



NOTICE: REVISION OF ZURICH TAKAFUL INVESTMENT LINKED FUNDS

Dear Valued Customer,

Thank you for your continued trust in Zurich Takaful Malaysia Bhd (“ZTMB”) to meet your protection needs.

At ZTMB, responsible investment is integral to our investment philosophy and approach. For us, it is about managing our assets in a way that creates sustainable value. We conduct regular reviews of our funds to ensure that we continue to uphold our commitment to generate superior risk-adjusted returns for our customers and shareholders.

In our recent review, we found that there is a need to revise the existing features of our Investment-linked (IL) funds to provide better funds proposition and enhance potential upside to our customers. Zurich’s Investment Management Malaysia (IM Malaysia) under Zurich Life Insurance Malaysia Berhad has demonstrated strong and consistent performance in managing investments portfolio including shariah compliant assets over the years.

Therefore, ZTMB has decided to outsource some of the funds to IM Malaysia, with the intention to provide better proposition and enhance the potential returns. The revision comprises of a few scopes, including change of fund manager, revision of fund’s performance benchmark, and risks management strategy, where applicable.

Following is the summary of the revisions: -

Existing Structure		New Structure	
Fund	Current Fund Manager	New Fund Manager	Scope of Revision (Please refer Appendix 1 in FAQ for details)
Shariah Growth 2	RHB	ZLIMB	Fund Manager
Shariah Balanced 2	RHB	ZLIMB	Fund Manager, Fund Benchmarks & Risk Strategy
Shariah Income 2	RHB	ZLIMB	Fund Manager, Fund Benchmarks & Risk Strategy
Shariah Flexi 2	RHB	ZLIMB	Fund Manager, Fund Benchmarks & Risk Strategy

Notes:

RHB: RHB Islamic International Asset Management

ZLIMB: Zurich Life Insurance Malaysia Bhd

In the event that you are not agreeable with the revision above, you may switch the fund by selling the fund units in the Fund (subject to fee where applicable) and re-invest the amount into any other investment-linked funds offered by ZTMB.

To perform the switching process online, you can log in to the MyZurichLife integrated customer portal at <https://zurich.my/MyZurichLife-login>. If you do not have an account with MyZurichLife, sign up for one here: <https://zurich.my/MyZurichLife-register>.

For more information and updates on Zurich investment-linked funds, please visit <https://zurich.my/takaful-funds>. You can also contact your Wealth Planner should you require further assistance. Alternatively, you may also contact our Customer Service Careline at 1-300-888-622, email us at callcentre@zurich.com.my, or visit the nearest Zurich Takaful branch.

Thank you.

INVESTMENT-LINKED FUNDS – REVISION

Frequently Asked Questions (FAQs)

1. What is the revision about?

With the revision of funds, we aim to provide better proposition and enhance potential returns to our unit holders. It involves among others - the revision of fund managers (from RHB Islamic International Asset Management (“RHB Islamic”) to Investment Management Malaysia under Zurich Life Insurance Malaysia Bhd (“ZLIMB”)), assigning a new benchmark, and a revision of risk strategy, where applicable.

2. Which of Zurich Takaful’s investment-linked (IL) funds are affected by these revision?

In principle, all the following funds are affected with the above revision:-

- 1) Zurich Takaful Shariah Growth 2;
- 2) Zurich Takaful Shariah Balanced 2;
- 3) Zurich Takaful Shariah Income 2; and
- 4) Zurich Takaful Shariah Flexi 2.

Kindly refer to Appendix 1 for further details.

3. Will I be given options if I am not agreeable to the revision?

Yes, unit holders can opt to switch to any funds available prior to the effective date or they can choose to surrender their units. .

4. What are the benefits of this revision to the unit holders?

Our aim is to deliver better returns and performance to our unit holders. We believe the change of fund manager, assigning new benchmark and reviewing the risk strategy will help add more value to our unit holders’ portfolio in the future.

5. Will I have to incur higher annual Wakalah Bi al-istithmar Fee after the revision of the affected funds?

No, there will be no revision to the Wakalah Bi al-istithmar fee (annual fund management fee).

6. What about revision to the coverage and product features of my Takaful investment-linked plan arising from this restructuring of funds?

Your coverage and the product features of your Takaful investment-linked plan remain the same.

7. When is the effective date of this revision of funds?

The revision of the affected funds will take effect from 15 March 2022 onwards.

Appendix 1

Fund	Fund Manager		Benchmark		Credit Rating (Risk Mitigation)	
	Existing	New	Existing	New	Existing	New
Shariah Growth 2	RHB Islamic	ZLIMB	FTSE Bursa Malaysia EMAS Shariah Index	FTSE Bursa Malaysia EMAS Shariah Index	Not Applicable	Not Applicable
Shariah Balanced 2	RHB Islamic	ZLIMB	Absolute targets return 7.50% per annum	50% of the FTSE Bursa Malaysia EMAS Shariah Index & 50% of the 12-month Islamic Fixed Deposit Rate (12-month Islamic Fixed Deposit-i Maybank Islamic Berhad)	To mitigate the default risk, the Fund will be investing into Sukuk and Islamic debt securities with a minimum rating of AA	To mitigate the default risk, the Fund will be managed to maintain a minimum average credit quality of A (local rating) In the event of credit downgrade, the Manager will take into consideration factors which include trading liquidity and availability of market bids at prevailing market valuations before deciding on the manner and time frame of divestment for the best interest of the fund
Shariah Income 2	RHB Islamic	ZLIMB	Absolute targets return 5.50% per annum	12-month Islamic Fixed Deposit Rate (12-month Islamic Fixed Deposit-i Maybank Islamic Berhad)	To mitigate the default risk, the Fund will be investing into Sukuk and Islamic debt securities with a minimum rating of A	To mitigate the default risk, the Fund will be managed to maintain a minimum average credit quality of A (local rating) In the event of credit downgrade, the Manager will take into consideration factors which include trading liquidity and availability of market bids at prevailing market valuations before deciding on the manner and time

Fund	Fund Manager		Benchmark		Credit Rating (Risk Mitigation)	
	Existing	New	Existing	New	Existing	New
						frame of divestment for the best interest of the fund
Shariah Flexi 2	RHB Islamic	ZLIMB	Absolute targets return 9% per annum	60% of the FTSE Bursa Malaysia EMAS Shariah Index & 40% of the 12-month Islamic Fixed Deposit Rate (12-month Islamic Fixed Deposit-i Maybank Islamic Berhad)	To mitigate the default risk, the Fund will be investing into Sukuk and Islamic debt securities with a minimum rating of AA	<p>To mitigate the default risk, the Fund will be managed to maintain a minimum average credit quality of A (local rating)</p> <p>In the event of credit downgrade, the Manager will take into consideration factors which include trading liquidity and availability of market bids at prevailing market valuations before deciding on the manner and time frame of divestment for the best interest of the fund</p>