

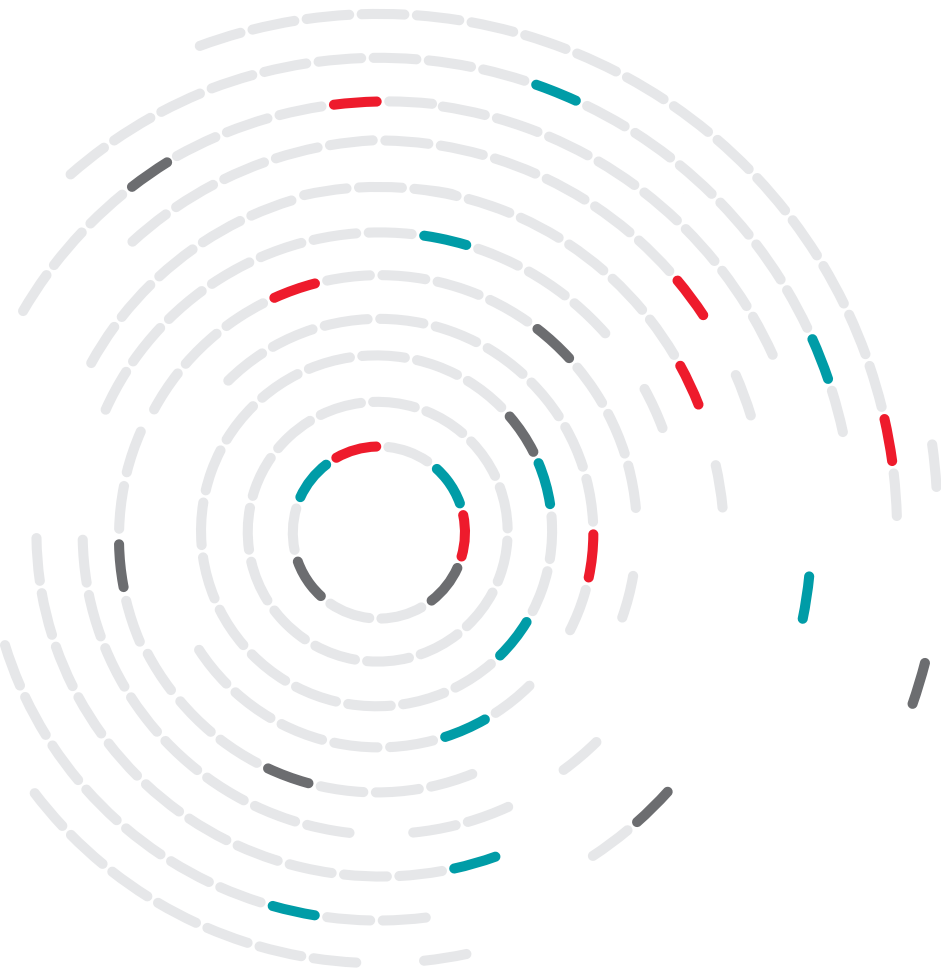
PRUDENTIAL BSN

TAKAFUL

TAKAFULINK DANA SUKUK

(Formerly known as "Takafulink Dana Bon")

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.*



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Features of Fund	
Investment Objective	Takafulink Dana Sukuk (The Fund) aims to provide medium-to long-term accumulation of capital by investing in selected sukuk and Islamic money market instruments
Investment Strategy & Approach	<p>The Fund seeks to achieve its objective by investing in a portfolio of sukuk and Islamic money market.</p> <p>the Fund Managers believes that their disciplined, valuation-driven investment style can generate superior long-term returns. They aim to exploit opportunities at both the asset allocation and securities selection levels through active in-house research and portfolio management, with a focus on maximisation of returns at an acceptable level of risks.</p> <p>the Fund Managers aim for a high degree of consistency in long term performance for all funds, whilst adhering to strict and professional investment guidelines.</p>
Asset Allocation	<ul style="list-style-type: none"> • Up to 100% of The Fund's NAV in sukuk; and • The remaining of The Fund's NAV not invested in sukuk will be invested in Islamic money market instruments.
Performance Benchmark	<p>MBB 12-month Islamic Fixed Deposit-i rate.</p> <p><i>Further information on MBB 12-month Islamic Fixed Deposit-i rate can be obtained from Maybank2u website.</i></p>
Fund Manager	Principal Islamic Asset Management Sdn Bhd (199101007531 (217841-M))

Note: Principal Islamic Asset Management Sdn Bhd (Registration No.: 199101007531 (217841-M)) was appointed as the Fund Manager of The Fund with effective from 1 December 2022.

Fees & Charges	
Asset Management Wakalah Charge	0.5% p.a.
Other Charges, if any	NIL

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Fund Performance

Year	Actual Performance	Benchmark ^{^^}
2022	0.95%	2.21%
2021	(0.87%)	1.85%
2020	5.59%	2.21%
2019	7.18%	3.18%
2018	4.44%	3.34%
2017	4.46%	3.12%
2016	4.87%	3.30%
2015	3.53%	3.09%
2014	3.70%	2.89%
2013	0.22%	2.75%

Basis of calculation of past performance:

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

* NAV is per unit basis.

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.

^{^^} 2013 – 2015 Benchmark: MBB 1-month Tier-1 Islamic Deposit rate.

2016 – 2022 Benchmark: MBB 12-month Islamic Fixed Deposit-i rate.

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 by order of importance:

- **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 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**

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

- Monitoring by the 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 the 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**

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 resulting in the participants' decreasing purchasing power even though the investment in monetary terms may have increased.

- **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 price fluctuations would reduce as the sukuk approaches maturity. To mitigate the effects of interest rate movements, the Fund Manager will manage the duration of the portfolio by diversifying the tenures of The Fund's sukuk investments based on the Fund Manager's view on the future interest rate trend.

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.

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Risk Factors

- **Credit/Default Risk**

This risk refers to the inability of the issuer of the sukuk held by The Fund to make the profit or principal payments when due. In the event the issuer defaults in the profit or principal payments, the 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 the creditworthiness of the 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.

- **Counterparty Risk**

The Fund will be exposed to credit risk on the counterparties with which it trades, such as the possibility of insolvency, bankruptcy or default by 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, the 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.

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 committee, Shariah committee and board of directors.

Other Info

Target Market	For participants with low to moderate risk tolerance and medium-to-long 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 the market value of the underlying assets of The Fund, divided by the 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 the single price at which units are created and cancelled.
Exceptional Circumstances	PruBSN may suspend unit pricing and certificate transaction if any of the exchanges in which The Fund is invested 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.

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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