



Takaful and Savings Programme

Shari'ah Compliant Savings Strategy investing in Global markets

Fact sheet for Regular and Lump-Sum contribution contracts

31 December 2018

The Wakeel offers two different Shari'ah compliant Investment Strategies, in which the investable portion of the participant's contributions will be invested: a cash strategy and an equity strategy. The customer will select the strategy or a combination of them, based on his/her risk calibrated needs. Individual outcome is determined by the client's choices.

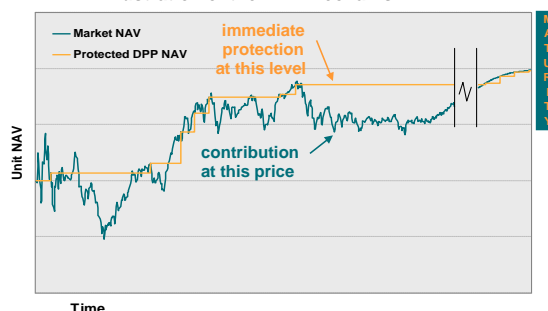
1 Equity Strategy Dynamic Protection Programme (DPP)

Dynamic Protection Programme, introduced on 7th July 2010, is an investment structure built into existing equity strategies. It has been designed to allow for participation in the upward trends of the equity markets whilst offering protection in bear markets. The investment objective of the DPP is to protect the principal invested and to offer a flexible, secure and innovative participation in the stock market growth in full compliance with Shari'ah requirements. Participation in the stock markets is up to 100%, whereby the proven technology systematically reduces market volatility.

Investments are made at market NAV and redeemed at the protected DPP price or market NAV whichever is higher at maturity (minimum 10 years). To secure capital gains, the program locks and secures the price of the underlying equity investments at monthly intervals.

The minimum qualifying term is 10 years. Only customers with a remaining term of minimum 10 years as at 7th of July 2010 and new customers signing up for a minimum contract term of 10 years qualify for the benefits of DPP. ALL contributions paid by qualifying customers (even contributions paid prior to 7th July 2010) are protected by DPP at maturity.

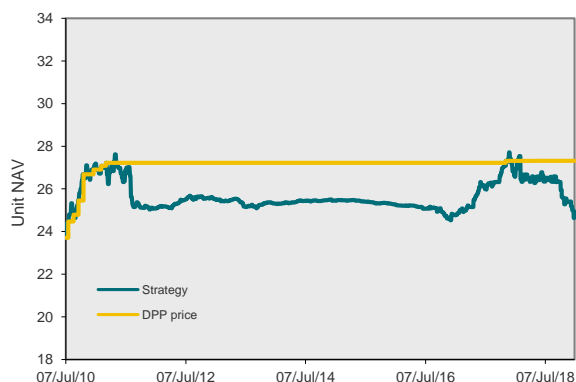
Illustration of the DPP mechanism



Qualifying customers will redeem at the highest Protected DPP NAV at maturity and will have the benefit of buying units during the term of the plan at actual market NAV, which may be lower than the Protected DPP NAV.

Performance – Since inception of DPP on 7 July 2010

as of 31 December 2018



Dynamic Protection Programme Performance

Protected DPP NAV at inception 23.71 USD

Protected DPP NAV at 31 December 2018 27.31 USD

DPP performance 15.21%

The Protected DPP NAV will evolve throughout the term. At maturity the value of the policy will be calculated at DPP NAV or market NAV (whichever is higher).

Market Performance since inception of DPP

Market NAV at 31 December 2018 * 24.93 USD

Strategy performance 5.17%

Benchmark performance 27.82%

(Benchmark is customised to the requirements of the DPP mechanism.)

* price was reevaluated 31 Dec 2010 without any impact on the policy values

Top 5 funds within equity allocation

Fund	Allocation	Investment Focus and Objective
SC US Equities Passive	SEDCO Capital Luxembourg	U.S: Aims to create long-term capital appreciation by tracking performance of DJIM Return Index
BNP Islamic Equity Optimiser	BNP Paribas Asset Management France	Global medium to long term return
SC Europe Equities	SEDCO Capital Luxembourg	Europe: aims to invest directly in equities of companies domiciled in, economically tied to, or listed on stock exchanges of Europe.
SC Global Real Estate Equities	SEDCO Capital Luxembourg	Global: aims to create long-term capital appreciation by selecting equity and equity-related securities of real estate industry
IShares MSCI US Islamic	Blackrock Advisors Ltd. UK	USA: Index tracker offering access to more than 200 mid and large cap US companies

Manager Commentary

December proved to be one of the most tumultuous months for investors in recent memory, with global equities falling more than 10%. The Santa Rally most definitely did not materialize, and the S&P 500 fell into a bear market. Behind these falls are several factors that have coincided in recent weeks. Firstly, although a 'truce' of sorts emerged after the G20 meeting in the ongoing trade war between the US and China, developments in the wake of the meeting highlighted to investors that these tensions are far from over. Secondly, also stemming from Washington, political interference is negatively affecting sentiment and precipitating risk-off moves. Thirdly, concerns around the growth outlook have also grown over the past month, especially as market attention has shifted to the 'yield curve', the most widely watched measure of which is now close to inversion (2s 10s). Investors, then, were given a roller-coaster ride at the end of an already volatile year, with a large dip in equity markets the world over the result. Going forward, while we do not see a major escalation of this trend in the coming couple of months as our base case, it does point to a more defensive allocation, which we are currently following.

2 Cash Strategy

The cash strategy is investing in Shari'ah compliant local and international cash equivalent instruments and funds. Investments may therefore consist of Wakala deposits, Sukuk funds, Murabaha placements, cash at sight or any other type of cash equivalent instrument, which the Shari'ah Board approves of. Market NAV at 31 December 2018: 34.10 USD

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