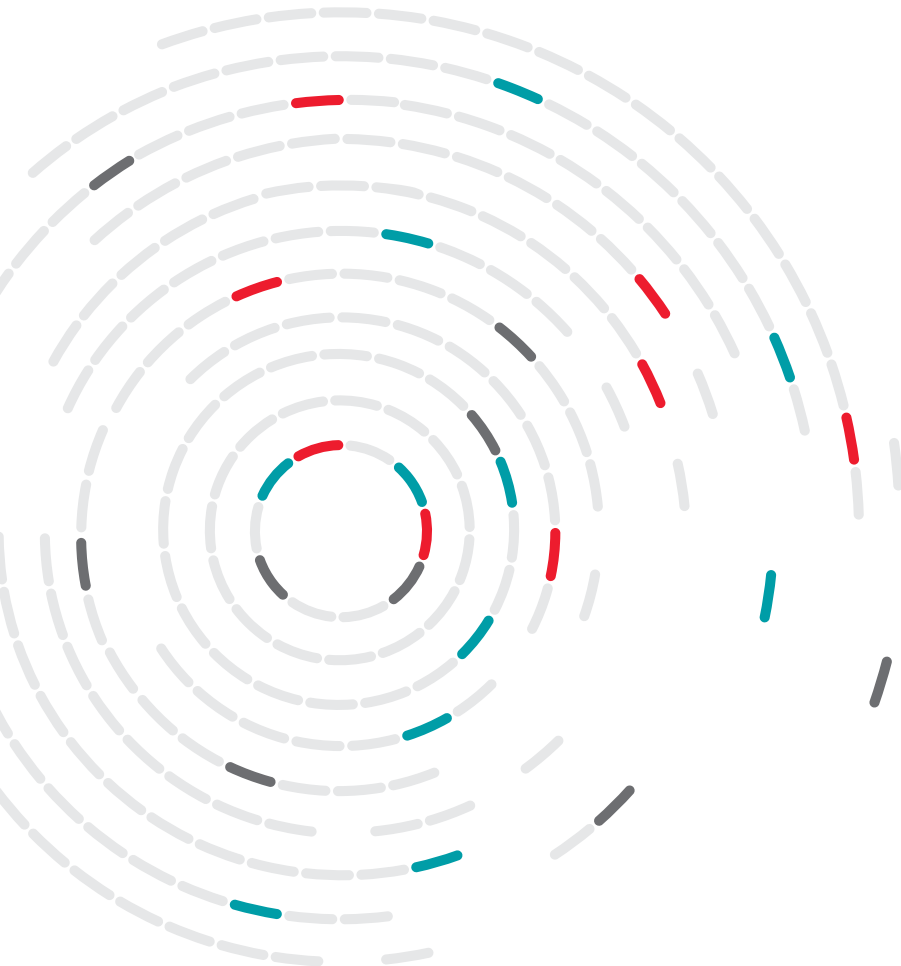


PRUDENTIAL BSN

TAKAFUL

# TAKAFULINK DANA EKUITI PLUS

MASTER FUND FACT SHEET 2022



## TAKAFUL & US

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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 EKUITI PLUS

Initial Offer Period: 18 September 2021 to 17 November 2021

Features of Fund	
Investment Objective	Takafulink Dana Ekuiti Plus (The Fund) aims to maximise long-term returns through investing into a portfolio of domestic and foreign assets including Shariah-compliant equities and Shariah-compliant equity related securities, Islamic deposits, or any other Islamic financial instruments directly, and/or indirectly through the use of any Islamic funds such as investment-linked funds set up by us, Islamic collective investment schemes and/or exchange traded funds.
Investment Strategy & Approach	<p>The Fund seeks to achieve its objective by investing in a diversified portfolio of Islamic collective investment schemes (Target Funds) that invest in Malaysian and foreign Shariah-compliant equity, and Shariah-compliant equity-related securities.</p> <p>The Target Funds will be monitored to assess the performance, processes, styles and positioning. The allocation to, or the Target Fund(s) may change if it is deemed unsuitable to meet The Fund's objectives.</p> <p><i>Note: Refer to additional disclosure for details of the Target Fund.</i></p>
Asset Allocation	The Fund invests up to 100% of The Fund's NAV in the Target Fund that invests in Malaysian listed Shariah-compliant equities of which up to 30% of The Fund's NAV in the Target Funds that invest in foreign Shariah-compliant equities, and the balance of The Fund's NAV in Islamic liquid assets directly, and/or indirectly via the Target Fund(s) as determined by the Target Fund Manager
Performance Benchmark	<p>80% FTSE Bursa Malaysia EMAS Shariah Index (FBMS) + 20% MSCI World Islamic Index</p> <p><i>Further information on benchmark index can be obtained from Bursa Malaysia and Bloomberg websites.</i></p>
Fund Manager	Eastspring AI-Wara' Investments Berhad (200901017585 (860682-K))
Fees and Charges	
Asset Management <i>Wakalah</i> Charge	1.5% p.a.
Other Charges, if any	NIL

## TAKAFULINK DANA EKUITI PLUS

### Additional Disclosure for Takafulink Dana Ekuiti Plus

Takafulink Dana Ekuiti Plus feeds into the following Target Funds:

- i. Eastspring Investments Dana al-Ilham, which is managed by Eastspring Al-Wara' Investments Berhad (Target Fund Manager).
- ii. HSBC Islamic Global Equity Index Fund, the index fund tracks the DJ Islamic Market Global Titans 100 Index. The index fund is managed by HSBC Investment Fund (Luxembourg) SA.
- iii. iShares MSCI World Islamic UCITS Exchange Traded Fund (ETF), The Fund tracks the MSCI World Islamic Index. The ETF is managed by BlackRock Asset Management Ireland Limited.

*The Fund will invest in (ii) when it reaches appropriate fund size.*

Please note that there will be 1.50% 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	(8.07%)	(10.10%)
2021^	(2.61%)	(3.01%)

<sup>^</sup> Takafulink Dana Ekuiti Plus launched on 18 September 2021. Fund Performance is from fund launch date until year end of the same year (non-annualised return).

<sup>^^</sup> 80% FBMS + 20% MSCI World Islamic Index.

## TAKAFULINK DANA EKUITI PLUS

### Fund Performance

This table is based on historical performance of Target Fund.

Year	Eastspring Investments Dana al-Ilham	HSBC Islamic Global Equity Index Fund	iShares MSCI World Islamic UCITS ETF
2022	(9.06%)	(25.28%)	(11.79%)
2021	1.04%	30.11%	25.84%
2020	17.42%	24.92%	6.24%
2019	5.31%	30.46%	20.75%
2018	(6.19%)	(3.05%)	(7.46%)
2017	10.47%	12.25%	7.43%
2016	(3.89%)	8.66%	12.23%
2015	10.67%	23.33%	16.83%
2014	7.20%	13.90%	9.80%
2013	23.29%	31.16%	30.67%

*For further details of the Target Fund, please refer to*

Eastspring Investments Dana al-Ilham - <https://www.eastspring.com/my>

HSBC Islamic Global Equity Index Fund - <https://www.assetmanagement.hsbc.co.uk/>

iShares MSCI World Islamic UCITS ETF - <https://www.ishares.com/uk>

**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.

**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 EKUITI PLUS

## 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.

## Risk Factors

- **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.

- **Inflation Risk**

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

- **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 or the Shariah Supervisory Boards of relevant Islamic indices. 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.

# TAKAFULINK DANA EKUITI PLUS

## Risk Factors

- **Currency Risk**

The Fund will invest in foreign markets. Hence, investments will be denominated in foreign currencies. As The Fund is denominated in Ringgit Malaysia, investments in foreign currencies will cause The Fund to be exposed to currency risk. The impact of the exchange rate movement between the base currency of The Fund and the currency of the underlying investments may result in a depreciation of the value of the investments as expressed in the base currency of The Fund. The Fund does not intend to engage in any currency hedging to mitigate currency risk.

- **Country Risk**

The Fund may be affected by risks specific to the countries in which The Fund invests in. Such risks may be caused by but not limited to changes in each country's economic fundamentals, social and political stability, currency movements and foreign investment policies. These factors may have an impact on the prices of The Fund's investment in that country and consequently may also affect The Fund's NAV.

Investments in certain markets may be restricted or controlled. In some countries, direct investments in Shariah-compliant securities may be prohibited and restricted due to regulatory requirements. These limitations may increase transaction costs and adversely affect a security's liquidity and the price in connection with the Shariah-compliant security.

The Fund Manager will constantly monitor and observe the developments in these countries where assets of The Fund are allocated. In addition, the Fund Manager will employ a systematic investment process, which includes regular reviews, to manage and mitigate this risk.

- **Islamic Derivatives Risk**

Derivatives can behave unexpectedly. The pricing and volatility of many derivatives may diverge from strictly reflecting the pricing or volatility of their underlying reference(s), instrument or asset.

- **Concentration Risk**

This risk refers to the risk when the Target Fund invests a substantial portion of its assets in a particular sector or geographical area which may cause The Fund to be more susceptible to adverse economic events affecting that particular industry or region. This risk is mitigated through the diversification process that the Target Fund Manager will employ in the management of the Target Fund whereby The Fund will hold a diversified portfolio of Shariah-compliant equities across various sectors and countries.



## Risk Factors

- **Taxation**

Participants should note in particular that the proceeds from the sale of Shariah-compliant securities in some markets or the receipt of any dividends or other income by The Fund may be or may become subject to tax, levies, duties or other fees or charges imposed by the authorities in that market, including taxation levied by withholding at the source. Tax law and practices in certain countries into which The Fund invests or may invest in the future (in particular emerging and developing markets) is not clearly established. It is possible that the current interpretation of the law or understanding of practice might change, or that the law might be changed with retrospective effect. It is also possible that The Fund could become subject to additional taxation in such countries that is not anticipated either at the date of this Fund Profile or when investments are made, valued or disposed of.

- **Passive Investment Risk**

The Target Funds are not actively managed and may be affected by a general decline in market segments related to their respective Benchmark Indices. The Funds invest in securities included in, or representative of, their respective Benchmark Indices, and The Funds do not attempt to take defensive positions under any market conditions, including declining markets.

- **Index Tracking Risk**

The Target Fund seeks to replicate index performance by holding individual securities, but there is no guarantee that its composition or performance will exactly match that of the target index at any given time ("tracking error").

- **Investment Leverage Risk**

Investment leverage occurs when the economic exposure is greater than the amount invested, such as when derivatives are used. A fund that employs leverage may experience greater gains and/or losses due to the amplification effect of a movement in the price of the reference source.

Any investment leverage employed by The Fund will be acceptable to Shariah principles.

- **Operational Risk**

Operational risks may subject the Target Fund to errors affecting transactions, valuation, accounting, and financial reporting, among other things.

*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.*

## TAKAFULINK DANA EKUITI PLUS

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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 EKUITI PLUS

Other Info	
Target Market	For participants with high risk tolerance and medium-to-long term investment horizon.
Basis & Frequency of Unit Valuation	<ul style="list-style-type: none"> <li>• Unit pricing is performed daily.</li> <li>• Unit price is calculated based on the market value of the underlying assets of The Fund, divided by the number of units issued.</li> <li>• The Fund does not pay any dividend. All incomes and capital gains are automatically rolled up in its unit price.</li> <li>• Unit price is the single price at which units are created and cancelled.</li> <li>• 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).</li> </ul>
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. 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.</li> <li>• PruBSN may suspend unit pricing and certificate transaction if Target Fund Manager suspends subscription to the Target Fund.</li> </ul>

**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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