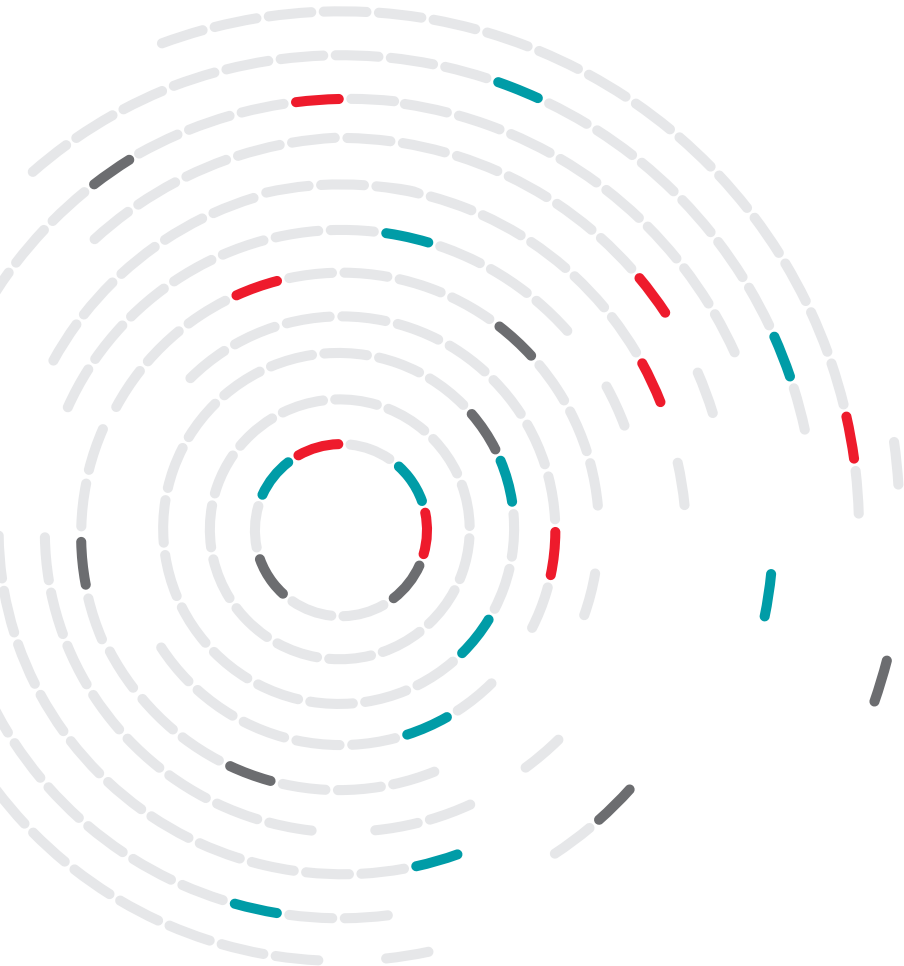


PRUDENTIAL BSN

TAKAFUL

TAKAFULINK DANA ESG GLOBAL

MASTER FUND FACT SHEET 2023



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 ESG GLOBAL

Features of Fund	
Investment Objective	Takafulink Dana ESG Global (The Fund) aims to maximise returns over long term by investing in a qualified Sustainable and Responsible Investment (SRI) Fund.
Investment Strategy & Approach	<p>The Fund seeks to achieve its objective by investing in a qualified SRI Fund (Target Fund) that invests in global Shariah-compliant equity, and equity-related securities.</p> <p>As the Target Fund is a qualified SRI Fund, the Target Fund will invest in businesses and/or Islamic collective investment scheme that provides positive impact on the sustainable development of society in accordance to the United Nation Sustainable Development Goals (UN SDGs).</p> <p>The Target Fund 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(s).</i></p>
Asset Allocation	<ul style="list-style-type: none"> • Up to 100% of The Fund's Net Asset Value (NAV) in the Target Fund(s); and • The remaining of The Fund's NAV not invested in the Target Fund(s) will be invested in Islamic money market instruments.
Performance Benchmark	<p>Dow Jones Islamic Market Developed Markets Index</p> <p><i>Further information on the benchmark index can be obtained from S&P Dow Jones Indices, www.spindices.com.</i></p>
Fund Manager	Prudential BSN Takaful Berhad 200601020898 (740651-H)
Fees & Charges	
Asset Management <i>Wakalah</i> Charge	1.50% p.a.
Other Charges, if any	NIL

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Additional Disclosure for Takafulink Dana ESG Global

Takafulink Dana ESG Global feeds into Nomura Global Shariah Sustainable Equity Fund, which is managed by Nomura Asset Management Malaysia Sdn Bhd (Target Fund Manager).

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

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

This table is based on historical performance of Target fund.

Year	2022
Net Performance (%)	0.09**

** Target Fund launched on 23 May 2022. Fund performance is from fund launch date until year end of the same year (non-annualised return).

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

Where:

- Year n is the unit price as of 31 December of the current year.
- Year n-1 is the unit price as of 31 December of the previous year.
- Performance or the rate of return of The Fund is after deducting the Asset Management *Wakalah* Charge and tax of The Fund.

The NAV here is referring to Nomura Global Shariah Sustainable Equity Fund's Net Asset Value.

For further details of the Target Fund, please refer to <https://www.nomura-asset.com.my>

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.

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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.

- **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.

- **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.

- **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

- **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 securities invested by the Target 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.

- **Concentration Risk**

Concentration risk refers to the risk that The 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 Fund Manager will employ in the management of The Fund whereby The Fund will hold a diversified portfolio of Shariah-compliant equities across various sectors and countries.

- **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.

In order to manage currency risk, the Target Fund Manager may employ currency hedging strategies through the application of Islamic hedging instruments to fully or partially hedge the foreign currency exposure of the Target Fund's investments. Currency hedging may reduce the effect of the exchange rate movement for the Target Fund being hedged but it does not entirely eliminate currency risk between the Target Fund and the Base Currency. The unhedged portion of the Target Fund will still be affected by the exchange rate movements and it may cause fluctuation of NAV of the Target Fund. If the exchange rate moves favourably, the Target Fund will not benefit from any upside in currency movement due to the hedging strategy. In addition, hedging is subject to a minimum size of entering into a hedging contract and the cost of hedging will be borne by the hedged Target Fund and may affect returns of the hedged Target Fund.

Risk Factors

- **Default Risk**

Default risk relates to the risk that an issuer of an Islamic money market instrument either defaulting on payments or failing to make payments in a timely manner which will in turn adversely affect the value of the Islamic money market instruments. If the financial institution which The Fund and/or Target Fund places Islamic deposits with defaults in payment or become insolvent, The Fund may also suffer capital losses with regards to the capital invested and profits foregone, causing the performance of The Fund to be adversely affected. This could affect the value of the Target Fund as up to 30% of the NAV of The Fund will be invested in Islamic deposits, Islamic money market instruments and/or held in cash.

- **Over The Counter Counterparty Risk**

Over The Counter (OTC) counterparty risk is the risk associated with the other party to an OTC Islamic derivative transaction not meeting its obligations. If the counterparty to the OTC Islamic derivative transaction is unable to meet or otherwise defaults on its obligations (for example, due to bankruptcy or other financial difficulties), The Fund may be exposed to significant losses greater than the cost of the Islamic derivatives. The risk of default of a counterparty is directly linked to the creditworthiness of that counterparty. Should there be a downgrade in the credit rating of the OTC Islamic derivatives' counterparty, Target Fund Manager will evaluate the situation and reassess the creditworthiness of the counterparty. Target Fund Manager will take the necessary steps in the best interest of The Fund.

- **Related Party Transaction Risk**

The Target Fund may invest in Islamic collective investment schemes of other asset management companies which are related to Target Fund Manager and may also have dealings with parties related to these companies. Such related party transactions may potentially result in conflict of interests between the Unit Holders and Target Fund Manager. In managing such conflict of interests, all transactions with related parties will be executed on terms which are best available to the Target Fund and based on best execution and at arms-length transaction between independent parties.

Risk Factors

• Reclassification of Shariah Status 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 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 last trading day before 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 is allowed to keep dividends received and capital gains from the disposal of the securities up to the last trading day before the effective date of Reclassification or Review. However, any dividends received and excess capital gains from the disposal of the Shariah non-compliant securities on and 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.

• Management Company Risk

The performance of The Fund depends on the experience, expertise and knowledge of the Target Fund 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

- **Country Risk**

The investment of the Target Fund may be affected by risk specific to the country in which it invests in. Such risks include changes in the country's economic, social and political environment. The value of the assets of the Target Fund may also be affected by uncertainties such as currency repatriation restrictions or other developments in the law or regulations of the country in which the Target Fund invest in.

- **Investments in Islamic Collective Investment Schemes**

Investing in Islamic collective investment schemes may be more costly to the Target Fund than if the Target Fund had invested in the underlying investments directly as The Fund will indirectly be paying the fees and expenses of the Islamic collective investment schemes in addition to the Target Fund's direct fees and expenses. Investing in other Islamic collective investment schemes may subject the Target Fund to the risk that (i) the valuations of the Target Fund may not reflect the true value of the underlying Islamic collective investment schemes at a specific time and/or (ii) the valuation of the underlying Islamic collective investment schemes may not be available as at the relevant valuation point for the Target Fund which could result in significant losses or inaccurate pricing for the Target Fund. The Target Fund's investments in Islamic collective investment schemes may also subject the Target Fund to additional risks (such as risk associated with the investment manager of the Islamic collective investment scheme) than if the Target Fund would have invested directly in the underlying investment of the Islamic collective investment schemes. The risk associated with the investment manager of the Islamic collective investment schemes includes but is not limited to the risk of non-adherence to the investment objective, strategy and policies of the Islamic collective investment schemes, the risk of direct or indirect losses resulting from inadequate or failed operational and administrative processes and systems of the investment manager of the Islamic collective investment schemes, and the risk that the Islamic collective investment schemes may underperform due to poor investment decisions by the investment manager of the Islamic collective investment schemes.

Any adverse price movement of such Islamic collective investment schemes will adversely affect the Target Fund's NAV and The Fund's NAV.

Risk Factors

- **Distribution Out of Capital Risk**

The Target Fund may distribute out of the Target Fund's capital. Such capital distributions represent a return or withdrawal of part of the amount of participants' original investment and/or capital gains attributable to the original investment and will result in a reduction in the NAV per Unit of the Target Fund and reduce the capital available for future investment and capital growth. Future capital growth may therefore be constrained as a result.

- **Risks Associated with the Use of Accretion or Amortised Cost Accounting**

Target Fund are using accretion or amortised cost accounting to value Islamic money market instruments with remaining term to maturity of not more than 90 days at the time of acquisition. Accretion or amortised cost accounting is an accounting process used to adjust the value between the purchase date and maturity date of an Islamic money market instruments that has been bought at a discounted rate or premium. Accretion is the accumulation of paper value on a discounted Islamic money market instruments until it reaches maturity. Where amortisation is used to calculate the yield at any given time of an Islamic money market instruments bought at a premium, it is the writing off of the investment's premium over its projected life until maturity.

Target Fund have delegated the fund accounting and valuation services of Target Fund to their Trustee. There may be a possibility of incorrect valuation performed by the Trustee due to human error or system failure. To mitigate this risk, Target Fund Manager have their own set of accretion or amortised cost accounting to reconcile the accretion or amortised cost performed by the Trustee on a daily basis. Should the difference in valuation exceeds the threshold of 0.05%, Target Fund Manager will perform an investigation on the Trustee's valuation.

- **Reclassification of Sustainable Fund Status Risk**

This is the risk that results from increased regulatory focus on sustainable investing or other factors that has led to asset managers to be more conservative when they present their ESG credentials and has resulted in reclassifying of sustainable funds to non-sustainable funds. If this occurs, the Target Fund Manager may take the necessary steps to dispose of such securities.

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 high risk tolerance and 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.• 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 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, 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.

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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