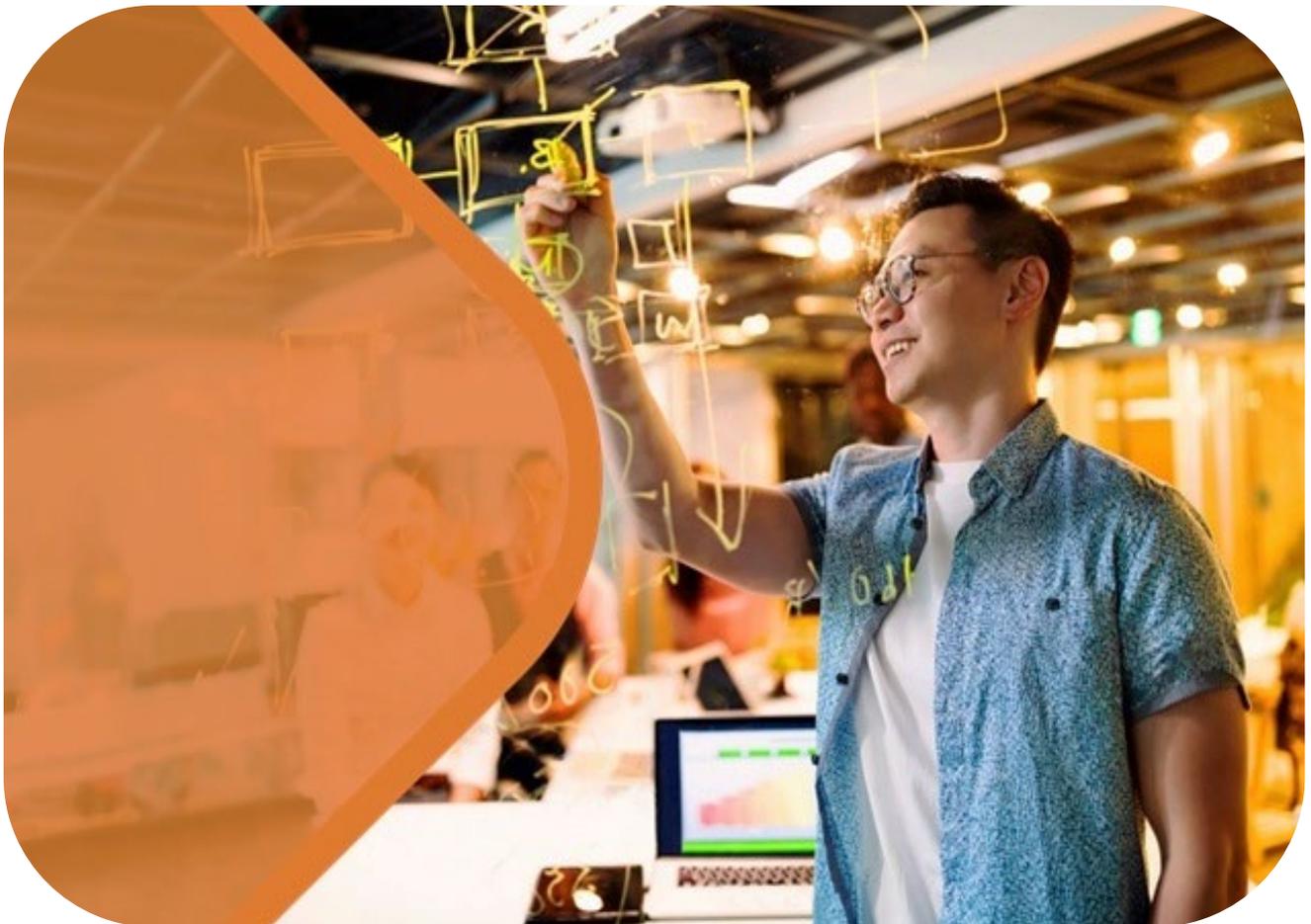


FWD Takaful Investment-Linked Funds

Annual Funds Performance Report
for the year ended 31 December 2022



Message from FWD Takaful Berhad

Dear Valued Customers,

Thank you for your incredible support and continued trust in FWD Takaful. I am pleased to present you with our investment-linked funds' Annual Fund Performance Report 2022. After two years of pandemic lockdowns, countries moved from pandemic to endemic phase last year. However, the global concern remained, and economic recovery was fragile in 2022 amid uncertainties from the Russia-Ukraine war, the surge in commodity prices, historically high inflation, global supply chain disruptions due to China's zero Covid policy and unprecedented aggressive interest rate hikes by central banks around the world. The uncertainties in economic recovery affected domestic and foreign investors' sentiment, both the equity and fixed income markets were impacted and registered weaker year-on-year performance. Hence, a lower net asset value for most of our investment-linked funds. Nonetheless, the lower valuations may have presented opportunities for customers to average down the investment cost and achieve their investment objectives over a longer investment horizon.

Sailing into 2023, we may expect a more positive outlook as the Fed has slowed its rate-hike pace in 1Q 2023, while the China re-opening may contribute to more efficient and effective global supply chains, helping to tackle persistent inflation and bring better economic prospects. The investment-linked funds' target funds will continue to invest in fundamentally sound securities while maintaining a cautious, yet sensible stance based on the long term growth trajectory of the markets. We believe the interest rates risk will be lower in 2023 after most rate hikes were done in the preceding year, while a relatively more stable fixed income outlook with a more attractive yield can be expected this year. Although macro conditions may drive the short term movements in equities markets, individual stock fundamentals have historically dictated the outcome for long term investors. Hence, staying invested with sound fundamental selections remain important to achieve the long term investment objective. This report aims to provide clarity to our customers in understanding the investment-linked funds' performance in 2022 and the investment strategies the funds may adopt in 2023. We hope you find this report useful and informative for comprehending the funds we offered.

Additionally, I am grateful to share with you some of the accomplishments we achieved in 2022 despite the challenging environment. we won multiple awards in 2022, including the Insurance Asia Awards 2022 (Social Media Initiative of the Year and New Takaful Insurance Product of the Year), Malaysian Takaful Association (MTA) Takaful Star Awards 2022 (Value-Based Intermediation for Takaful Award, Direct Distribution Channel (Family) and Innovation Award) and GRADUAN Brand Awards 2022 for #1 Malaysia's Most Preferred Employer for the Insurance Sector (Life, General & Takaful). In 2022, we introduced 6 new products including 2 riders to support our customers who interact with us either through our agents, bancatakaful partners and e-commerce platforms. Apart from that, our parent company, FWD Group made a significant milestone in marking its life insurance business growth for #10 markets across Asia in a span of 10 years with more than 10mil customers, 7,000 employees, 48,000 agents and assets under management of US\$58.9bil as at Dec 2022.

Finally, yet importantly, I'd like to express my grateful appreciation to all of you for your continuous support and confidence in FWD Takaful, which motivates us to continue providing innovative and value-added services to you. As we move into an endemicity with the economy in recovery mode, please take the necessary precautions and stay safe while we continue to strive to provide the best protections and services to you in 2023.

With warmest regards,
Salim Majid Zain
Chief Executive Officer
FWD Takaful Berhad

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MARKET REVIEW 2022

Equity

In 2022, stocks had their worst year since 2008 while bond prices also fell as inflation reached a four-decade high. Both the MSCI World Index and the MSCI Emerging Markets Index recorded double-digit declines of -19.46% and -22.37% respectively in 2022. The S&P 500 fell 19.44%, its worst year since 2008, while the tech-heavy Nasdaq tumbled 33.10% in 2022. It was a challenging year amid concerns around the growth outlook and recession fears as inflation rose through much of the year and central banks ratcheted up interest rates in response. United States (US) inflation hit a 40-year high, and the US Federal Reserve (“Fed”) initiated a series of aggressive rate hikes to tame it, despite the risks to general economic growth and the labour market. Negative investor sentiment was further compounded by the Russia-Ukraine war and China’s zero Covid policy, although most regions saw an end to the most constraining Covid policies and a restart to unrestricted travel at the end of 2022.

For Malaysian equity market, it was affected by persistent headwinds both globally and domestically including concern over earnings risks, rising global interest rates, recession fears, the Russia-Ukraine war and domestic political risks. The FBMKLCI index (KLCI) declined by 4.60% while the FTSE Bursa Malaysia EMAS Shariah index (FBMS) fell 10.80%. Market optimism in early 2022 was mainly driven by reopening tailwinds, including the ease of border restrictions from 1 Apr 2022, that has powered a strong domestic economy recovery alongside a rally in crude oil and CPO prices amid the Russia-Ukraine conflict. The local equity market priced in higher risks in 2H 2022 arising from interest rates upcycle, weakening of Ringgit against USD and uncertainties on domestic political landscape bringing the index to close lower yearly. Nevertheless, the local equity market saw RM4.4bil foreign fund inflows in 2022 (2021: -RM3.2bil), reversing the outflow trend seen in the past 4 years.

Fixed Income

The Morningstar U.S. Core Bond Index, which reflects a broad cross section of the government and investment-grade corporate bond markets, lost 12.9% in 2022, the biggest annual loss in its performance history starting in 1999; in line with the Bloomberg Barclays U.S. Aggregate Bond Index (U.S. investment-grade bond market) that fell 15%. The tandem decline for equities and fixed income in 2022 was relatively rare and this unusual downturn has been driven largely by the U.S. Fed’s aggressive monetary tightening to bring inflation under control, which has upended the typical inverse relationship between stock and bond returns. The benchmark US Treasuries posted their worst annual returns in decades, with the 10-year US Treasury losing 16.3%, a second straight annual loss. Although a higher interest rate environment will bring short term pain as bond prices fall, the higher yields can be beneficial in the long term and present new opportunities for fixed income investors.

Back home, the Bank Negara Malaysia (BNM) raised the OPR by 100 bps in total from 1.75% to 2.75% in 2022. The yields were higher, driven by higher interest rates and bond supply concerns from a wider fiscal deficit. The overall Malaysian Government Securities (MGS) yield curve shifted upward, tracking the movements of the global bond market, while Malaysian Government Investment Issue (MGII) yields also ended higher across the curve with the 3-, 5-, 10- and 15-year MGII indicative yields rose 39-86 bps to close at 3.78%, 3.89%, 4.14% and 4.26% respectively. Although the total bonds/sukuk outstanding grew to RM1.9 trillion in 2022 from RM1.7 trillion in 2021 (higher bond/sukuk fundraising) the domestic bond market witnessed lower foreign interest, with net outflows amounting to -RM9.8bil in 2022 (2021: net inflow of RM33.6bil). S&P Global affirmed Malaysia’s sovereign credit rating at A- and revised its outlook to Stable from Negative citing the country’s consistently strong growth trend that helps offset its fiscal vulnerabilities.

INVESTMENT OUTLOOK 2023

Equity

The S&P 500 and Nasdaq composite rose 7.03% and 16.77% in 1Q 2023. Meanwhile, the MSCI World and MSCI Emerging Market Indexes gained 7.25% and 3.54% respectively in the same period, buoyed by receding recession worries in developed markets. Despite the short-lived banking crisis in 1Q 2023 involving the collapse of Silicon Valley Bank and Signature Bank and the failure of Credit Suisse Bank in Europe, which caused significant volatility in bank shares, growth stocks outperformed value in the first quarter. After assessing the recent banking crisis, the Fed minutes in March 2023 predicted a potential “mild recession” in late 2023 with a recovery in 2024-2025. Meanwhile, the International Monetary Fund (IMF) expects global output growth to fall from 3.4% last year to 2.8% in 2023 before rising to 3% in 2024 as the world economy is still recovering from the unprecedented upheavals of the last three years, and the recent banking turmoil has increased uncertainties.

For domestic equities, short term market volatility is expected to persist amid the expectation of a softening in global growth. The KLCI and FBMS declined 4.87% and 2.03% respectively in 1Q 2023 amid year-to-date foreign investors’ net selling of US\$420mil from the Malaysia equities market. The sentiment was lifted in April when the Malaysian Prime Minister visited China securing the commitment of RM170.07bil of Chinese investments into several industries in Malaysia, and RM2.44bil of potential exports to China. Malaysia’s economy achieved the highest GDP growth over two decades, expanding by 8.7% in 2022. However, BNM projected growth for 2023 to moderate between 4% and 5% with slowing global growth expected to weigh on Malaysia’s exports. The projected growth above the IMF’s estimated global growth rate of 2.8% is expected to be supported by domestic private spending. Persistent global inflationary pressures, a weakening global economy and a weakening local currency remain possible downside risks in 2023.

Fixed Income

The US Fed raised interest rates by 25 bps each in Feb and Mar 2023 citing the need to control inflation. The European Central Bank (ECB) remained more hawkish and hiked rates by 100 bps in 1Q 2023. Despite the policy rate hikes, the US 10-year yield fell from 3.92% to 3.47%, and the 2-year fell from 4.82% to 4.03% (bond prices rose). The market may expect the US Fed to hike just one more interest rate of 25 bps in May 2023 bringing the Fed Fund Rate to its target range of 5.25%-5.50% for the rest of 2023. Despite the potential mild recession in late 2023, the Federal Open Market Committee (FOMC) projected the rate to fall to 4.3% only in 2024. With easing inflation pressures and central banks closer to ending their rate hiking cycles, bonds are becoming increasingly attractive as yields are a lot higher compared to a year ago thus investors may expect greater demand for fixed income in 2023.

In 1Q 2023, foreign investors piled up RM11.4bil worth of Malaysian debt, the largest quarterly net purchases in the past two years. The fears of a recession in developed markets, expectations of peaked interest rates, and translation gains with the ringgit strengthening are among the contributing factors for foreign fund inflow. Nonetheless, the sustainability of foreign inflows remains uncertain as market uncertainties may trigger risk-off mode leading to safe-haven demand and fund flows out of emerging markets back into US bonds. BNM kept the OPR unchanged at 2.75% in 1Q 2023 signaling it may have reached the end of its monetary tightening cycle. However, there is still room for another 25-bps hike bringing the OPR to 3%, should there be any resurgence in domestic inflationary pressures or unexpected financial market shocks. Corporate bonds will continue to be favored in 2023 over government bonds due to yield pickups and stability in terms of instrument selection.

FWD TAKAFUL LIFESELECT FIXED INCOME FUND

Investment Objective

The Fund aims to achieve capital growth over the medium to long term by investing in one or more Shariah-compliant collective investment schemes (“Target Funds”) that invest primarily in Sukuk and any other permissible liquid assets under the Shariah principles.

Fees and Charges

Fund Management Fee is 1.00% per annum of the Fund’s value.
(This is the fee charged for the ongoing portfolio management.)

These fees are calculated based on the Fund’s value. It is accrued daily when determining the unit price of the Fund. No soft commission arrangement is applied to the management of this Fund.

Investment Strategy Review of FWD Takaful LifeSelect Fixed Income Fund Target Fund: AHAM Aiiman Income Plus Fund (1 January 2022 to 31 December 2022)

The target fund’s name was changed from Affin Hwang Aiiman Income Plus Fund to AHAM Aiiman Income Plus Fund effective 22 November 2022 due to the rebranding of the target fund’s manager. The name change was not material as there were no changes made to the investment objectives, strategies, restrictions, or limitations of the Fund. There was no income distribution proposed and/or made for the Fund during the year.

The Fund invests almost 100% of its net asset value (NAV) in its target fund, AHAM Aiiman Income Plus Fund with a small portion of assets in cash to cater for liquidity requirements. In 2022, the FWD Takaful LifeSelect Fixed Income Fund recorded -0.54% against the target fund’s return of -0.38% while its benchmark 12-month Maybank General Investment Account (GIA) i-rate registered a return of 2.33%. The lower return in 2022 was partly due to the impairment of the target fund’s Mex II sukuk holding on 7 January 2022 (the target fund’s manager expects a resolution to be achieved within the next 1-2 years) and the slightly longer fund’s duration, which was more responsive to the yield’s upward movement.

The target fund began adopting a defensive strategy in 2Q by reducing its portfolio duration with the disposal of longer maturity Government Guaranteed (GG) sukuk, mainly maturities ranging from 2038 to 2048. The target fund reduced its duration to around 5 years to cushion the impact of rising yields and raised its cash level to around 8-11%, which it selectively reinvests into sukuk issues that have turned attractive when yields retraced higher. With the cash raised, the target fund invests in short-to-medium tenured corporate sukuk for yield enhancement. In 2023, fixed income assets may experience stronger demand amid interest rates peaking and much more attractive yields (compared to a year ago). The target fund will maintain its neutral duration of around 5.5 to 6 years and continue to prefer credit resilient medium tenure corporate sukuk to further improve its’ carry yields. The target fund will continue to adopt a strategy driven by the profit rate outlook of the sukuk market over the medium to long term horizon. Relative return analysis will also be conducted between Shariah-compliant securities with the same credit ratings to determine if yields can be enhanced by switching investments.

Asset Allocation of Target Fund –

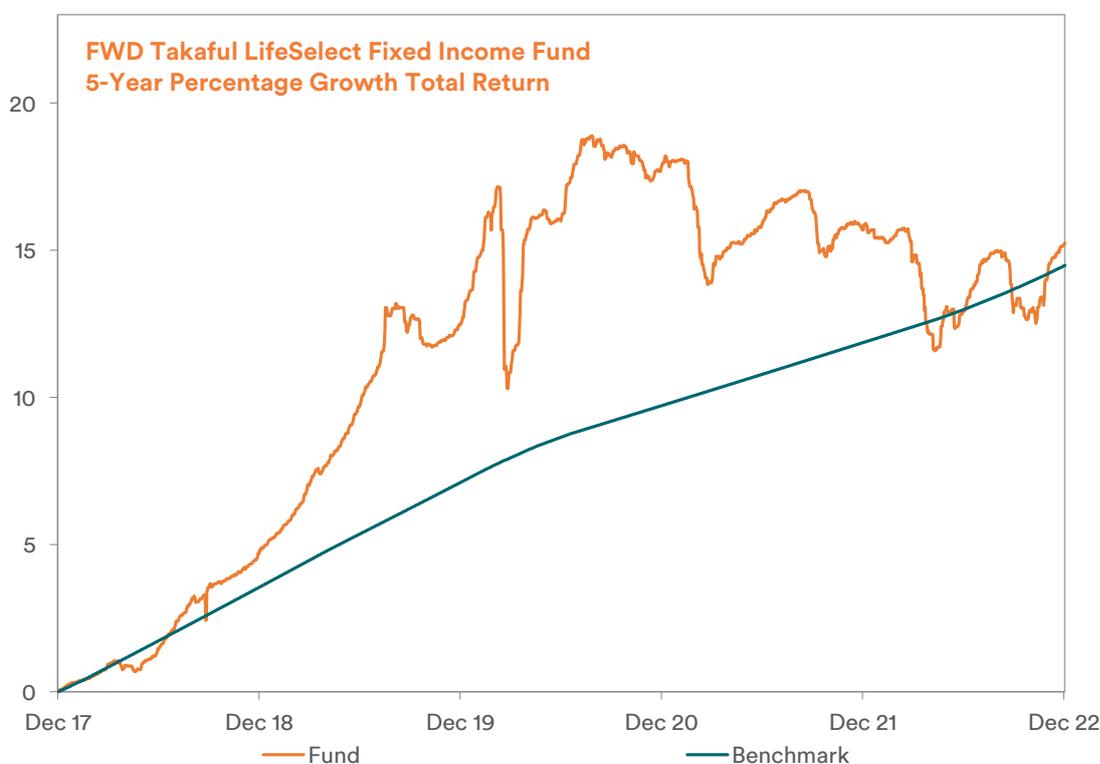
AHAM Aiman Income Plus Fund (as of 31 December 2022)

Asset Category	Asset Allocation (% of NAV)
Cash & Cash Equivalents	13.2%
Unquoted Sukuk	86.8%

Top Holdings of Target Fund as of 31 December 2022:

Securities	Holdings (%)
Government Investment Issues 10/28	1.7
Bank Pembangunan Malaysia Bhd	1.6
Sime Darby Plantation Bhd	1.6
Government Investment Issues 10/35	1.6
Government Investment Issues 08/37	1.5
Northport Malaysia Bhd	1.3
Malayan Banking Bhd	1.3
Kuala Lumpur Kepong Bhd	1.2
Edra Energy Sdn Bhd	1.1
UMW Holdings Bhd	1.0

Performance Graph – Cumulative Return Over the Period (%) (5-Year Percentage Growth vs Benchmark)



Performance Table

FWD Takaful LifeSelect Fixed Income Fund	2022	2021	2020	2019	2018
Total NAV (RM'000)	95,790	105,432	107,155	105,597	107,293
Units in Circulation	63,192	69,173	69,047	71,336	77,829
NAV per Unit (RM)	1.5159	1.5242	1.5519	1.4803	1.3786
Highest NAV per unit (RM)	1.5249	1.5549	1.5640	1.4890	1.3786
Lowest NAV per unit (RM)	1.4678	1.4974	1.4509	1.3795	1.3162
Annual Return	-0.54%	-1.78%	4.84%	7.38%	4.80%

Cumulative Total Returns	6 Months	1 Year	3 Years	5 Years	10 Years
FWD Takaful LifeSelect Fixed Income Fund	2.05%	-0.54%	2.40%	15.23%	34.66%
Benchmark	1.33%	2.34%	6.88%	14.48%	34.46%

The basis of calculation for the past performance:

NAV Return = (End Period NAV per Unit/Begin Period NAV per Unit) - 1

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 contributions paid of the investment-linked product.

FWD TAKAFUL LIFESELECT EQUITY FUND

Investment Objective

The Fund aims to achieve capital growth in the medium to long term by investing in Shariah-compliant collective investment schemes (“Target Funds”) which invest in Shariah-compliant equities, equity-related securities and other permissible liquid assets under the Shariah principles.

Fees and Charges

Fund Management Fee is 1.50% per annum of the Fund’s value.
(This is the fee charged for the ongoing portfolio management.)

These fees are calculated based on the Fund’s value. It is accrued daily when determining the unit price of the Fund. No soft commission arrangement is applied to the management of this Fund.

Investment Strategy Review of FWD Takaful LifeSelect Equity Fund (1 January 2022 to 31 December 2022)

The FWD Takaful LifeSelect Equity Fund registered -11.56% in 2022, underperformed its benchmark FTSE Bursa Malaysia EMAS Shariah Index (FBMS), which fell 10.80% YoY. As a Fund of Funds, the Fund may invest up to 100% of its net asset value (NAV) in two of its target funds, namely AHAM Aiiman Growth Fund and Eastspring Investments Dana Al-Ilham. There were no changes made to the investment objectives, strategies, restrictions, or limitations of the Fund. There was no income distribution proposed and/or made for the Fund during the year.

Target Fund 1: AHAM Aiiman Growth Fund

The target fund, AHAM Aiiman Growth Fund has changed its name from Affin Hwang Aiiman Growth Fund effective 14 April 2023 due to the rebranding of the target fund's manager. The name change is not material as there are no changes made to the investment objectives, strategies, restrictions, or limitations of the Fund. The target fund fell 15.12% in 2022 compared to its benchmark of -10.80% in the same period. It had a cash level of circa 19% as of December 2022 amid increased volatility during Malaysia's 15th General Election (GE15).

The target fund underperformed its benchmark in 2022 mainly due to its relatively higher exposure in growth and cyclical stocks, which were hit during the monetary tightening cycle including names in technology and industrials sectors. In 1H 2022, the target fund was positioned into sectors that benefited from the post-pandemic recovery theme such as consumer-linked sectors, industrials, and technology. The positionings were challenged when inflation remained persistent, amid the tightening of monetary policy by central banks globally. As a result, cyclical and growth sectors, particularly the technology sector suffered sharp declines until the middle of 2022 on fears of central bank induced recession. The target fund reduced its exposure in these sectors and thereafter switched to cash as a defensive measure. In 2H 2022, some of the cash was also selectively deployed back into the market as sentiment improved on the back of improving economic data.

In 2023, the equity market may remain volatile with potential catalysts emerging. The target fund shall position in defensive sectors (e.g., consumer staples, REITs) amid increased uncertainties while return shall be supplemented by allocations in beneficiaries of China reopening, such as consumer staples, airports, healthcare, technology, and industrials.

Asset Allocation of Target Fund 1 – AHAM Aiiman Growth Fund (as of 31 December 2022)

Asset Category	Asset Allocation (% of NAV)
Cash & Cash Equivalents	19.10%
Quoted Shariah-Compliant Equities	80.90%

Top Holdings of Target Fund 1 as of 31 December 2022:

Securities	Holdings (%)
TIME dotcom Bhd	5.6
Axis Real Estate Invst Trust	5.2
Press Metal Aluminium Holdings Bhd	4.2
Kuala Lumpur Kepong Bhd	3.9
Axiata Group Bhd	3.6

Target Fund 2: Eastspring Investments Dana Al-Ilham

The target fund, Eastspring Investments Dana Al-Ilham declined 9.06%, outperformed its benchmark FBMS by 1.74%. The outperformance of the Target Fund was attributed to its underweight positions in the healthcare (mainly glove players) and telecommunication (mobile) sectors. These allocations have mitigated the target fund's overweight positions in the technology sector as well as underweight in plantation stocks that have dragged the fund's performance during the period under review.

The target fund started the year with positioning in selected stocks within the cyclical/recovery sectors to ride the economic re-opening themes. Throughout the year, the target fund remained alert by raising its cash level to navigate the period of volatility in 2022 and trimmed its holdings in the technology sector and rotated into selected stocks within the cyclical sectors such as energy, materials and plantations. The target fund adopted a cautious stance and reduced exposure amid volatilities arising from the Russia-Ukraine war, soaring inflation, and China's slowdown, and stayed overweight in consumer discretionary, property, and financial sectors to ride the reopening theme. As of end-December 2022, the target fund had 13.51% in Cash & Cash Equivalents while its top sector exposures were Oil and Gas (12.31%), Telecommunication (12.27%), Technology (11.88%), Consumer (9.57%), Plantation/Natural Resources (6.87%), Property (6.69%), and Banking & Finance (5.68%).

Going into 2023, with the overhang of GE15 removed, the market will likely refocus on policies and fundamentals. China's reopening could also be a positive catalyst and may help buffer any potential slowdown. The target fund will remain cautiously optimistic and take the opportunity from the market weakness to accumulate fundamentally sound stocks, that can best weather a crisis of economic or political nature, for longer term growth. It will prefer well managed companies backed by healthy balance sheets and strong cash flow with decent and sustainable earning growth, preferably trading at attractive valuations. The target fund shall remain focused on investing in a mix of growth and value Shariah-compliant equities with a relatively high-risk tolerance to achieve above market returns over the medium to long term.

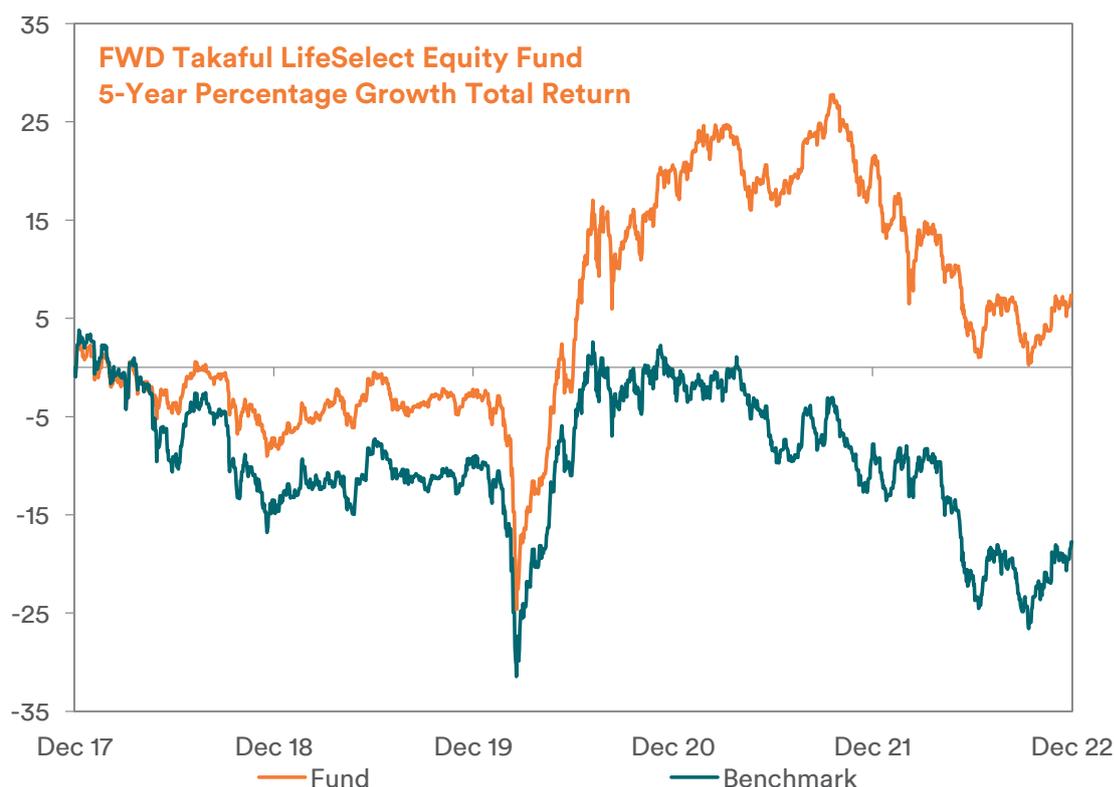
Asset Allocation of Target Fund 2 – Eastspring Investments Dana Al-Ilham (as of 31 December 2022)

Asset Category	Asset Allocation (% of NAV)
Cash & Cash Equivalents	13.51%
Quoted Shariah-Compliant Equities	86.49%

Top Holdings of Target Fund 2 as of 31 December 2022:

Securities	Holdings (%)
Petronas Chemicals Group Bhd	5.2
Tenaga Nasional Bhd	5.1
Time Dotcom Bhd	4.6
IHH Healthcare Bhd	4.5
Press Metal Aluminium Holdings Bhd	4.4

Performance Graph – Cumulative Return Over the Period (%)
(5-Year Percentage Growth vs Benchmark)



Performance Table

FWD Takaful LifeSelect Equity Fund	2022	2021	2020	2019	2018
Total NAV (RM'000)	111,807	136,854	147,237	129,446	139,636
Units in Circulation	57,831	62,603	68,008	74,047	83,517
NAV per Unit (RM)	1.9333	2.1861	2.1650	1.7482	1.6720
Highest NAV per unit (RM)	2.1895	2.3017	2.1728	1.7925	1.8608
Lowest NAV per unit (RM)	1.8059	2.0902	1.3573	1.6517	1.6389
Annual Return	-11.56%	0.97%	23.84%	4.56%	-7.19%

Cumulative Total Returns	6 Months	1 Year	3 Years	5 Years	10 Years
FWD Takaful LifeSelect Equity Fund	3.07%	-11.56%	10.59%	7.32%	29.91%
Benchmark	4.14%	-10.80%	-8.45%	-17.77%	-4.54%

The basis of calculation for the past performance:

NAV Return = (End Period NAV per Unit/Begin Period NAV per Unit) - 1

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 contributions paid of the investment-linked product.

FWD TAKAFUL DYNAMIC FUND

Investment Objective

The Fund aims to achieve capital appreciation by investing in the Eastspring Investments Dana Dinamik (“Target Fund”), a Shariah-compliant collective investment scheme that seeks to provide investors with capital appreciation by actively investing in Shariah-approved equities and equity related securities. For defensive considerations, the Fund may invest in Shariah-approved debentures and money market instruments.

Fees and Charges

Fund Management Fee is 1.50% per annum of the Fund’s value.
(This is the fee charged for the ongoing portfolio management.)

These fees are calculated based on the Fund’s value. It is accrued daily when determining the unit price of the Fund. No soft commission arrangement is applied to the management of this Fund.

Investment Strategy Review of FWD Takaful Dynamic Fund Target Fund: Eastspring Investments Dana Dinamik (1 January 2022 to 31 December 2022)

In 2022, the Fund declined 8.77% while its benchmark fell 4.26%. There were no changes made to the investment objectives, strategies, restrictions, or limitations of the Fund. There was no income distribution proposed and/or made for the Fund during the year. The underperformance was due to the target fund’s overweight position in equity especially in the small-mid cap segment. Within the equity sleeve, the target fund’s underweight positions in healthcare (mainly glove players) and telecommunication (mobile) sectors contributed positively to the performance. The main detractors were the overweight in the technology sector and selected industrial stocks, which dragged the performance in 2022.

As a tactical asset allocation fund, the target fund is intended to be nimbler to mitigate market volatility while aiming to achieve above market returns over the medium to long term. The target fund adopts a flexible asset allocation strategy between the different asset classes of Shariah-compliant equities, sukuk, and Islamic liquid assets, depending on the investment market outlook. For equities, the target fund focuses on investing in a blend of growth and value Shariah-compliant equities with medium to high risk tolerance. For fixed income, the Fund would look to participate in selected quality issuances for yield pick-up, and trade on market volatility, subject to liquidity constraints.

The target fund maintained its overweight position in equities during the period under review. It remained nimble by raising its cash level to navigate the periods of volatility and trimmed its holdings in the technology sector and rotated into selected stocks such as energy, materials, and plantations within the cyclical sectors. The target fund kept its allocation in fixed income amidst a rising interest rate environment. As core inflation may stay elevated in 2023, the target fund will continue to stay overweight in equities and maintain its allocation in fixed income. It stayed underweight in sukuk in view of the rising interest rate environment in 2022. The target fund has about 10% exposure in fixed income assets as of end 2022 and it may position itself for a higher allocation in fixed income in 2023. For equities allocation, it will prefer well-managed companies backed by healthy balance sheets and strong cash flow with decent and sustainable earning growth, preferably trading at attractive valuations.

Asset Allocation of Target Fund –

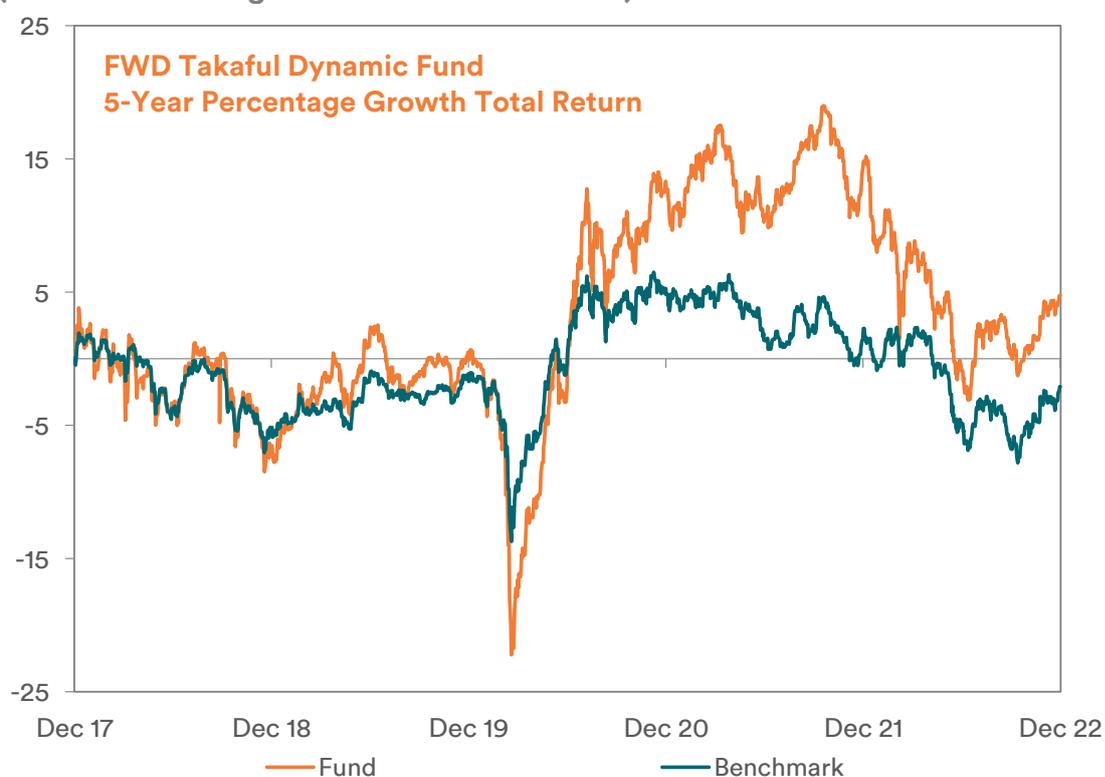
Eastspring Investments Dana Dinamik (as of 31 December 2022)

Asset Category	Asset Allocation (% of NAV)
Unquoted Fixed Income Securities	9.79%
Cash & Cash Equivalents	23.86%
Quoted Shariah-Compliant Equities	66.35%

Top Holdings of Target Fund as of 31 December 2022:

Equity	Holdings (%)
IHH Healthcare Bhd	3.5
QL Resources Bhd	3.0
Time Dotcom Bhd	2.9
Tenaga Nasional Bhd	2.8
Press Metal Aluminium Holdings Bhd	2.7
Fixed Income	Holdings (%)
Affin Islamic Bank Bhd	3.3
Ambank Islamic Bhd	3.3
BGSM Management Sdn Bhd	3.2

Performance Graph – Cumulative Return Over the Period (%) (5-Year Percentage Growth vs Benchmark)



Performance Table

FWD Takaful Dynamic Fund	2022	2021	2020	2019	2018
Total NAV (RM'000)	16,357	19,476	21,230	21,327	22,516
Units in Circulation	12,335	13,399	14,881	16,858	19,030
NAV per Unit (RM)	1.3261	1.4536	1.4267	1.2651	1.1831
Highest NAV per unit (RM)	1.4581	1.5062	1.4432	1.2979	1.3143
Lowest NAV per unit (RM)	1.2267	1.3855	0.9845	1.1675	1.1585
Annual Return	-8.77%	1.89%	12.77%	6.93%	-6.55%

Cumulative Total Returns	6 Months	1 Year	3 Years	5 Years	10 Years
FWD Takaful Dynamic Fund	5.28%	-8.77%	4.82%	4.75%	29.14%
Benchmark	2.84%	-4.26%	-0.39%	-2.10%	52.92%

The basis of calculation for the past performance:

NAV Return = (End Period NAV per Unit/Begin Period NAV per Unit) - 1

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 contributions paid of the investment-linked product.

FWD TAKAFUL ASIA PACIFIC ISLAMIC EQUITY FUND

Investment Objective

The Fund aims to achieve long term capital appreciation by investing in the Principal Islamic Asia Pacific Dynamic Equity Fund (“Target Fund”), a Shariah-compliant collective investment scheme that invests in the emerging and developed markets of Asia Pacific ex Japan region.

Fees and Charges

Fund Management Fee is 1.50% per annum of the Fund’s value.
(This is the fee charged for the ongoing portfolio management.)

These fees are calculated based on the Fund’s value. It is accrued daily when determining the unit price of the Fund. No soft commission arrangement is applied to the management of this Fund.

Investment Strategy Review of FWD Takaful Asia Pacific Islamic Equity Fund Target Fund: Principal Islamic Asia Pacific Dynamic Equity Fund (1 January 2022 to 31 December 2022)

The FWD Takaful Asia Pacific Islamic Equity Fund declined 20.73% in 2022, underperformed its benchmark by 4.27%. There were no changes made to the investment objectives, strategies, restrictions, or limitations of the Fund. There was no income distribution proposed and/or made for the Fund during the year. The underperformance was mainly attributed to the sector and stock selection of the target fund, where the relatively overweight in consumer discretionary, underweight in the Information Technology sector and some off-benchmark stock selection contributed negatively to the target fund's performance in the reporting period. The off-benchmark stocks of the target fund may have represented circa 40% of the target fund's holdings. Nonetheless, the target fund won the Refinitiv Lipper Fund Awards 2023 - Malaysia Islamic Funds Awards - Best Equity Asia Pacific ex-Japan fund in the 3-, 5-, and 10-year categories, based on performance for the period ended 31 December 2022. This is the second consecutive year the target fund has been named the best fund in its category for the period ended.

In 2022, the target fund remains fully invested and diversified across sectors and geographies. During the reporting period, it continued to trim economic sensitive stocks in industrials and added reopening beneficiaries and diversified into pharmaceuticals. The target fund is structurally positioned into quality companies that have a proven ability to innovate (e.g., semiconductor, internet, renewables), consumption stocks in China and India (countries with deep domestic economies and large populations) which are positioned in growing sub-sectors (e.g., decorative paints, jewellery) and market share consolidators (e.g., India's digital economy, selected industrials). The target fund also favors reopening plays selectively such as airports, hospitals, and beneficiaries of underinvestment.

As of end-December 2022, the target fund has about 6.87% in Cash & Cash Equivalents while its top sector exposures were Information Technology (31.37%), Energy (12.61%), Industrials (11.49%), Materials (10.71%), Consumer Staples (6.58%), Consumer Discretionary (6.24%) and Healthcare (5.17%). In terms of regional allocations, the target fund had about 28% in South Korea, 21% in India, 10% in Hong Kong, 7.68% in China, 6.20% in Taiwan, and 3.57% in United States as of end-December 2022. The top sector exposure was Information Technology (31.37%), Energy (12.61%), Industrials (11.4%) and Material (10.71%) as of end-2022. In 2023, the target fund will remain fully invested and plan to diversify its holdings across businesses to improve the target fund's resilience. There may be new purchases in med-tech, new energy vehicle supply chain, cement, and energy. These purchases may be funded by trimming selected stocks where growth durability is lacking and where valuations are lofty.

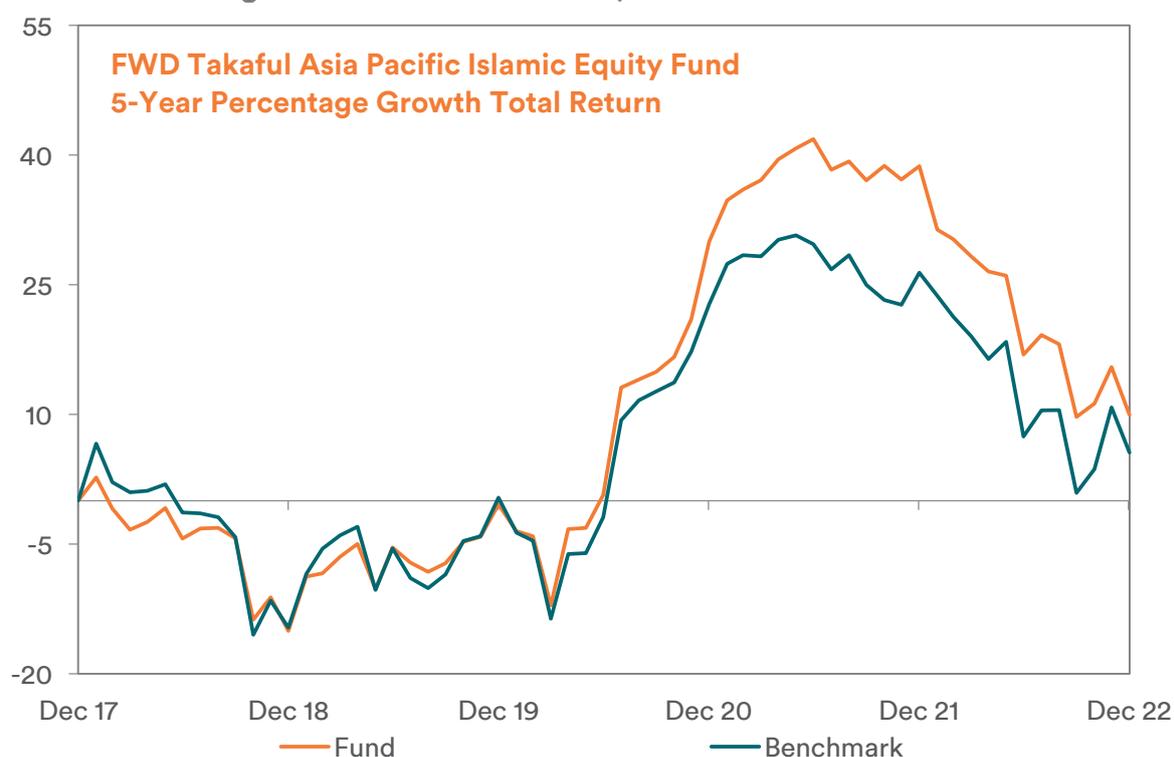
Asset Allocation of Target Fund – Principal Islamic Asia Pacific Dynamic Equity Fund (as of 31 December 2022)

Asset Category	Asset Allocation (% of NAV)
Mutual Fund	0.77%
Cash & Cash Equivalents	6.87%
Quoted Sharia-Compliant Equities (Foreign)	92.36%

Top Holdings of Target Fund as of 31 December 2022:

Securities	Holdings (%)
Samsung Electronics Co Ltd	8.8
Reliance Industries Ltd	7.7
SK Hynix Inc	7.0
Samsung Electronics-PFD	5.6
Taiwan Semiconductor Manufacturing	3.8
Shell PLC	3.5
LG Chem Ltd	3.2
Shanghai International Airport	2.7
Tencent Holding Ltd	2.7
Container Corp of India Ltd	2.6

Performance Graph – Cumulative Return Over the Period (%) (5-Year Percentage Growth vs Benchmark)



Performance Table

FWD Takaful Asia Pacific Islamic Equity Fund	2022	2021	2020	2019	2018
Total NAV (RM'000)	98,845	119,045	99,848	83,057	83,147
Units in Circulation	50,345	48,067	43,022	46,714	54,825
NAV per Unit (RM)	1.9633	2.4766	2.3209	1.7780	1.5166
Highest NAV per unit (RM)	2.5046	2.6027	2.3209	1.7966	1.8543
Lowest NAV per unit (RM)	1.9357	2.3482	1.4571	1.4780	1.5135
Annual Return	-20.73%	6.71%	30.53%	17.24%	-15.07%

Cumulative Total Returns	6 Months	1 Year	3 Years	5 Years	10 Years
FWD Takaful Asia Pacific Islamic Equity Fund	-5.96%	-20.73%	10.42%	9.95%	78.77%
Benchmark	-1.73%	-16.46%	5.21%	5.58%	55.88%

The basis of calculation for the past performance:

NAV Return = (End Period NAV per Unit/Begin Period NAV per Unit) - 1

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 contributions paid of the investment-linked product.

FWD TAKAFUL WORLD ISLAMIC EQUITY FUND

Investment Objective

The Fund aims to achieve capital appreciation by investing in the a brdn Islamic World Equity Fund (“Target Fund”), a Shariah-compliant collective investment scheme that aims to achieve capital appreciation in the long term through investments in Shariah-compliant equities and equity-related securities.

Fees and Charges

Fund Management Fee is 1.50% per annum of the Fund’s value.
(This is the fee charged for the ongoing portfolio management.)

These fees are calculated based on the Fund’s value. It is accrued daily when determining the unit price of the Fund. No soft commission arrangement is applied to the management of this Fund.

Investment Strategy Review of FWD Takaful World Islamic Equity Fund Target Fund: abrdn Islamic World Equity Fund (1 January 2022 to 31 December 2022)

The target fund's name was changed from Aberdeen Standard Islamic World Equity Fund to abrdn Islamic World Equity Fund effective 1 April 2022 due to the rebranding of the target fund's manager. However, the name change was not material as there were no changes made to the investment objectives, strategies, restrictions, or limitations of the Fund. There was no income distribution proposed and/or made for the fund during the year.

The FWD Takaful World Islamic Equity Fund declined 20.46% in 2022, underperformed its benchmark MSCI ACWI Islamic (Shariah) Index by 12.66%. The underperformance was due to the combination of asset allocation and stock selection at the target fund level. At a country level, most regions detracted except for Japan where the target fund benefitted from its underweight position. The target fund's zero exposure to energy sector significantly impacted its performance relative to its benchmark (e.g., not owning names such as Chevron, Exxon Mobile, BP and Shell detracted performance).

Pertaining to the country weightings, the target fund manager retains a mix of defensive and cyclical stocks where it has a higher weight of more defensively exposed stocks with robust characteristics such as exposure to high recurring cashflow, exposure to long-dated contracts and strong structural drivers for long term growth. The single and largest underweight is to the U.S. which reflects the target fund's aim for diversification. The fund holds several US-listed names, but their businesses are global and generate a significant proportion of revenues internationally.

The target fund's asset allocation adopts bottom-up stock pickers instead of being driven by a top-down allocation approach. The top sector allocation of the target fund as of end-December 2022 includes Healthcare (29.4%), Industrials (20.6%), Information Technology (18.2%), Materials (8.6%), and Consumer Staples (7.9%). Meanwhile, the target fund's top regional allocations include United States (38.3%), United Kingdom (8.2%), France (8.1%), Netherlands (7.6%), Australia (7.0%), and Switzerland (5.4%).

Meanwhile, being aware of the top-down factors that affect the businesses, the target fund will continue to appraise new ideas driven by its bottom-up stock picking process. In regions/sectors where it has zero/low relative positions, the target fund manager will continue to review, challenge, and discuss any necessary revision from time to time. As periods of market weakness may represent an opportunity for long term investors, the target fund will remain invested, diversified, defensive and focused on businesses that best positioned to manage financial pressures through times of greater market stability.

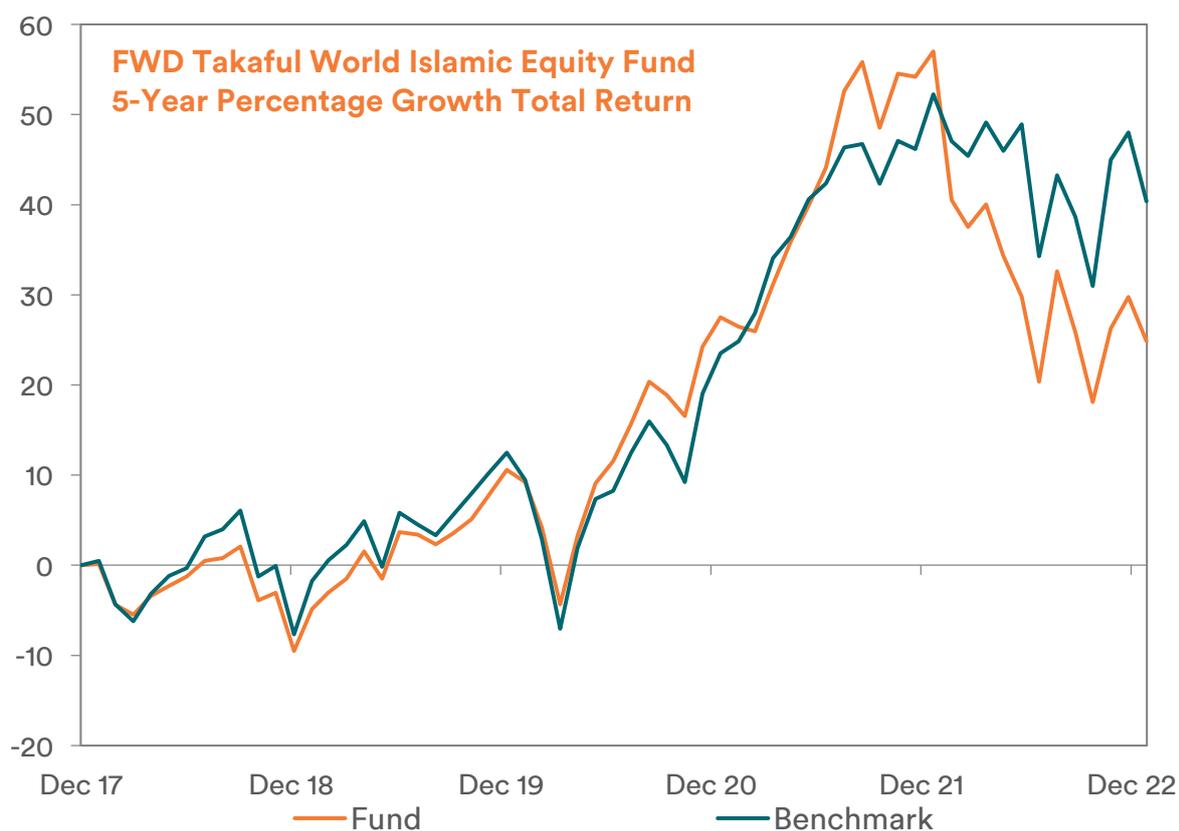
Asset Allocation of Target Fund – abrdn Islamic World Equity Fund (as of 31 December 2022)

Asset Category	Asset Allocation (% of NAV)
Cash & Cash Equivalents	0.6%
Quoted Shariah-Compliant Equities	99.4%

Top Holdings of Target Fund as of 31 December 2022:

Securities	Holdings (%)
Procter & Gamble Co	4.2
L'Oreal	3.7
ASML Holding	3.7
Astrazeneca	3.4
Linde	2.9
Trane Technologies	2.9
Atlas Copco	2.8
Schneider Electric	2.7
LULULEMON Athletica	2.7
Pfizer	2.6

Performance Graph – Cumulative Return Over the Period (%) (5-Year Percentage Growth vs Benchmark)



Performance Table

FWD Takaful World Islamic Equity Fund	2022	2021	2020	2019	2018
Total NAV (RM'000)	87,547	95,884	63,271	57,750	56,339
Units in Circulation	56,452	49,180	39,961	42,055	50,138
NAV per Unit (RM)	1.5508	1.9497	1.5833	1.3732	1.1237
Highest NAV per unit (RM)	1.9479	1.9865	1.5907	1.3903	1.2716
Lowest NAV per unit (RM)	1.4442	1.5368	1.0752	1.1129	1.1109
Annual Return	-20.46%	23.14%	15.30%	22.20%	-9.51%

Cumulative Total Returns	6 Months	1 Year	3 Years	5 Years	Since Inception#
FWD Takaful World Islamic Equity Fund	3.75%	-20.46%	12.93%	24.88%	55.08%
Benchmark	4.54%	-7.80%	24.77%	40.37%	91.67%

Since inception: February 2016

The basis of calculation for the past performance:

NAV Return = (End Period NAV per Unit/Begin Period NAV per Unit) - 1

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 contributions paid of the investment-linked product.

FWD TAKAFUL ISLAMIC SUKUK FUND

Investment Objective

The Fund aims to achieve capital appreciation in the medium to long term by investing in the Principal Islamic Lifetime Sukuk Fund ("Target Fund"), a Shariah-compliant collective investment scheme that aims to gain higher than average income over the medium to long term by investing in a diversified portfolio consisting principally of Sukuk, certificates of deposit, short term money market instruments and other permissible investment under Shariah principles.

Fees and Charges

Fund Management Fee is 1.00% per annum of the Fund's value.
(This is the fee charged for the ongoing portfolio management.)

These fees are calculated based on the Fund's value. It is accrued daily when determining the unit price of the Fund. No soft commission arrangement is applied to the management of this Fund.

Investment Strategy Review of FWD Takaful Islamic Sukuk Fund Target Fund: Principal Islamic Lifetime Sukuk Fund (1 January 2022 to 31 December 2022)

In 2022, the FWD Takaful Islamic Sukuk Fund registered a return of 0.75%, underperformed its benchmark, Quantshop GII Medium Index by 0.40%. There were no changes made to the investment objectives, strategies, restrictions, or limitations of the Fund. There was no income distribution proposed and/or made for the Fund during the year.

The sukuk assets of the target fund underperformed in the first half of the reporting year but added gains in the second half of the year due to improving sentiment as well as investors adjusting to the stance of policy tightening by BNM as well as major central banks. From sector perspectives, the exposure in the Real Estate and Industrials contributed positively while detractors were driven mainly by sovereign bonds. From securities perspectives, major contributions came from the holdings of MSGBMK 4.35 03/13/25 and DRBHMK 4.85 12/11/26 while underperformance came from the holdings of MGII 4.369 10/31/28 and MGII 4.13 07/09/29. Overall, the target fund continues to maintain our strategy of overweighting corporates for better yield pickup but will also aim to take profits where possible to reinvest in the new primary issuances. For government bonds, the target fund will maintain its trading stance and remain watchful for market movements.

Going forward, the target fund will be attentive toward the opportunities to trade local government bonds as the flows are expected to be positive for the market. It will gradually be adding some position in the longer end of the curve to anchor the returns for the year. Even though the target fund will continue to remain overweight in corporate sukuk, it will be aware of the potential slower growth for certain sectors in the economy and as such, it will prefer names with a stronger credit profile.

The target fund will continue to fulfill the investment objective by aiming to gain a higher-than-average income over the medium to long term by investing in a diversified portfolio consisting principally of Sukuk, certificates of deposit, short term money market instruments, and other permissible investments under the Shariah principles. The target fund strategy has been overweighting the credit segment for a more stable and higher yield pickup in the last two years. It will remain selective in issuers with strong and stable fundamentals while gradually exiting any low yielding government securities and refocusing on high grade corporate Sukuk for better yield enhancement.

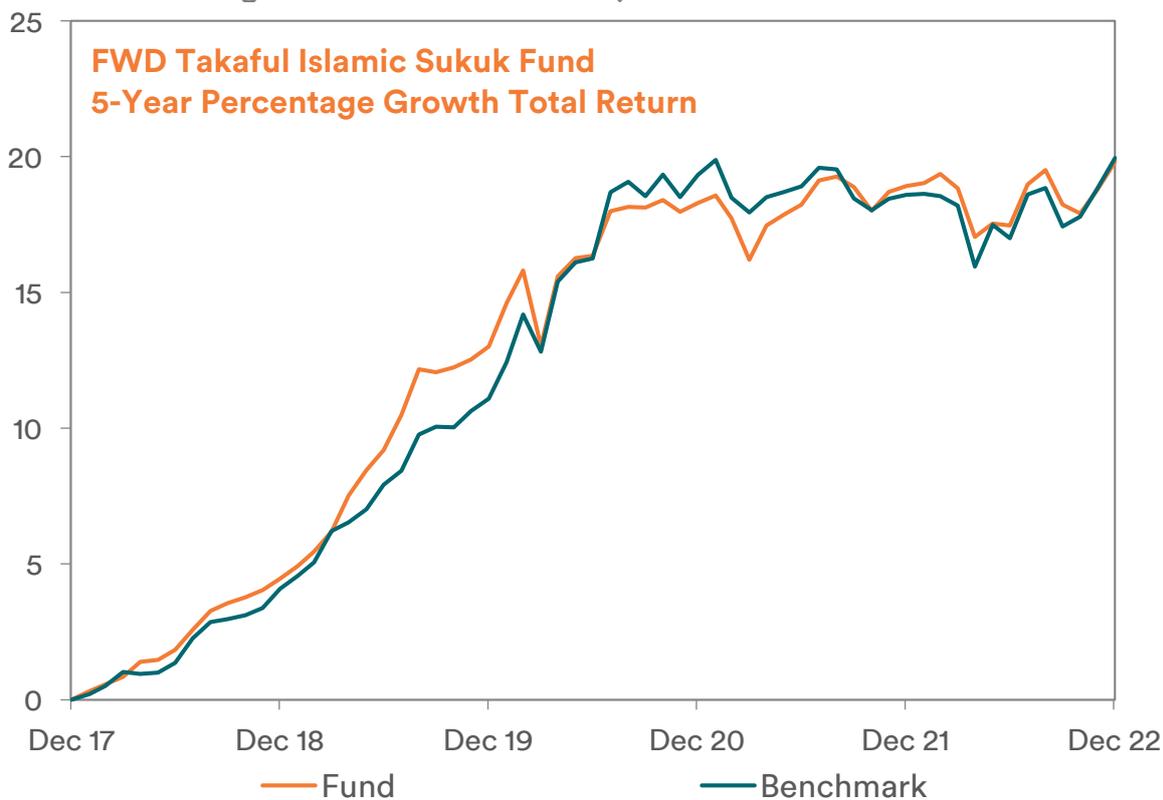
Asset Allocation of Target Fund – Principal Islamic Lifetime Sukuk Fund (as of 31 December 2022)

Asset Category	Asset Allocation (% of NAV)
Cash & Cash Equivalents	3.28%
Unquoted Sukuk	96.72%

Top Holdings of Target Fund as of 31 December 2022:

Securities	Holdings (%)
DRB-Hicom Bhd	8.1
GII Murabahah	6.4
Quantum Solar Park	5.2
Mah Sing Group Bhd	4.2
Tenaga Nasional Bhd	4.1
Imtiaz Sukuk II Bhd	3.9
Konsortium KAJV Sdn Bhd	2.8
MMC Corporation Bhd	2.3
Malaysia Airports Hldg Bhd	2.2
Petroleum Sarawak Exploration & Production	2.2

Performance Graph – Cumulative Return Over the Period (%) (5-Year Percentage Growth vs Benchmark)



Performance Table

FWD Takaful Islamic Sukuk Fund	2022	2021	2020	2019	2018
Total NAV (RM'000)	48,293	49,782	46,569	37,505	30,274
Units in Circulation	35,889	37,273	35,051	29,551	25,805
NAV per Unit (RM)	1.3456	1.3356	1.3286	1.2692	1.1732
Highest NAV per unit (RM)	1.3456	1.3413	1.3304	1.2692	1.1732
Lowest NAV per unit (RM)	1.3074	1.3023	1.2440	1.1738	1.1235
Annual Return	0.75%	0.53%	4.68%	8.18%	4.46%

Cumulative Total Returns	6 Months	1 Year	3 Years	5 Years	Since Inception#
FWD Takaful Islamic Sukuk Fund	1.99%	0.75%	6.02%	19.81%	34.56%
Benchmark	2.53%	1.15%	7.98%	19.95%	28.91%

Since inception: February 2016

The basis of calculation for the past performance:

NAV Return = (End Period NAV per Unit/Begin Period NAV per Unit) - 1

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 contributions paid of the investment-linked product.

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Disclaimer: This Annual Fund Performance Report has been prepared by FWD Takaful Berhad strictly for general information and illustration purposes only and should not be construed as an offer, solicitation, or recommendation to sell or buy any security, financial product or to conclude a Takaful Certificate. Although the materials used in preparing this presentation are obtained from sources believed to be reliable, we make no guarantee on the accuracy and completeness of the information. Any analysis, opinion, and forward-looking statement expressed are without any obligation and subject to change without notification. It is not in any way or manner intended to be or should it be treated as giving you any form of advice. Past performance is not an indication of future performance. We hereby disclaim any liability of whatsoever nature should viewers suffer losses merely relying on the information contained herein. Viewers are advised to contact FWD Takaful Berhad for further information and professional advice pertaining to the products offered by us.

FWD Takaful Berhad

Registration No. 200601011780 [731530-M]
(Incorporated in Malaysia)

INVESTMENT-LINKED FUNDS

Statement by the Manager and Audited
Financial Information
31 December 2022

200601011780 (731530-M)

FWD Takaful Berhad
(Incorporated in Malaysia)
Investment-Linked Funds

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200601011780 (731530-M)

**FWD Takaful Berhad
(Incorporated in Malaysia)
Investment-Linked Funds
Statement by the Manager**

I, Yip Jian Lee, being the Director of FWD Takaful Berhad ("the Manager"), do hereby state that, in the opinion of the Manager, the accompanying financial information of the investment-linked funds of FWD Takaful Berhad, comprising the FWD Takaful LifeSelect Fixed Income Fund, FWD Takaful LifeSelect Equity Fund, FWD Takaful Dynamic Fund, FWD Takaful Asia Pacific Islamic Equity Fund, FWD Takaful World Islamic Equity Fund and FWD Takaful Islamic Sukuk Fund set out on pages 30 to 48 have been prepared in accordance with the accounting policies as described in Note 2 to the financial information and the Guidelines on Investment-Linked Insurance/Takaful Business issued by Bank Negara Malaysia.

On behalf of the Manager,

Yip Jian Lee
Director

Kuala Lumpur, Malaysia
27 March 2023

200601011780 (731530-M)

**Independent auditors' report to the unitholders
of the Investment-linked Funds of
FWD Takaful Berhad
(Incorporated in Malaysia)**

Report on the audit of the financial information

Opinion

We have audited the financial information of FWD Takaful LifeSelect Fixed Income Fund, FWD Takaful LifeSelect Equity Fund, FWD Takaful Dynamic Fund, FWD Takaful Asia Pacific Islamic Equity Fund, FWD Takaful World Islamic Equity Fund and FWD Takaful Islamic Sukuk Fund (collectively referred to as "the Funds"), which comprise the statements of assets and liabilities as at 31 December 2022, and the statements of income and expenditure and the statements of changes in net asset value of the Funds for the year then ended, and a summary of significant accounting policies, as set out on pages 30 to 48.

In our opinion, the accompanying financial information of the Funds for the year ended 31 December 2022 are prepared, in all material respects, in accordance with the accounting policies as described in Note 2 to the financial information and the Guidelines on Investment-linked Insurance/Takaful Business issued by Bank Negara Malaysia.

Basis for opinion

We conducted our audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial information section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of matter

We draw attention to Note 2.1 to the financial information of the Funds, which describes the basis of accounting. The financial information of the Funds are prepared to assist the Funds in complying with the Guidelines on Investment-linked Insurance/Takaful Business issued by Bank Negara Malaysia. As a result, the financial information of the Funds may not be suitable for another purpose. Our report is intended solely for the unitholders of the Funds, as a body and should not be distributed to or used by parties other than the unitholders of the Funds. Our opinion is not modified in respect of this matter.

Independence and other ethical responsibilities

We are independent of the Funds in accordance with the By-Laws (on Professional Ethics, Conduct and Practice) of the Malaysian Institute of Accountants ("By-Laws") and the International Code of Ethics for Professional Accountants (including International Independence Standards) ("IESBA Code") and we have fulfilled our other ethical responsibilities in accordance with the By-Laws and the IESBA Code.

200601011780 (731530-M)

**Independent auditors' report to the unitholders
of the Investment-linked Funds of
FWD Takaful Berhad
(Incorporated in Malaysia)**

Information other than the financial statements and auditors' report thereon

The directors of the Manager ("the directors") are responsible for the other information. The other information comprises the information contained in the Annual Report of the Funds, but does not include the financial information of the Funds and our auditors' report thereon. The Annual Report is expected to be made available to us after the date of our auditors' report.

Our opinion on the financial statements of the Funds does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial information of the Funds, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial information of the Funds or our knowledge obtained in the audit or otherwise appears to be materially misstated.

When we read the Annual Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to the directors of the Manager and take appropriate action.

Responsibilities of the directors for the financial information

The directors are responsible for the preparation of financial information of the Funds in accordance with the accounting policies as described in Note 2 to the financial information and the Guidelines on Investment-linked Insurance/Takaful Business issued by Bank Negara Malaysia. The directors are also responsible for such internal control as the directors determine is necessary to enable the preparation of financial information of the Funds that are free from material misstatement, whether due to fraud or error.

In preparing the financial information of the Funds, the directors are responsible for assessing the Funds' ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Funds or to cease operations, or have no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial information

Our objectives are to obtain reasonable assurance about whether the financial information of the Funds as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with approved standards on auditing in Malaysia and International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial information.

200601011780 (731530-M)

**Independent auditors' report to the unitholders
of the Investment-linked Funds of
FWD Takaful Berhad
(Incorporated in Malaysia)**

Auditors' responsibilities for the audit of the financial information (cont'd.)

As part of an audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial information of the Funds, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Funds' internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Funds' ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial information of the Funds or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Funds to cease to continue as a going concern.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Ernst & Young PLT
202006000003 (LLP0022760-LCA) & AF 0039
Chartered Accountants

Muhammad Syarizal bin Abdul Rahim
No. 03157/01/2025 J
Chartered Accountant

Kuala Lumpur, Malaysia
27 March 2023

200601011780 (731530-M)

FWD Takaful Berhad
(Incorporated in Malaysia)
Investment-Linked Funds

Statements of Assets and Liabilities as at 31 December 2022

		2022					
	Note	FWD Takaful LifeSelect Fixed Income Fund RM'000	FWD Takaful LifeSelect Equity Fund RM'000	FWD Takaful Dynamic Fund RM'000	FWD Takaful Asia Pacific Islamic Equity Fund RM'000	FWD Takaful World Islamic Equity Fund RM'000	FWD Takaful Islamic Sukuk Fund RM'000
Assets							
Investments	3	95,439	112,104	16,203	98,004	87,111	47,808
Deferred tax assets		84	82	107	102	-	140
Other receivables	4	247	212	18	217	465	53
Cash and bank balances		261	590	32	895	1,209	300
Total assets		96,031	112,988	16,360	99,218	88,785	48,301
Liabilities							
Provision for taxation		18	931	-	235	230	8
Deferred tax liabilities		-	-	-	-	519	-
Other payables	5	223	250	3	138	489	-
Total liabilities		241	1,181	3	373	1,238	8
Net asset value of funds ("NAV")		95,790	111,807	16,357	98,845	87,547	48,293
Represented by:							
Unitholders' capital		60,759	71,689	11,906	78,135	74,764	41,379
Undistributed income		35,031	40,118	4,451	20,710	12,783	6,914
Total unitholders' account		95,790	111,807	16,357	98,845	87,547	48,293
Units in circulation		63,192	57,831	12,335	50,345	56,452	35,889
NAV per unit		1.5159	1.9333	1.3261	1.9633	1.5508	1.3456

The accompanying notes form an integral part of the financial information.

200601011780 (731530-M)

FWD Takaful Berhad
(Incorporated in Malaysia)
Investment-Linked Funds

Statements of Assets and Liabilities as at 31 December 2022 (continued)

		2021					
	Note	FWD Takaful LifeSelect Fixed Income Fund RM'000	FWD Takaful LifeSelect Equity Fund RM'000	FWD Takaful Dynamic Fund RM'000	FWD Takaful Asia Pacific Islamic Equity Fund RM'000	FWD Takaful World Islamic Equity Fund RM'000	FWD Takaful Islamic Sukuk Fund RM'000
Assets							
Investments	3	105,021	139,104	19,659	120,391	97,019	49,333
Deferred tax assets		-	-	-	-	-	57
Other receivables	4	134	191	34	147	449	32
Cash and bank balances		652	634	42	1,410	1,105	480
Total assets		105,807	139,929	19,735	121,948	98,573	49,902
Liabilities							
Provision for taxation		52	1,170	21	502	280	34
Deferred tax liabilities		97	1,575	73	2,374	2,407	-
Other payables	5	226	330	165	27	2	86
Total liabilities		375	3,075	259	2,903	2,689	120
NAV		105,432	136,854	19,476	119,045	95,884	49,782
Represented by:							
Unitholders' capital		69,724	81,105	13,316	72,983	62,784	43,232
Undistributed income		35,708	55,749	6,160	46,062	33,100	6,550
Total unitholders' account		105,432	136,854	19,476	119,045	95,884	49,782
Units in circulation		69,173	62,603	13,399	48,067	49,180	37,273
NAV per unit		1.5242	2.1861	1.4536	2.4766	1.9497	1.3356

The accompanying notes form an integral part of the financial information.

200601011780 (731530-M)

FWD Takaful Berhad
(Incorporated in Malaysia)
Investment-Linked Funds

Statements of Income and Expenditure for the Financial Year Ended 31 December 2022

	2022					
	FWD Takaful LifeSelect Fixed Income Fund RM'000	FWD Takaful LifeSelect Equity Fund RM'000	FWD Takaful Dynamic Fund RM'000	FWD Takaful Asia Pacific Islamic Equity Fund RM'000	FWD Takaful World Islamic Equity Fund RM'000	FWD Takaful Islamic Sukuk Fund RM'000
Dividend income	1,818	4,293	621	1,779	-	1,900
Net gain on disposal of investments	-	-	-	1,465	1,435	-
Management fee rebate, net of management fee	-	14	-	329	216	-
Total income	1,818	4,307	621	3,573	1,651	1,900
Unrealised capital loss on investment	(2,261)	(20,704)	(2,245)	(30,960)	(23,605)	(1,047)
Net loss on disposal of investments	(96)	(354)	(147)	-	-	(314)
Management fee, net of management fee rebate	(4)	-	(43)	-	-	(29)
Fund administrative fee	(18)	(18)	(18)	(18)	(18)	(18)
Total outgo	(2,379)	(21,076)	(2,453)	(30,978)	(23,623)	(1,408)
Excess of (outgo over income)/income over outgo before taxation	(561)	(16,769)	(1,832)	(27,405)	(21,972)	492
Taxation	(116)	1,138	123	2,053	1,655	(128)
Net (loss)/income for the year	(677)	(15,631)	(1,709)	(25,352)	(20,317)	364
Distributable income brought forward	35,708	55,749	6,160	46,062	33,100	6,550
Net (loss)/income for the year	(677)	(15,631)	(1,709)	(25,352)	(20,317)	364
Distributable income carried forward	35,031	40,118	4,451	20,710	12,783	6,914

The accompanying notes form an integral part of the financial information.

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FWD Takaful Berhad
(Incorporated in Malaysia)
Investment-Linked Funds

Statements of Income and Expenditure for the Financial Year Ended 31 December 2022 (continued)

	2021					
	FWD Takaful LifeSelect Fixed Income Fund RM'000	FWD Takaful LifeSelect Equity Fund RM'000	FWD Takaful Dynamic Fund RM'000	FWD Takaful Asia Pacific Islamic Equity Fund RM'000	FWD Takaful World Islamic Equity Fund RM'000	FWD Takaful Islamic Sukuk Fund RM'000
Dividend income	2,906	5,212	663	1,970	-	2,578
Unrealised capital gain on investments	-	-	-	258	14,920	-
Net gain on disposal of investments	237	2,242	187	4,664	2,184	11
Management fee rebate, net of management fee	-	12	-	374	209	-
Total income	3,143	7,466	850	7,266	17,313	2,589
Unrealised capital loss on investment	(5,277)	(5,121)	(401)	-	-	(2,376)
Management fee, net of management fee rebate	(4)	-	(52)	-	-	(29)
Fund administrative fee	(18)	(18)	(18)	(18)	(18)	(18)
Total outgo	(5,299)	(5,139)	(471)	(18)	(18)	(2,423)
Excess of (outgo over income)/income over outgo before taxation	(2,156)	2,327	379	7,248	17,295	166
Taxation	267	(931)	(17)	(613)	(1,513)	120
Net (loss)/income for the year	(1,889)	1,396	362	6,635	15,782	286
Distributable income brought forward	37,597	54,353	5,798	39,427	17,318	6,264
Net (loss)/income for the year	(1,889)	1,396	362	6,635	15,782	286
Distributable income carried forward	35,708	55,749	6,160	46,062	33,100	6,550

The accompanying notes form an integral part of the financial information.

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FWD Takaful Berhad
(Incorporated in Malaysia)
Investment-Linked Funds

Statements of Changes in Net Asset Value for the Financial Year Ended 31 December 2022

	2022			2021		
	Unitholders' capital RM'000	Distributable income RM'000	Total RM'000	Unitholders' capital RM'000	Distributable income RM'000	Total RM'000
FWD Takaful LifeSelect Fixed Income Fund						
NAV at the beginning of the financial year	69,724	35,708	105,432	69,558	37,597	107,155
Net loss for the year	-	(677)	(677)	-	(1,889)	(1,889)
Amounts received from units created	9,154	-	9,154	15,002	-	15,002
Amounts paid for units cancelled	(18,119)	-	(18,119)	(14,836)	-	(14,836)
NAV at the end of the financial year	60,759	35,031	95,790	69,724	35,708	105,432
FWD Takaful LifeSelect Equity Fund						
NAV at the beginning of the financial year	81,105	55,749	136,854	92,884	54,353	147,237
Net (loss)/income for the year	-	(15,631)	(15,631)	-	1,396	1,396
Amounts received from units created	10,394	-	10,394	8,735	-	8,735
Amounts paid for units cancelled	(19,810)	-	(19,810)	(20,514)	-	(20,514)
NAV at the end of the financial year	71,689	40,118	111,807	81,105	55,749	136,854

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FWD Takaful Berhad
(Incorporated in Malaysia)
Investment-Linked Funds

Statements of Changes in Net Asset Value for the Financial Year Ended 31 December 2022 (continued)

	2022			2021		
	Unitholders' capital RM'000	Distributable income RM'000	Total RM'000	Unitholders' capital RM'000	Distributable income RM'000	Total RM'000
<u>FWD Takaful Dynamic Fund</u>						
NAV at the beginning of the financial year	13,316	6,160	19,476	15,432	5,798	21,230
Net (loss)/income for the year	-	(1,709)	(1,709)	-	362	362
Amounts received from units created	1,581	-	1,581	1,687	-	1,687
Amounts paid for units cancelled	(2,991)	-	(2,991)	(3,803)	-	(3,803)
NAV at the end of the financial year	11,906	4,451	16,357	13,316	6,160	19,476
<u>FWD Takaful Asia Pacific Islamic Equity Fund</u>						
NAV at the beginning of the financial year	72,983	46,062	119,045	60,421	39,427	99,848
Net (loss)/income for the year	-	(25,352)	(25,352)	-	6,635	6,635
Amounts received from units created	34,617	-	34,617	42,752	-	42,752
Amounts paid for units cancelled	(29,465)	-	(29,465)	(30,190)	-	(30,190)
NAV at the end of the financial year	78,135	20,710	98,845	72,983	46,062	119,045

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FWD Takaful Berhad
(Incorporated in Malaysia)
Investment-Linked Funds

Statements of Changes in Net Asset Value for the Financial Year Ended 31 December 2022 (continued)

	2022			2021		
	Unitholders' capital RM'000	Distributable income RM'000	Total RM'000	Unitholders' capital RM'000	Distributable income RM'000	Total RM'000
<u>FWD Takaful World Islamic Equity Fund</u>						
NAV at the beginning of the financial year	62,784	33,100	95,884	45,953	17,318	63,271
Net (loss)/income for the year	-	(20,317)	(20,317)	-	15,782	15,782
Amounts received from units created	32,314	-	32,314	33,409	-	33,409
Amounts paid for units cancelled	(20,334)	-	(20,334)	(16,578)	-	(16,578)
NAV at the end of the financial year	74,764	12,783	87,547	62,784	33,100	95,884
<u>FWD Takaful Islamic Sukuk Fund</u>						
NAV at the beginning of the financial year	43,232	6,550	49,782	40,305	6,264	46,569
Net income for the year	-	364	364	-	286	286
Amounts received from units created	11,952	-	11,952	13,012	-	13,012
Amounts paid for units cancelled	(13,805)	-	(13,805)	(10,085)	-	(10,085)
NAV at the end of the financial year	41,379	6,914	48,293	43,232	6,550	49,782

FWD Takaful Berhad
(Incorporated in Malaysia)
Investment-Linked Funds

Notes to the financial information

1. The Manager and its Principal Activities

The Manager, FWD Takaful Berhad, is a public limited liability company, incorporated and domiciled in Malaysia. Its principal activity is the management of Family Takaful and Takaful investment-linked business. There have been no significant changes in the nature of the principal activities during the financial year.

The registered office of the Manager and the address of the principal place of business are as follows:

Level 29, Menara Shell
No. 211 Jalan Tun Sambanthan,
50470 Kuala Lumpur, Malaysia.

The investment objective of the Funds are as follows:

- (a) FWD Takaful LifeSelect Fixed Income Fund aims to achieve capital growth over the medium to long term by investing in one or more Shariah-compliant collective investment schemes ("Target Fund") that invest primarily in Sukuk and any other permissible liquid assets under the Shariah principles.
- (b) FWD Takaful LifeSelect Equity Fund aims to achieve capital growth in the medium to long term by investing in Shariah-compliant collective investment schemes ("Target Funds") which invest in Shariah-compliant equities, equity related securities and other permissible liquid assets under the Shariah principles.
- (c) FWD Takaful Dynamic Fund aims to achieve capital appreciation by investing in Eastspring Investments Dana Dinamik ("Target Fund"), a Shariah-compliant collective investment scheme that seeks to provide investors with capital appreciation by actively investing in Shariah-approved equities and equity related securities. For defensive considerations, the fund may invest in Shariah-approved debentures and money market instruments.
- (d) FWD Takaful Asia Pacific Islamic Equity Fund aims to achieve long term capital appreciation by investing in the Principal Islamic Asia Pacific Dynamic Equity Fund ("Target Fund"), a Shariah-compliant collective investment scheme that invests in the emerging and developed markets of Asia Pacific excluding Japan region.
- (e) FWD Takaful World Islamic Equity Fund aims to achieve capital appreciation by investing in the abrdn Islamic World Equity Fund ("Target Fund"), a Shariah-compliant collective investment scheme that aims to achieve capital appreciation in the long term through investments in Shariah-compliant equities and equity related securities.

FWD Takaful Berhad
(Incorporated in Malaysia)
Investment-Linked Funds

Notes to the financial information (continued)

1. The Manager and its Principal Activities (continued)

The investment objective of the Funds are as follows: (continued)

- (f) FWD Takaful Islamic Sukuk Fund aims to achieve capital appreciation in the medium to long term by investing in the Principal Islamic Lifetime Sukuk Fund ("Target Fund"), a Shariah-compliant collective investment scheme that aims to gain higher than average income over the medium to long term by investing in a diversified portfolio consisting principally of Sukuk, certificates of deposit, short term money market instruments and other permissible investments under the Shariah principles.

2. Significant accounting policies

2.1 Basis of preparation

(a) Basis of accounting

The financial information of the Funds have been prepared in accordance with the accounting policies as set out in Note 2.2 and the Guidelines on Investment-linked Insurance/Takaful Business issued by Bank Negara Malaysia ("BNM"). These financial information are only for information purpose to the participant of the Funds in accordance to Bank Negara's Guidelines.

(b) Basis of measurement

The financial information of the Funds have been prepared on a historical cost basis, unless otherwise indicated in the summary of significant accounting policies.

(c) Functional and presentation currency

The financial statements are presented in Ringgit Malaysia ("RM") and all values are rounded to the nearest thousand ("RM'000") except when otherwise indicated.

2.2 Summary of significant accounting policies

(a) Investments and financial assets

Initial recognition and measurement

Financial assets are recognised when, and only when, the Funds become a party to the contractual provisions of the financial assets. The Funds determine the classification of its financial assets at initial recognition.

FWD Takaful Berhad
(Incorporated in Malaysia)
Investment-Linked Funds

Notes to the financial information (continued)

2. Significant accounting policies (continued)

2.2 Summary of significant accounting policies (continued)

(a) Investments and financial assets (continued)

Initial recognition and measurement (continued)

At initial recognition, the Funds measure a financial asset at its fair value, plus, in the case of a financial asset not at Fair Value through Profit and Loss ("FVTPL"), transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs for financial assets carried at FVTPL are recognised as other outgo in the statement of income and expenditure.

Classification and subsequent measurement

The Funds determine the classification of its financial assets at initial recognition and this depends on the purpose for which the financial assets were acquired or originated.

Financial assets held at FVTPL are subsequently carried at fair value, with gains and losses arising from changes in fair value recognised in statement of income and expenditure. Net gains or net losses on financial assets at FVTPL do not include exchange differences and dividend income. Exchange differences and dividend income on financial assets at FVTPL are recognised separately in statement of income and expenditure as other income or outgo or investment income, as appropriate.

(b) Other receivables

Other receivables comprise balances due from brokers and other investment receivables. Other receivables are recognised when due and measured on initial recognition at the fair value of the consideration received or receivable.

Other receivables are derecognised when the rights to receive cash flows from them have expired or when they have been transferred and the Funds have also transferred substantially all risks and rewards of ownership.

(c) Financial liabilities and other payables

Financial liabilities and other payables are recognised in the statement of financial position when the Funds become a party to the contractual obligations of the financial instrument.

All financial liabilities are classified as other financial liabilities.

FWD Takaful Berhad
(Incorporated in Malaysia)
Investment-Linked Funds

Notes to the financial information (continued)

2. Significant accounting policies (continued)

2.2 Summary of significant accounting policies (continued)

(c) Financial liabilities and other payables (continued)

Other financial liabilities are recognised when due and measured on initial recognition at the fair value of the consideration received plus directly attributable transaction costs. Subsequent to initial recognition, they are measured at amortised cost using the effective yield method.

A financial liability is derecognised when the obligation under the liability is discharged, cancelled or expired. Gains or losses are recognised in the statement of income and expenditure.

(d) Fair value measurement

The Funds measure investments and financial assets at fair value at each reporting date.

The Fund use valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value.

The fair value for investments in quoted unit trusts (collective investment schemes) is determined by reference to published net asset values.

(e) Derecognition of financial assets and liabilities

A financial asset is derecognised when the contractual right to receive cash flows from the asset has expired or when the Funds have transferred substantially all risks and rewards of ownership.

On derecognition of a financial asset in its entirety, the difference between the carrying amount and the sum of the consideration received and any cumulative gain or loss that had been recognised previously is recognised in statement of income and expenditure.

A financial liability is derecognised when the obligation under the liability is extinguished. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in statement of income and expenditure.

FWD Takaful Berhad
(Incorporated in Malaysia)
Investment-Linked Funds

Notes to the financial information (continued)

2. Significant accounting policies (continued)

2.2 Summary of significant accounting policies (continued)

(f) Regular way purchase or sale of a financial asset

All regular way purchases and sales of financial assets are recognised or derecognised on trade date i.e., the date that the Funds commit to purchase or sell the asset. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the period generally established by regulation or convention in the marketplace concerned.

A regular way purchase or sale of financial assets is recognised and derecognised, as applicable, using the trade date accounting. Trade date accounting refers to:

- (i) The recognition of an asset to be received and the liability to pay for it on the trade date; and
- (ii) Derecognition of an asset that is sold, recognition of any gain or loss on disposal and the recognition of a receivable from the buyer for payment on the trade date.

(g) Creation or cancellation of units

Net creation of units represent contributions paid by participants or unit holders as payments for new certificate or subsequent payments to increase the amount of that certificate. Net creation of units is recognised on a receipt basis.

Creation or cancellation of units is recognised in the statements of changes in net asset value at the next valuation date, after the request to purchase or sell units is received from the participants or unit holders.

(h) Revenue Recognition

Revenue is recognised at an amount that reflects the consideration to which the Funds expect to be entitled when the performance obligation is satisfied. Revenue is measured at the fair value of consideration received or receivable.

Dividend income

Dividend income is recognised when the right to receive payment is established.

Notes to the financial information (continued)

2. Significant accounting policies (continued)

2.2 Summary of significant accounting policies (continued)

(h) Revenue Recognition (continued)

Gains and losses on disposal of investments

All sales of investments are recognised on their trade dates i.e., the date the Fund Manager commits to sell the assets. Gains or losses arising from the sale of investments are calculated as the difference between net sales proceeds and the original or carrying amount and are credited or charged to the statement of income and expenditure.

(i) **Income Tax Expense**

Income tax in the statements of income and expenditure for the year comprises current and deferred tax. Current tax is the expected amount of income taxes payable in respect of the taxable income for the year and is measured using tax rates that have been enacted at the reporting date.

Deferred tax is provided for, using the liability method, on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts in the statements of assets and liabilities. In principle, deferred tax liabilities are recognised for all taxable temporary differences and deferred tax assets are recognised for all deductible temporary differences, unused taxed losses and unused tax credits. Deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which the deductible temporary differences, unused tax losses and unused tax credits can be utilised.

(j) **Cash and bank balances**

Cash and bank balances comprise cash at bank and on hand, excluding deposits with licensed financial institutions, which have an insignificant risk of changes in value.

(k) **Unitholders' capital**

Unitholders' capital of the Funds represent the equity in the statements of assets and liabilities.

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FWD Takaful Berhad
(Incorporated in Malaysia)
Investment-Linked Funds

Notes to the financial information (continued)

3. Investments

	2022	2021
	RM'000	RM'000
FWD Takaful LifeSelect Fixed Income Fund		
At Cost	96,485	103,806
Unrealised capital (loss)/gain	(1,046)	1,215
At indicative market value	<u>95,439</u>	<u>105,021</u>

The composition, cost and fair value of the Islamic collective investment scheme as at 31 December 2022 are as detailed below:

	No. of units	Cost	Fair value	Fair value
	'000	RM'000	RM'000	as % of NAV
AHAM Aiiman Income Plus Fund	<u>167,555</u>	<u>96,485</u>	<u>95,439</u>	<u>99.63%</u>

	2022	2021
	RM'000	RM'000
FWD Takaful LifeSelect Equity Fund		
At Cost	113,127	119,423
Unrealised capital (loss)/gain	(1,023)	19,681
At indicative market value	<u>112,104</u>	<u>139,104</u>

The composition, cost and fair value of the Islamic collective investment schemes as at 31 December 2022 are as detailed below:

	No. of units	Cost	Fair value	Fair value
	'000	RM'000	RM'000	as % of NAV
Eastspring Investments Dana Al-Ilham	91,835	61,365	56,240	50.30%
Affin Hwang Aiiman Growth Fund	<u>49,534</u>	<u>51,762</u>	<u>55,864</u>	<u>49.96%</u>
	<u>141,369</u>	<u>113,127</u>	<u>112,104</u>	<u>100.27%</u>

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FWD Takaful Berhad
(Incorporated in Malaysia)
Investment-Linked Funds

Notes to the financial information (continued)

3. Investments (continued)

	2022 RM'000	2021 RM'000
FWD Takaful Dynamic Fund		
At Cost	17,536	18,747
Unrealised capital (loss)/gain	(1,333)	912
At indicative market value	<u>16,203</u>	<u>19,659</u>

The composition, cost and fair value of the Islamic collective investment scheme as at 31 December 2022 are as detailed below:

	No. of units '000	Cost RM'000	Fair value RM'000	Fair value as % of NAV
Eastspring Investments Dana Dinamik	<u>18,110</u>	<u>17,536</u>	<u>16,203</u>	<u>99.06%</u>

	2022 RM'000	2021 RM'000
FWD Takaful Asia Pacific Islamic Equity Fund		
At Cost	99,279	90,706
Unrealised capital (loss)/gain	(1,275)	29,685
At indicative market value	<u>98,004</u>	<u>120,391</u>

The composition, cost and fair value of the Islamic collective investment scheme as at 31 December 2022 are as detailed below:

	No. of units '000	Cost RM'000	Fair value RM'000	Fair value as % of NAV
Principal Islamic Asia Pacific Dynamic Equity Fund	<u>178,027</u>	<u>99,279</u>	<u>98,004</u>	<u>99.15%</u>

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FWD Takaful Berhad
(Incorporated in Malaysia)
Investment-Linked Funds

Notes to the financial information (continued)

3. Investments (continued)

	2022	2021
	RM'000	RM'000
FWD Takaful World Equity Fund		
At Cost	80,629	66,932
Unrealised capital gain	6,482	30,087
At indicative market value	<u>87,111</u>	<u>97,019</u>

The composition, cost and fair value of the Islamic collective investment scheme as at 31 December 2022 are as detailed below:

	No. of units	Cost	Fair value	Fair value
	'000	RM'000	RM'000	as % of NAV
abrdn Islamic World Equity Fund	<u>43,680</u>	<u>80,629</u>	<u>87,111</u>	<u>99.50%</u>

	2022	2021
	RM'000	RM'000
FWD Takaful Islamic Sukuk Fund		
At Cost	49,562	50,040
Unrealised capital loss	(1,754)	(707)
At indicative market value	<u>47,808</u>	<u>49,333</u>

The composition, cost and fair value of the Islamic collective investment scheme as at 31 December 2022 are as detailed below:

	No. of units	Cost	Fair value	Fair value
	'000	RM'000	RM'000	as % of NAV
Principal Islamic Lifetime Sukuk Fund	<u>38,085</u>	<u>49,562</u>	<u>47,808</u>	<u>99.00%</u>

FWD Takaful Berhad
(Incorporated in Malaysia)
Investment-Linked Funds

Notes to the financial information (continued)

4. Other receivables

	2022	2021
	RM'000	RM'000
FWD Takaful LifeSelect Fixed Income Fund		
Amounts due from investment brokers	187	65
Other receivables	60	69
	<u>247</u>	<u>134</u>
FWD Takaful LifeSelect Equity Fund		
Amounts due from investment brokers	108	60
Other receivables	104	131
	<u>212</u>	<u>191</u>
FWD Takaful Dynamic Fund		
Amounts due from investment brokers	6	20
Other receivables	12	14
	<u>18</u>	<u>34</u>
FWD Takaful Asia Pacific Islamic Equity Fund		
Amounts due from investment brokers	97	-
Other receivables	120	147
	<u>217</u>	<u>147</u>
FWD Takaful World Islamic Equity Fund		
Amounts due from investment brokers	245	-
Amounts due from family takaful fund	-	214
Other receivables	220	235
	<u>465</u>	<u>449</u>
FWD Takaful Islamic Sukuk Fund		
Amounts due from investment brokers	15	3
Amounts due from family takaful fund	11	-
Other receivables	27	29
	<u>53</u>	<u>32</u>

The amounts due from family takaful fund are trade in nature, unsecured, profit-free and repayable on demand.

FWD Takaful Berhad
(Incorporated in Malaysia)
Investment-Linked Funds

Notes to the financial information (continued)

5. Other payables

	2022	2021
	RM'000	RM'000
FWD Takaful LifeSelect Fixed Income Fund		
Amounts due to family takaful fund	223	226
FWD Takaful LifeSelect Equity Fund		
Amounts due to family takaful fund	250	330
FWD Takaful Dynamic Fund		
Amounts due to family takaful fund	3	165
FWD Takaful Asia Pacific Islamic Equity Fund		
Amounts due to family takaful fund	138	25
Other payable	-	2
	<u>138</u>	<u>27</u>
FWD Takaful World Islamic Equity Fund		
Amounts due to family takaful fund	489	-
Other payable	-	2
	<u>489</u>	<u>2</u>
FWD Takaful Islamic Sukuk Fund		
Amounts due to family takaful fund	-	86

The amounts due to family takaful fund are trade in nature, unsecured, profit-free and repayable on demand.

6. Financial instruments

The funds are exposed to foreign currency, market, credit, liquidity and profit rate risks.

Market risk

Market risk arises when the value of the investments fluctuates in response to the activities of the individual companies, general market or economic conditions. The Manager manages the risk by continuous monitoring of the performance and risk profile of the investment portfolio.

Credit risk

Credit risk refers to the ability of a counterparty to make timely payments of income distribution, principle amounts and proceeds from realisation of investments. The Manager manages the credit risk by undertaking credit evaluation to minimise such risk.

For proceeds from injection or subscription and redemption of collective investment schemes, the settlement terms are set out in the applicable operating memorandum agreement signed between FWD Takaful Berhad and the respective external fund managers.

Liquidity risk

Liquidity risk is the risk that the Investment-Linked Fund may encounter in meeting its financial obligations. The Manager manages this risk by maintaining sufficient level of liquidity to meet anticipated payment and redemption of units by participants.

Profit rate risk

Profit rate risk is the risk that the value of the Investment-Linked Funds will fluctuate because of changes in market profit rates. Profit rates moves in the opposite direction of Sukuk prices. When the profit rate rises, Sukuk prices fall and vice versa. The profit rate risk is monitored through periodic reviews of its assets and liabilities positions with the objective to limit the net changes in the value of assets and liabilities arising from profit rate movements.

Fair values

The fair values of investments have been disclosed in Note 3. The basis of deriving the fair values is disclosed in Note 2.2 (d).

FWD Takaful Berhad

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