

**TAKAFULINK**  
**DANA AKTIF**  
FUND PROFILE **2018**

## 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 fulfilment, each of our products is designed to provide peace of mind for you.

*\* Takafulink Funds are Shariah-compliant investment instruments.*

## TAKAFULINK DANA AKTIF

### Features of Fund

Investment Objective	Takafulink Dana Aktif (“The Fund”) aims to provide capital appreciation by investing in small market capitalisation Shariah-compliant securities of companies with growth potential.
Investment Strategy & Approach	<p>The Fund seeks to achieve its objective by investing in a Shariah compliant collective investment scheme (“Target Fund”) that invests in small market capitalisation Shariah-compliant securities of companies with growth potential.</p> <p>To identify such companies, the Target Fund Manager will adopt a systematic fundamental research and valuation driven investment approach where quality of management, strength of business model, industry dynamics, driver of profitability and sustainability of earnings are assessed to identify stocks that market has undervalued and exploit such opportunities.</p> <p>The Fund is actively managed. However, the frequency of its trading activities will depend on market opportunities and the assessment of the Target Fund Manager.</p>
Asset Allocation	<ul style="list-style-type: none"><li>• Up to 100% of the Fund’s Net Asset Value (“NAV”) in Target Fund; and</li><li>• The remaining of the Fund’s NAV not invested in the Target Fund will be invested in Islamic money market instruments.</li></ul>

## TAKAFULINK DANA AKTIF

### Features of Fund

Performance Benchmark	80% FTSE Bursa Malaysia Small Cap Shariah Index + 20% FTSE Bursa Malaysia EMAS Shariah Index
Fund Manager	Eastspring Al-Wara' Investments Berhad (860682-K)^
Asset Management Wakalah Charge	1.5% p.a.

<sup>^</sup> External Fund Manager appointed by Prudential BSN Takaful Berhad.

### Fund Performance

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

Target Fund's historical performance is not available as the Target Fund performance is less than one year.

*Note: Eastspring Investments Islamic Small Cap Fund was launched on 25 May 2017.*

### Additional disclosure for Takafulink Dana Aktif

Takafulink Dana Aktif feeds into Eastspring Investments Islamic Small-Cap Fund, which is managed by Eastspring Investments Berhad ("Target Fund Manager").

Please note that you will only be charged 1.5%, annual asset management wakalah charge at the Fund level. You will not be charged the annual asset management wakalah charge at the Target Fund level.

# TAKAFULINK DANA AKTIF

## 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.
- The unit price of the Fund shall be value at the close of each business day (Valuation Date). However, as the value of the Fund's investments at the close of a particular Valuation Date will only be known a business day later, the determination of the unit price of the Fund in respect of a particular Valuation Date shall only be published and made known 2 business days later (T + 2).

## 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

# TAKAFULINK DANA AKTIF

## Risk Factors

Please refer to the detailed Risk Factors listed below:

- **Market Risk**

Market risk refers to potential losses that may arise from adverse changes in market conditions. Market conditions are generally, affected by, amongst others, economic and political stability. If the market which the Fund invests in suffers a downturn or instability due to adverse economic or political conditions, this may adversely impact the market prices of the investments of the Fund.

- **Liquidity Risk**

Liquidity risk refers to two scenarios. The first scenario is where a Shariah-compliant security cannot be sold due to unavailability of a buyer for that investment. The second scenario is where the investment is thinly traded. This may cause the Fund to dispose the investment at an unfavourable price in the market and may adversely affect investor's investment. This risk may be mitigated through stringent security selection process.

- **Security Risk**

Prices of a particular Shariah-compliant security may fluctuate in response to the circumstances affecting individual companies. As such, adverse price movements of a particular Shariah-compliant security invested by the Fund may adversely affect the Fund's NAV. The Fund Manager strives to mitigate the impact of a particular Shariah-compliant security risk through portfolio diversification.

# TAKAFULINK DANA AKTIF

## Risk Factors

- **Risk of Non-Compliance**

This risk arises from non-compliance with laws, rules and regulations, Shariah resolutions, prescribed practices and the Fund Manager's internal policies and procedures whether due to oversight or by omission. Such non-compliance may force the Fund Manager to sell down the securities of the Fund at a loss to rectify the non-compliance and in turn affect the value of investors' investment in the Fund. To mitigate this risk, the Fund Manager has put in place internal controls to ensure its continuous compliance with laws, rules and regulations, Shariah resolutions, prescribed practices and the Fund Manager's internal policies and procedures.

- **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.

# TAKAFULINK DANA AKTIF

## Risk Factors

- **Counterparty Risk**

The Fund will be exposed to credit risk of the counterparties with whom the Fund trade with. The Fund may place deposits and invest in Islamic money market instruments. In the event that the counterparty is not able to fulfil its obligations especially in the event of bankruptcy this may lead to a loss to the Fund. Counterparty risk may be mitigated by conducting credit evaluation on the counterparty to ascertain the creditworthiness of the counterparty.

- **Inflation Risk**

This risk refers to the risk that investor's investment in The Fund may not grow or generate income at a rate that keeps pace with inflation, thus resulting in the investor's decreasing purchasing power even though the investment in monetary terms may have increased.

- **Management of Target Fund Risk**

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

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

# TAKAFULINK DANA AKTIF

## Risk Factors

- **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 Malaysia. 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.

*Note: The above should not be considered to be an exhaustive list of the risks which investors should consider before investing into the Fund. Investors should be aware that an investment in the Fund may be exposed to other risks from time to time. Investors should consult a professional adviser for a better understanding of the risks.*

## 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 committee, Shariah committee and board of directors.

## TAKAFULINK DANA AKTIF

### Other Info

Target Market	Participants with high risk tolerance and long term investment horizon.
Basis & Frequency of Unit Valuation	Daily Forward pricing.
Exceptional Circumstances	<ul style="list-style-type: none"><li>• PruBSN may suspend unit pricing and defer the issuance or redemption of units, or switching to any fund, under this Fund for a reasonable period in exceptional circumstances, such as and including intervening events resulting in temporary closure of any stock exchange or suspension of particular stocks in which the Fund is invested. In such event, a written notice shall be given to participants.</li><li>• PruBSN may suspend unit pricing and certificate transaction if the Target Fund's Manager suspends subscription to the Target Fund.</li></ul>

# TAKAFULINK DANA AKTIF

## Information of the Target Fund

### Eastspring Investments Islamic Small-Cap Fund

#### Investment Strategy

The Target Fund seeks to achieve its objective by investing in Shariah-compliant equities and equity-related securities, such as rights and Shariah compliant warrants of small-cap companies listed in Malaysia with market capitalisation up to RM5 billion. When the market capitalisation of the companies within the portfolio increase beyond RM5 billion after the point of acquisition, the Target Fund will not increase its holdings in Shariah-compliant equities and equity-related securities of such companies. However, the Target Fund may remain to be invested in those Shariah-compliant equities and equity-related securities which have grown over time in the Target Fund's portfolio.

To identify such companies, the Manager will adopt a systematic fundamental research and valuation driven investment approach where quality of management, strength of business model, industry dynamics, driver of profitability and sustainability of earnings are assessed to identify stocks that market has undervalued and exploit such opportunities. The Target Fund is actively managed. However, the frequency of its trading activities will depend on market opportunities and the assessment of the Manager.

Note: small market capitalisation means companies listed in Malaysia with market capitalisation of up to RM5 billion at the point of acquisition.

**Disclaimer:**

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**TAKAFUL**  
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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**MEMBER**

