mitigate the effects of rate of return movements, Fund Manager will manage duration of investment portfolio by diversifying tenures of the Fund's sukuk investments based on the Fund Manager's view on the future rate of return.

- **Security Risk**

Adverse price movements of a particular Shariah-compliant security invested may adversely affect the Fund's unit price. The Fund Manager strives to mitigate the impact of a particular Shariah-compliant security risk through portfolio diversification.

- **Credit/Default Risk**

This risk refers to inability of an issuer of sukuk held by the Fund to make profit or principal payments when due. In the event the issuer defaults in the profit or principal payments, value of the Fund will be adversely affected. The Fund Manager will mitigate the Fund's credit/default risk by performing continuous fundamental credit research and analysis to ascertain creditworthiness of an issuer. This risk is mitigated by investing only in sukuk with minimum credit rating of A3 and P3 or equivalent rating by recognised domestic or global rating agencies.

- **Risk of Non-Compliance**

This risk arises from non-compliance with laws, rules, regulations, Shariah resolutions, prescribed practices and the Fund Manager's internal policies and procedures whether due to oversight or by omission. To mitigate this risk, the Fund Manager has put in place internal controls to ensure its continuous compliance with laws, rules, regulations, Shariah resolutions, prescribed practices and the Fund Manager's internal policies and procedures.

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Risk Factors

- **Management Company Risk**

The risk that Fund Manager due to an oversight, may not adhere to the investment mandate of an investment linked fund. This risk is mitigated by Fund Manager using the following:

- Monitoring by investment committee;
- Monitoring investment limits and restrictions through front office system, a system used by Fund Managers and dealers for placing trades which also has capability to monitor various regulatory and internal requirements such as investment breaches; and
- Regular operational and investment risks reporting to the senior management team.

- **Inflation Risk**

Purchasing power is reduced by inflation and if inflation rate is constantly higher than rate of return on investments, the real rate of return on your investments i.e. the return after adjusting for inflation, could be negative even if an investment linked fund shows a positive return. Therefore, investors should consider the potential real rate of return prior to investing.

- **Management of Target Fund Risk**

While Fund Manager will exercise due skill and care in selecting a target fund(s), it does not have control over management of these funds and there is no guarantee that investment objectives will be met. This may result in investors suffering loss in their investments in the target fund(s).

The target fund(s) may change its objective and become inconsistent with the objectives of the respective Funds. In such instances, the Fund Manager will replace the corresponding target fund(s) with another Shariah-compliant collective investment scheme which the Fund Manager considers to be more appropriate in meeting the objectives of the respective Funds. Participants would be notified of such change.

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Risk Factors

- **Counterparty Risk**

The Fund will be exposed to credit risk on counterparties with which it trades, such as possibility of insolvency, bankruptcy or default of a counterparty with which the Fund trades, possibly resulting in losses to the Fund. This risk is mitigated by investing only in instruments issued by counterparties with minimum credit rating of A3 and P3 or equivalent rating by recognised domestic or global rating agencies.

- **Prepayment & Commitment Risk**

Islamic structured product is designed as a hold-to-maturity investment. Therefore, early redemption amount may be lesser than the principal amount originally invested or part thereof, in the case of partial redemptions. Any request to restructure the Islamic structured product, if agreed by the issuer, is effectively an early redemption by the Fund. The full amount that would have been received is used to invest in a new Shariah-compliant investment on such terms that are applicable to the new investment. Such amount may factor in all accrued profit due (if any), losses due to market movements, break costs and other losses incurred in discharging a related hedging or other arrangements made in the design of the Islamic structured products.

- **Reclassification of Shariah Status Risk**

This is the risk that Shariah-compliant securities in the Fund may be reclassified to be Shariah non-compliant upon periodic review of the securities by the Shariah Advisory Council of the Securities Commission. If this occurs, the Fund Manager will take the necessary steps to dispose of such securities. There may be opportunity loss to the Fund due to the Fund not being allowed to retain the excess capital gains derived from the disposal of the Shariah noncompliant equities. The value of the Fund may also be adversely affected in the event of a disposal of Shariah non-compliant equities at a price lower than the investment cost.

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Risk Management Strategies

The risk management strategies employed by the Fund Manager include the following:

- Monitoring market and economic conditions;
- Monitoring adherence to the Fund's objectives and investment restrictions and limits;
- Monitoring the performance of the Fund;
- Taking temporary defensive positions, when required; and
- Escalating and reporting investment matters to the investment committee, senior management team, audit and compliance committee and board of directors.

Other Info

Target Market	Participants with medium to high risk tolerance and medium term investment horizon.
Basis & Frequency of Unit Valuation	Daily Forward pricing.
Exceptional Circumstances	<ul style="list-style-type: none">• PruBSN reserves the right in exceptional circumstances (for example, when there is an unusually high volume of sale of investments within a short period) to defer the withdrawal of units and the surrender of the certificate for a period not exceeding six (6) months from the date of application.• PruBSN may suspend unit pricing and certificate transaction if any of the exchanges in which the Underlying Fund invests in is temporarily suspended for trading. In such event, a written notice shall be given to participants of in force certificates.• PruBSN may suspend unit pricing and certificate transaction if Eastspring Al-Wara' Investments Berhad suspends subscription to the Eastspring Investments Dana Dinamik.

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For All. For Life

Prudential BSN Takaful Berhad is a registered Takaful Operator under the Islamic Financial Services Act 2013 and is regulated by Bank Negara Malaysia.

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Disclaimer:

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