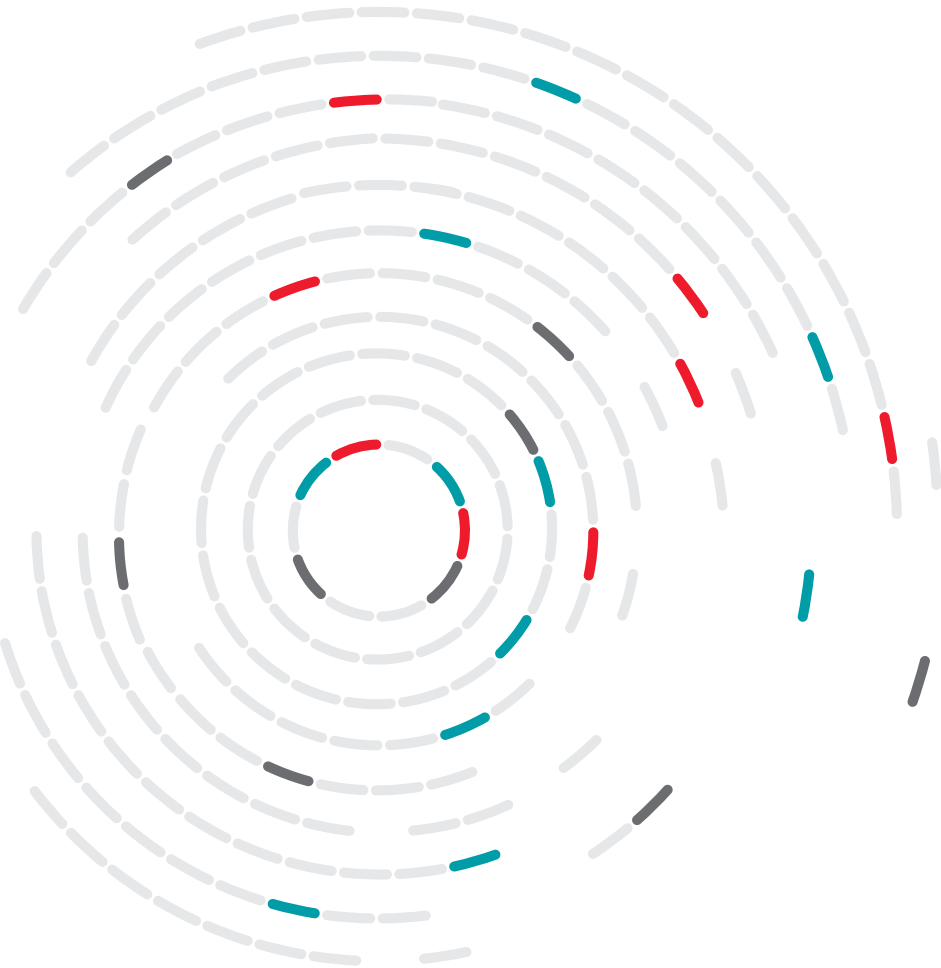


TAKAFULINK DANA DINAMIK

MASTER FUND FACT SHEET 2022



TAKAFUL & US

Takaful literally means responsibility, guarantee, collective assurance and mutual undertaking. Broadly speaking, takaful is founded on the cooperative arrangement (*Ta'awun*) based on principles of mutuality and solidarity, encompassing the elements of joint indemnity and common interest. Takaful is defined under Section 2 of the Islamic Financial Services Act 2013, to mean an arrangement based on mutual assistance under which takaful participants agree to contribute to a common fund providing for mutual financial benefits payable to the takaful participants or their beneficiaries on the occurrence of pre-agreed events.

Depending on the applicable approved Takaful model, participants' contribution shall be channelled into the relevant segregated funds for investments. 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.

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 transaction. Values that make us a prudent choice.

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 product is designed to provide peace of mind for you.

* Takafulink Funds are Shariah-compliant investment instruments.



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 Shariah-compliant equity-related securities. For defensive considerations, The Fund may invest in Islamic debentures and Islamic money market instruments.
Investment Strategy & Approach	The Fund seeks to achieve its objective by investing in the Eastspring Investments Dana Dinamik (Target Fund), an Islamic collective investment scheme managed by Eastspring Al-Wara' Investments Berhad. The Target Fund seeks to achieve its objective by adopting a flexible asset allocation strategy between the different asset classes of Shariah-compliant equities and Shariah-compliant equity-related securities, sukuk and Islamic liquid assets, depending on the investment market outlook.
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	<p>50% FTSE Bursa Malaysia EMAS Shariah Index (FBMS) + 50% MBB 12-month Islamic Fixed Deposit-i rate.</p> <p><i>Further information on FBMS can be obtained from Bursa Malaysia and Bloomberg websites.</i></p> <p><i>Further information on MBB 12-month Islamic Fixed Deposit-i rate can be obtained from Maybank2u website.</i></p>
Fund Manager	Eastspring Al-Wara' Investments Berhad (200901017585 (860682-K))
Fees & Charges	
Asset Management Wakalah Charge	1.25% p.a.
Other Charges, if any	NIL

TAKAFULINK DANA DINAMIK

Additional Disclosure for Takafulink Dana Dinamik

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

Please note that there will be 1.25% annual asset management *Wakalah* charge at The Fund level and there is no annual asset management *Wakalah* charge at the Target Fund level.

Fund Performance

Year	Actual Performance	Benchmark^^
2022	(8.08%)	(4.27%)
2021	2.26%	(2.43%)
2020	13.93%	6.63%
2019	6.76%	3.62%
2018*	(5.97%)	(6.51%)

* Takafulink Dana Dinamik launched on 17 January 2018. Fund Performance is from fund launch date until year end of the same year (non-annualised return).

^^ 50% FBMS + 50% MBB 12-months Islamic Fixed Deposit-i rate.

The fund performance for the Target Fund, Eastspring Investments Dana Dinamik as at 31 December 2022 are as follows:

Year	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Net Performance (%)	(8.98)	3.72	14.77	7.23	(6.90)	18.16	(3.42)	12.03	4.55	18.25	15.13

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

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

Basis of calculation of past performance:

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

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

Important Note: Past performance of The Fund is not an indication of its future performance. 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.

TAKAFULINK DANA DINAMIK

Forward Pricing

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

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 among others, economic and political stability. If the market in 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 the 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 participants' investment. Liquidity risk may be mitigated through stringent selection process of liquid securities and active monitoring.

- **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 Target Fund Manager strives to mitigate the impact of a particular Shariah-compliant security risk through portfolio diversification.

- **Risk of Non-Compliance**

Non-adherence with laws, rules, regulations, Shariah resolutions, prescribed practices, internal policies and procedures may result in regulatory censure, tarnished reputation, and reduced expansion potential for The Fund. Investment goals may also be affected should the Fund Manager not adhere to the investment mandate. In order to mitigate this risk, the Fund Manager has stringent internal controls and ensures its continuous compliance with laws, rules, regulations, Shariah resolutions, prescribed practices and the Fund Manager's internal policies and procedures.

- **Management Company Risk**

The performance of The Fund depends on the experience, expertise and knowledge of the management company. Should there be lack of any of the above qualities by the management company, it may adversely affect the performance of The Fund.

Risk Factors

- **Shariah Status Reclassification Risk**

This is the risk that the Shariah-compliant equity securities currently held in The Fund may be reclassified as Shariah non-compliant in the periodic review of the securities by the Shariah Advisory Council of the Securities Commission or the Shariah Adviser. If this occurs, the Fund Manager will take the necessary steps to dispose of such securities.

Opportunity loss could occur due to the restriction on the Target Fund to retain the excess capital gains derived from the disposal of the reclassified Shariah non-compliant securities. In such an event, the Target Fund Manager is required:

- (i) to dispose of such securities with immediate effect or within one (1) calendar month if the value of the securities exceeds or is equal to the investment cost on the effective date of reclassification of the list of Shariah-compliant securities ("Reclassification") by the Shariah Advisory Council of the Securities Commission or date of review ("Review") by the Shariah Adviser. The Target Fund Manager is allowed to keep dividends received and capital gains from the disposal of the securities up to the effective date of Reclassification or Review. However, any dividends received and excess capital gains from the disposal of the Shariah non-compliant securities after the effective date of Reclassification or Review should be channelled to *baitulmal* and/or charitable bodies approved by the Shariah Adviser;
- (ii) to hold such securities if their value is below the investment cost on last trading day before the effective date of Reclassification or Review until the total subsequent dividends received (if any) and the market price of the securities is equal to the cost of investment at which time disposal has to take place within one (1) calendar month, capital gains (if any) from the disposal of the securities should be channelled to *baitulmal* and/or charitable bodies approved by the Shariah Adviser; or
- (iii) to dispose of such securities at a price lower than the investment cost which will result in a decrease in the Target Fund's value.

- **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.

TAKAFULINK DANA DINAMIK

Risk Factors

- **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.

- **Management of Target Fund Risk**

While Fund Manager 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 participants 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 Islamic 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.

- **Interest Rate Risk**

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

Interest rate is a general economic indicator that will have an impact on the management of The Fund regardless of whether it is an Islamic fund or otherwise. It does not in any way suggest that The Fund will invest in conventional financial instruments. All the investments are carried out for The Fund are in accordance with Shariah requirements.

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

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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.

TAKAFULINK DANA DINAMIK

Other Info	
Target Market	Participants with medium to high risk tolerance and medium-term investment horizon.
Basis & Frequency of Unit Valuation	<ul style="list-style-type: none"> • 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. • The 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 valued at the end of each business day (Valuation Date). However, as the value of The Fund's investments at the end 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).
Exceptional Circumstances	<ul style="list-style-type: none"> • PruBSN may suspend unit pricing and certificate transaction if any of the exchanges in which the Target Fund invests in is temporarily suspended for trading. In such event, notice for suspension may be published and may be communicated to the Participants upon any request for top-up, switching, redemption or withdrawal to/from any such Takafulink fund. • PruBSN may suspend unit pricing and certificate transaction if the Target Fund Manager suspends subscription to the Target Fund.

TAKAFULINK DANA DINAMIK

Information of the Target Fund

Eastspring Investments Dana Dinamik

Investment Strategy

The Target Fund seeks to achieve its objective by adopting a flexible asset allocation strategy between the different asset classes of Shariah-compliant equities and Shariah-compliant equity-related securities, sukuk and Islamic liquid assets depending on the investment market outlook.

The Target Fund may invest in sukuk, which is subject to the review as the Target Fund Manager deems fit from time to time. This allows the flexibility for the Target Fund to switch to Shariah-compliant equities when conditions are conducive, for example during a bullish stock market period. At any point in time, the Target Fund may hold 100% in Islamic liquid assets.

The Target Fund may invest in sukuk with a minimum credit rating of BBB3 or P2 by RAM, or its equivalent rating by any other domestic rating agencies. Should the credit rating of the sukuk be downgraded by the rating agencies to below the minimum credit rating, the Target Fund Manager may dispose the affected sukuk in the market.

The Target Fund is actively managed. However, the frequency of its trading activities will depend on market opportunities and the assessment of the Target Fund Manager.

Disclaimer:

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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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