

PRODUCT DISCLOSURE SHEET

(Read this Product Disclosure Sheet before you decide to participate in the “IKHLAS Capital Investment-linked Takaful Plus”. Be sure to also read the general terms and conditions).

TAKAFUL IKHLAS FAMILY BERHAD
(Formerly known as Takaful Ikhlas Berhad)

(Licensed under Islamic Financial Services Act 2013 and regulated by Bank Negara Malaysia)

IKHLAS CAPITAL INVESTMENT-LINKED TAKAFUL PLUS

Date: 01/12/2018

1) What is this product about?

This Investment-Linked Takaful (ILT) Certificate offers combination of takaful protection and investment. It provides a lump sum benefit in the event of death or total permanent disability (TPD) of the Person Covered during the term of the Takaful Certificate. The lump sum benefit is equivalent to the higher of the Sum Covered or the accumulated fund value in all unit funds, at the time of claim.

Value of the ILT depends on the price of the underlying units, which in turn depends on the performance of the chosen funds.

Takaful Participant has the option to invest in three (3) types of funds namely the Growth Fund, Balanced Fund and Fixed Income Fund.

The Takaful plan matures upon Person Covered reaching age one hundred (100) years old.

2) What are the Shariah concepts applicable?

- **Tabarru'** – shall mean donation for the purpose of solidarity and cooperation among the Takaful Participants and to be used to help Takaful Participants in times of misfortune. In the context of the Company, Tabarru' will be allocated into the Risk Fund.
- **Wakalah** – refers to a contract where a party, as principal (*muwakkil*) authorizes another party as his agent (*wakil*) to perform a particular task on matters that may be delegated with or without imposition of a fee. In the context of the Company, we are appointed as an agent (*wakil*) to carry out the Takaful Business and a Wakalah fee (*Ujrah*) to be paid to the Company.

3) What are the covers / benefits provided?

a) Death or Total and Permanent Disability Benefit

In the event of death or total and permanent disability (TPD) of the Person Covered, whichever is earlier, within the term of the Takaful Certificate, the higher of the following:

- 125% of the Single Takaful Contribution, or
- Accumulated amount from the Unit Fund

shall be payable to the Takaful Participant (in the event of Person Covered suffers TPD) or the next of kin or nominee (in the event of death).

b) Maturity Benefit

Accumulated amount from the Unit Fund will be payable to Takaful Participant upon maturity of the Takaful Certificate.

c) Surrender Benefit

Accumulated amount from the Unit Fund (after deducting the administration fee), is payable to Takaful Participant upon the surrender of the Takaful Certificate.

d) Cash Withdrawal

Minimum amount of withdrawal is RM500. Partial withdrawal is subject to a minimum aggregated balance of RM5,000 in all unit funds. Each withdrawal transaction is subject to a withdrawal fee of a maximum amount of RM50. This fee may be subject to any taxes, levies or charges imposed by the relevant authorities in Malaysia at the prevailing rate unless otherwise stated.

e) Top-up Option

Top up of Takaful Contribution is allowed from the commencement of the Takaful Certificate subject to the following condition:

- Minimum Amount : RM500
- Maximum Amount : 5 times Single Takaful Contribution for each year
- The top up of Takaful Contribution will be used to purchase additional investment units.

f) Riders that can be attached to this Takaful Plan

No rider can be attached to this Takaful plan.

g) Fund Chosen

Growth Fund	: 100%
Balanced Fund	: 0.00%
Fixed Income Fund	: 0.00%

Reminder: Please read the marketing literature which includes product benefits and objectives of the investment-linked fund. It is important to select a fund or a combination of funds that suit your financial goals and risk profile.

4) How much Takaful Contribution do I have to pay?

The minimum single Takaful Contribution that you have to pay is RM 5,000. Your Takaful Contribution is as follows:

- Entry Age : 35 Years Old
- Sum Covered : RM100,000
- Takaful Contribution : RM80,000.00**

The Company will allocate a portion of the Takaful Contribution to purchase units in the investment-linked fund that you have chosen. Any unallocated amount will be used to pay wakalah fees, which include commissions to agents and other expenses of the Takaful Operator. You are advised to refer to the allocation rates given in the product illustration.

The renewal Takaful Contribution is NOT GUARANTEED and the Company reserves the right to revise the Takaful Contribution rate applicable specifically to each Person Covered at the time of Takaful Certificate anniversary based on the emerging claims experience of the product. The Company shall give the Takaful Participant a three (3) months written notice in the event of revision of Takaful Contribution or portfolio withdrawal. The Takaful Contribution could be revised due to deterioration in claims experience, changes in the product benefits as well as a change in the risk profile of the Person Covered and/or Takaful Participant. These conditions are not exhaustive and the Takaful Contribution rates may be reviewed under other justified circumstances.

5) What are the fees and charges that I have to pay?

- The tabarru' charges are deducted monthly from the value of your units. The tabarru' charges will increase as the Person Covered grow older. Details of tabarru' charges and other charges for the ILT are given in the product illustration.
- Wakalah Fees charged for your Takaful Contribution is as follows:
 - i) Wakalah Fee* : 5.13% of single Takaful Contribution or RM 4100.00
 - ii) Commission : 3.75% of single Takaful Contribution or RM 3000.00
 * The Wakalah fee is inclusive of the commission and Takaful Certificate administration fee of RM100.00
- Every top up is subject to Wakalah Fee of 5.00% of the top up amount and RM25.00 for the Takaful Certificate Administration fee. The Wakalah fee is inclusive of 3.75% commission to agent.
- Fund Management Fee:
 - Fixed Income Fund :1.0% of net asset value
 - Other Funds : Maximum 1.5% of net asset value
- Switching Fee up to RM50.00 per switch is applicable on sixth (6th) switching onwards, per Takaful Certificate year.
- Withdrawal Charge is as per below table, maximum RM50.00 per withdrawal.

	Withdrawal Charges (percentage of withdrawal amount)			
Year	1	2	3	Thereafter
Charges	3%	2%	1%	0%

- Surrender Fee – Maximum charge up to RM50.00.
- RM10.00 stamp duty is imposed for each Takaful Certificate.

Note: The above charges may be subject to any taxes, levies or charges imposed by the relevant authorities in Malaysia at the prevailing rate unless otherwise stated except for Wakalah Fee and Stamp Duty.

6) What are some of the key terms and conditions that I should be aware of?

- a) Importance of disclosure – you must disclose all material facts such as your age, occupation and health condition correctly. The Company has the right to repudiate liability in the event that you failed to disclose relevant information that would affect the decision to accept or reject the risk, and on the terms to be applied to you.
- b) Cooling-Off Period – you may cancel your Takaful Certificate by returning the Takaful Certificate to the Company within fifteen (15) days after you have received the Takaful Certificate. The Company shall cancel it immediately upon receipt and refund the following:
 - i) the unallocated Takaful Contributions; and
 - ii) the value of units that have been allocated (if any) at the unit price at the next valuation date; and
 - iii) any takaful charges and Takaful certificate fee that have been deducted;
 less expenses which have been incurred by the Company for the medical examination of the Takaful Participant.
- c) Unit Fund value - the Unit Fund value of the ILT depends on the performance of the investment-linked funds selected.

- d) Lapse of Takaful Certificate – The ILT Takaful Certificate will lapse when the value of investment units is insufficient to pay for the tabarru' and other charges.
- e) The Company will charge a Surplus Administration Charge (SAC) of 50% of the gross distributable surplus arising at the end of each Financial Year. The net distributable surplus arising (after deducting SAC) from the Risk Fund shall be used to purchase investment units.
- f) It may not be advantageous to switch from one Takaful plan to another, as you may be subject to new underwriting requirements, full waiting period and any applicable period for the exclusion of specified illnesses or pre-existing conditions of the new Takaful Certificate.
- g) It is important for you to receive receipts and keep them as proof of payment of Takaful Contributions.
- h) If you do not receive the Takaful Certificate after fourteen (14) days from the date of participation, please contact us.
- i) Notification of claim must be given in writing to the Company within thirty (30) days after occurrence of any claim. The Company, upon receipt of notice of claim, will furnish to the claimant appropriate forms for filing proof of claim and shall notify the claimant of any other requirements. This shall not preclude the Company from requiring further documentation in respect of the loss as deemed fit by the Company. All such information and evidence must be furnished to the Company within ninety (90) days from the date of the events covered.

Note: This list is non-exhaustive. Please refer to the Takaful Certificate for the terms and conditions under this Takaful Certificate.

7) What are the major exclusions under the Takaful Certificate?

- a) No benefit shall be payable in the event of death of the Person Covered if the death is caused by Acquired Immune Deficiency Syndrome (AIDS), AIDS Related Disease or Sexually Transmitted Diseases or where the life of the Person Covered, were taken by operation of law or where the Person Covered died as a result of being involved in unlawful and/or criminal acts.
- b) Suicide - If the Person Covered, whether sane or insane, commits suicide within the first (1) year of the Takaful Certificate effective date, this Takaful Certificate shall become void and the Company shall refund the accumulated amount from the Unit Fund (Value of Units at the Valuation Date on Date of Process).
- c) Other Major Exclusions (Other than Death):
 - i. War, invasion, act of foreign enemy, hostilities or war-like operations (whether war be declared or not) or civil war;
 - ii. Mutiny, riot, military or popular rising, insurrection, rebellion, revolution, martial law or state of siege any of the events or causes which determine the proclamation or maintenance of martial law or state of siege;
 - iii. Any act of terrorism. For this purpose an act of terrorism means an act, including but not limited to the use of force or violence and/or threat thereof, of any person or group(s) of persons, whether acting alone or on behalf of in connection with any organization(s) or government(s), committed for political, religious, ideological or similar purposes including the intention to influence any government or organization and/or to put the public, or any section of public in fear;
 - iv. Cause by or consequent upon suicide or attempted suicide or willful self injury or indulgence in alcohol or narcotics or drugs or insanity or arising from venereal disease;

- v. Disability sustained by the Person Covered whilst entering, operating or servicing, ascending or descending from or any other activities relating to and including sky diving, parachuting, bungee jumping, hang-gliding or ballooning or any other aerial device, contraption, conveyance except while the Person Covered is in an aircraft operated by a commercial passenger airline on a regular scheduled passenger trip over its established passenger route;
- vi. Disability arising prior to inception of coverage;
- vii. Any breach of the law by the Person Covered or any assault provoked by him;
- viii. Involvement in any underwater activity necessitating the use of artificial breathing apparatus;
- ix. Injury caused by nuclear fission, nuclear fusion, nuclear weapons material or radioactive contamination.

Note: This list is non-exhaustive. Please refer to the Takaful Certificate for the full list of exclusions under this Takaful Certificate.

8) Can I cancel my Takaful Certificate?

Participating in an Investment-Link Plan is a long-term financial commitment. It is not advisable to hold this Takaful Certificate for a short period of time in view of the high initial costs. If you find that the fund that you have chosen is no longer appropriate, you have the flexibility to switch funds. You are allowed five switches per year without any fee charged. For additional switches, you may be charged a processing fee.

Takaful Participant may cancel the Takaful Certificate by giving a written notice to the Company. Upon cancellation, Takaful Participant is entitled to a certain amount of refund of the Takaful Contribution provided that Takaful Participant has not made a claim under the Takaful Certificate.

9) What do I need to do if there are changes to my contact details?

It is important that you inform us of any change in your contact details to ensure that all correspondences reach you in a timely manner.

10) Where can I get further information?

Should you require additional information on Investment-Linked Takaful, please refer to *insuranceinfo* booklet on 'Investment-Linked Takaful'. You can obtain a copy from our Takaful agent or visit www.insuranceinfo.com.my

If you have any enquiry, please contact us at:

Takaful Ikhlas Family Berhad

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11) Other types of similar Takaful cover available.

- NIL -

IMPORTANT NOTE:

THIS IS A TAKAFUL PRODUCT THAT IS TIED TO THE PERFORMANCE OF THE UNDERLYING ASSETS, AND IS NOT A PURE INVESTMENT PRODUCT SUCH AS UNIT TRUSTS. YOU MUST EVALUATE YOUR OPTIONS CAREFULLY AND SATISFY YOURSELF THAT THE INVESTMENT-LINKED PLAN CHOSEN MEET YOUR RISK APPETITE, AND THAT YOU CAN AFFORD THE TAKAFUL CONTRIBUTION THROUGHOUT THE TAKAFUL CERTIFICATE DURATION. TO INCREASE INVESTMENT VALUE AT ANY TIME, IT IS ADVISABLE THAT YOU PAY THE ADDITIONAL TAKAFUL CONTRIBUTIONS AS 'TOP UPS'. RETURN ON AN INVESTMENT-LINKED FUND IS NOT GUARANTEED.

PURSUANT TO PARAGRAPH 5 OF SCHEDULE 9 OF THE ISLAMIC FINANCIAL SERVICES ACT 2013, IF YOU ARE APPLYING FOR THIS TAKAFUL WHOLLY FOR PURPOSES UNRELATED TO YOUR TRADE, BUSINESS OR PROFESSION, YOU HAVE A DUTY TO TAKE REASONABLE CARE NOT TO MAKE ANY MISREPRESENTATION IN ANSWERING THE QUESTIONS IN THE PROPOSAL FORM (OR WHEN YOU APPLY FOR THIS TAKAFUL). YOU MUST ANSWER THE QUESTIONS FULLY AND ACCURATELY.

FAILURE TO TAKE REASONABLE CARE IN ANSWERING THE QUESTIONS MAY RESULT IN VOIDANCE OF YOUR CONTRACT OF TAKAFUL, REFUSAL OR REDUCTION OF YOUR CLAIM(S), CHANGE OF THE TERMS OR TERMINATION OF YOUR CONTRACT OF TAKAFUL.

THE ABOVE DUTY OF DISCLOSURE SHALL CONTINUE UNTIL THE TIME YOUR CONTRACT OF TAKAFUL IS ENTERED INTO, VARIED OR RENEWED WITH US.

IN ADDITION TO ANSWERING THE QUESTIONS IN THE PROPOSAL FORM (OR WHEN YOU APPLY FOR THIS TAKAFUL), YOU ARE REQUIRED TO DISCLOSE ANY OTHER MATTER THAT YOU KNOW TO BE RELEVANT TO OUR DECISION IN ACCEPTING THE RISKS AND DETERMINING THE RATES AND TERMS TO BE APPLIED.

YOU ALSO HAVE A DUTY TO TELL US IMMEDIATELY IF AT ANY TIME AFTER YOUR CONTRACT OF TAKAFUL HAS BEEN ENTERED INTO, VARIED OR RENEWED WITH US ANY OF THE INFORMATION PROVIDED IN THE PROPOSAL FORM (OR WHEN YOU APPLIED FOR THIS TAKAFUL) IS INACCURATE OR HAS CHANGED.

The information provided in this Product Disclosure Sheet is valid effective as at: 01/12/2018