

# Support your child's ambitions, always



For our children's sake, many of us make financial sacrifices that may impact other areas of our life plans. While we diligently save money in the bank every month for our children's education, are we sacrificing the care that our family deserves and our own financial plans for the future?

PROTECTION BY PIDM ON BENEFITS PAYABLE FROM THE UNIT PORTION OF THIS CERTIFICATE IS SUBJECT TO LIMITATIONS. Please refer to PIDM's TIPS Brochure or contact FWD Takaful or PIDM (visit [www.pidm.gov.my](http://www.pidm.gov.my)).

FWD Takaful Berhad is a member of PIDM.

# As parents, we all have hopes and dreams for our children.

Top of the list would probably be to give them a world-class tertiary education to open the door to a world of opportunities and give them the means to succeed later in life.

Finding that delicate balance is not easy. But it is not impossible. By making a smart decision early, you can grow sufficient savings for your children's future education while providing the protection that your family needs.



**74% of parents** are funding their child's education from day-to-day income\*

#### ◆ Fund their future with peace-of-mind

Takaful Future Education is an investment-linked plan that potentially helps you grow your savings while protecting your financial plans so that you can invest more in your children's future without sacrificing other areas in your life.

#### ◆ Protect

Protect your family if the unexpected happens so that your life plans stay on track.

#### ◆ Build

Build your children's education fund through investing in Shariah-compliant investment funds.

#### ◆ How this plan works

Takaful Future Education is a 5-year limited pay regular contribution investment-linked takaful plan that allows you to achieve a balance between your protection needs and investing to build a brighter future for your children with a minimum sum covered of either RM100,000 or based on the sum covered multiple requirements below, whichever is higher. The maximum sum covered is subject to underwriting and sustainability requirements.

#### Sum Covered Multiple Table

Covered Person's Entry Age Band	Minimum Sum Covered (Multiple of Annual Contribution)
0 - 16	60
17 - 25	55
26 - 35	50
36 - 45	35
46 - 55	25
56 - 65	15

For example, if your child is 10 years old and you would like to make a contribution of RM6,000 a year, the minimum amount of Sum Covered for the Basic Coverage is calculated as follows: RM6,000 x 60 (Minimum Sum Covered multiples) = RM360,000

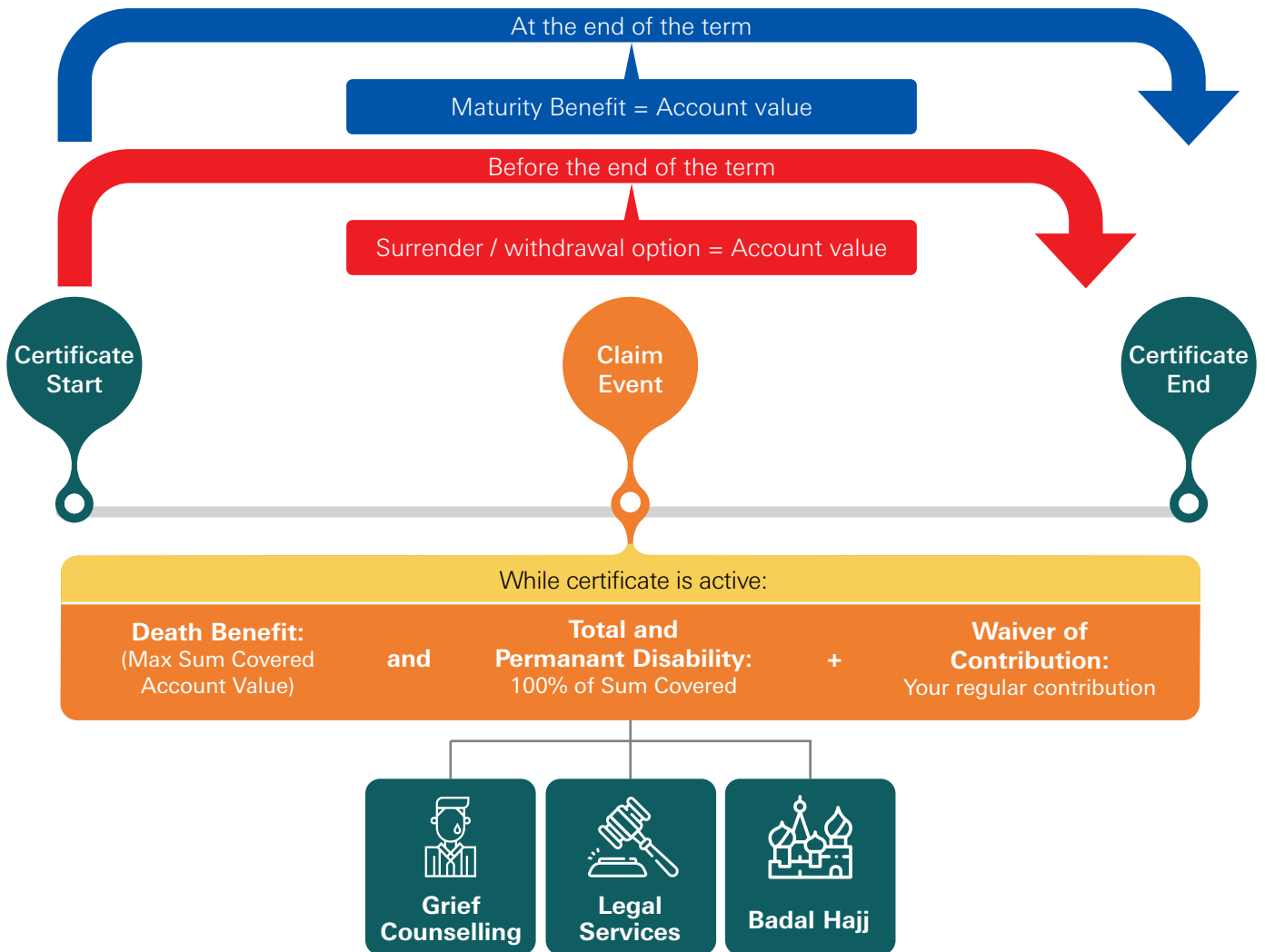
Based on the example above, your 10-year-old child's minimum sum covered is RM360,000. Note that juvenile lien is not applicable, but the maximum sum covered for children ≤ 16 at next birthday is capped at MYR500,000.

The minimum contribution for this 5-year limited pay product is RM500 per month.

#### Eligibility (age at next birthday)

	Age when you can apply for cover	Age when cover ends
Certificate owner	Must be between 17 and 65 years old	–
Person covered	Must be between 1 month and 10 years old	Cover ends at age 25**

\*The Value of Education-Higher and higher - HSBC Group, 28 June 2017. \*\*You can opt to choose a coverage term of up to maximum age 25 age next birthday, subject to minimum certificate term of 15 years.



## Protection benefits

### Death benefit

If the person covered passes away, we will pay 100% of the sum covered or your account value in the Participants' Savings Account whichever is higher.

### Total and permanent disability (TPD) benefit

If the person covered suffers TPD before he/she is 25, we will pay 100% of the sum covered.

### Waiver of contribution benefit

If we pay a TPD claim, we will waive future contributions on the base plan until expiry so you will not have to worry about the additional financial burden.

### 3 simple exclusions

There are only 3 events where we will not pay the benefits under the certificate:

#### Suicide or self-inflicted act

The death, total and permanent disability or waiver of contribution benefit under this certificate will not be paid if the claim arises from suicide, attempted suicide or self-inflicted act by a person covered within one year from: the start of your certificate, or the date we last reinstated your certificate; or the date we last approved an increase in the death benefit under your certificate.

#### War

The death, total and permanent disability or waiver of contribution benefit under this certificate will not be paid if the claim is a result of an act of war (whether declared or not), coup, revolution, riot, or any similar event.

#### Unlawful act

The death, total and permanent disability or waiver of contribution benefit under this certificate will not be paid if the claim arises because you or a person covered wilfully participated in an unlawful act or unlawful failure to act.

# Flexible protection

to meet your  
changing needs

**10% increase  
for life event**



Getting  
married



Giving birth  
or adopting  
a child



Purchasing a home  
as a permanent  
residence with  
a mortgage



Completing your  
first tertiary  
education  
qualification



Starting your  
first paid job

Enjoy the flexibility to increase your sum covered by 10% without underwriting upon any two of these life events happening which alters your circumstances and financial priorities. You can increase the sum covered using the life events increase option once for each life event but not more than twice during the coverage term of the certificate.

## 5% automatic annual increase

Choose to increase your sum covered automatically by 5% each year without underwriting for up to 6 years continuously by activating the automatic yearly increase to keep up with your growing protection needs and financial commitments.

## Conversion option

If you would like to keep your protection and investment in place after the expiry date, you can choose to convert your education-focused plan for your child into a wealth management-focused plan for the future.

## Future contributions waiver

Gain peace-of-mind knowing that your child's future needs will continue to be covered with the inclusion of the Takaful Payor Rider as part of this plan. If something happens to you and you are no longer able to pay contributions, Takaful Payor Rider will waive the future contributions of the base plan so it continues until maturity date. You can also claim tax relief by offsetting contributions under education insurance.

## Tax benefits

The benefits paid out under this plan are tax-free and the contributions made may be eligible for tax relief under the Income Tax Act 1967. Please check with your tax adviser on your eligibility and note that this is subject to the final decision by the Inland Revenue Board.

## Comprehensive protection option

You have the choice to add the optional contribution paying rider, Takaful Accidental Death Benefit Rider, to build a more comprehensive protection plan.

# 59% of parents worry that they are not doing the best for their children\*



## Support in your time of need

### ◆ Grief counselling

Under the certificate, we will pay up to RM2,000 for a maximum of 10 one hour long counselling sessions with a grief counsellor from our panel. However, if you arrange your own grief counsellor, the same amount applies. We will reimburse the actual amount until the total charged reaches RM2,000

### ◆ Legal services

Under the certificate, we will pay the death benefit, and pay up to RM2,000 for a maximum of 3 one hour long legal advice sessions on estate administration with a legal adviser from our panel. However, if you arrange your own legal adviser, the same amount applies. We will reimburse the actual amount until the total amount charged reaches RM2,000.

### ◆ Religious obligation

For Muslims, we will arrange and pay for the Badal Hajj from our panel of service providers. For non-Muslims, we will pay RM2,000 as a lump sum benefit.

### ◆ Give them a head start in life

While helping to protect your family, Takaful Future Education will also put your money to work simultaneously to help potentially grow your savings for the future. A portion of your regular contributions will be invested in your chosen fund(s) from 7 Shariah-compliant investment funds available.

**FWD Takaful LifeSelect Equity Fund**  
**FWD Takaful Asia Pacific Islamic Equity Fund**  
**FWD Takaful Dynamic Fund**  
**FWD Takaful Islamic Sukuk Fund**  
**FWD Takaful World Islamic Equity Fund**  
**FWD Takaful Global Mixed Assets Fund**  
**FWD Takaful Global Sustainable Equity Fund**

### ◆ Flexibility to access or top-up your investments

While the goal may be to maximise your savings growth, we understand that things do happen and you may need to access your savings either immediately or periodically. So, we have designed Takaful Future Education with flexible withdrawal options.

If you choose to, you also have the flexibility to invest more via top-ups.

### ◆ Regular withdrawals

You can set up regular withdrawals based on your personal needs while allowing the rest of your investment to potentially grow without additional charges.\*\*

### ◆ Partial withdrawals

You can make partial withdrawals if the need arises. You can choose to withdraw from a specific fund without any extra charges.

### ◆ Redirect your contributions

If you want future contributions to be invested into specific funds, you can choose to do so without impacting your existing fund selection.

### ◆ Required contributions

You can opt to make monthly, quarterly, semi-annual or annual contributions. In the event that you stop paying the regular contribution and provided that your account value in the Participants' Savings Account is sufficient, we will use the amount to pay for the monthly Tabarru' (donation) (including for the optional contribution paying rider(s) attached to the base certificate) and monthly service Wakalah fee until your account value in the Participants' Savings Account is exhausted and the Takaful coverage shall cease.

### ◆ Maturity

Hold your certificate till maturity and cash-in your account value automatically.

\*The Value of Education-Higher and higher - HSBC Group, 28 June 2017. \*\*The investment returns will fluctuate (i.e. rise or fall) based on actual performance of the investment-linked funds.

## FEES AND CHARGES

Description	Fees and charges
<b>Wakalah Fee</b>	A portion of the Wakalah Fee will be used to pay the commission to the intermediaries. Wakalah Fee as a percentage of contribution: <ul style="list-style-type: none"> <li>• Regular contribution – from 0% to 30%</li> <li>• Regular/Ad-hoc top-up – 5%</li> </ul>
<b>Tabarru' (Donation)</b>	<ul style="list-style-type: none"> <li>• Tabarru' rates are not level and are based on Person covered's/Certificate owner's age at next birthday, gender, amount of coverage, health status, smoker status, occupation.</li> <li>• Tabarru' is deducted monthly from the Participants' Savings Account.</li> </ul>
<b>Service Wakalah Charge</b>	RM7 per month deducted from the Participants' Savings Account.
<b>Fund Management Wakalah Charge (chargeable as a percentage of fund value)</b>	<ul style="list-style-type: none"> <li>• FWD Takaful LifeSelect Equity Fund – 1.5% p.a.</li> <li>• FWD Takaful Asia Pacific Islamic Equity Fund – 1.5% p.a.</li> <li>• FWD Takaful Dynamic Fund – 1.5% p.a.</li> <li>• FWD Takaful World Islamic Equity Fund – 1.5% p.a.</li> <li>• FWD Takaful Islamic Sukuk Fund – 1.0% p.a.</li> <li>• FWD Takaful Global Mixed Assets Fund – 1.5% p.a.</li> <li>• FWD Takaful Global Sustainable Equity Fund – 1.5% p.a.</li> </ul>
<b>Contribution Holiday Charge</b>	This is a charge if you do not pay your contractual contributions during the first three certificate years. It will be 2% of each missed contribution due and will be deducted from your Participants' Savings Account.
<b>Stamp Duty</b>	A one-time stamp duty of RM10 will be borne by the Certificate owner, to be paid with the initial contribution.

This is a takaful product that is tied to the performance of underlying assets, and is not a pure investment product such as unit trusts.

### Investment-linked funds

The contribution you made (less Wakalah Fee) will be invested into the investment-linked fund(s) of your choice. Each investment choice has its own inherent risks and is subject to market value fluctuations. The value of the investment-linked funds will be based on actual performance and the investment return is not guaranteed. The investment risk of these investment-linked funds will be borne solely by you. In the worst-case scenario, the value of your investment fund(s) under the plan may be worth substantially less than the original total contribution amount you have invested in the plan. Please refer to the Fund Fact Sheet for the description of the underlying investments and the associated risks of each fund.

### Participants' Risk Fund

The monthly Tabarru' will be deducted from your account value in the Participants' Savings Account and credited to Participants' Risk Fund from which protection benefits are paid. As a reward for managing and administering the Participants' Risk Fund the Takaful Operator is entitled to an incentive equal to 50% of the surplus to be distributed. The balance 50% of the surplus will be distributed among eligible participants and your entitlement will be allocated yearly as additional units in your account value in the Participants' Savings Account.

### Surrender

In the event of surrender, your account value in the Participants' Savings Account will be paid. However, you will lose the benefits under this Certificate and the amount payable to you may be less than the total contribution you have made. You will no longer be entitled to any portion of payments from the Participants' Risk Fund upon your surrender of this plan.

### Important notes

You should satisfy yourself that the investment-linked plan and the riders (if any) that you intend to participate in will best serve your needs and that the contribution prescribed for this plan is an amount you can afford.

Takaful Future Education is an investment-linked Takaful plan that provides protection benefits on Death and TPD. If you need a plan that offers more comprehensive protection, HSBC Amanah has other savings and protection options that could be more suited to your needs.

You may review the suitability of the plan and may cancel your participation within 15 days from the date of delivery of the Certificate ("cooling-off period"). On cancellation within the cooling-off period FWD Takaful Berhad, Registration No. 200601011780 (731530-M) ("Takaful Operator") will refund your Participants' Savings Account based on the Bid Price<sup>1</sup> at the valuation date immediately after we receive your request, Wakalah fee, monthly service Wakalah fee and Tabarru' (less medical examination fee incurred where applicable).

If you surrender the certificate in the early years of the plan, you may not be able to obtain the total contribution you have made.

This plan is managed by FWD Takaful Berhad with its principal place of business at Level 29 Menara Shell, 211 Jalan Tun Sambanthan Brickfields, 50470 Kuala Lumpur. FWD Takaful Berhad is licensed under the Islamic Financial Services Act 2013 and is regulated by Bank Negara Malaysia. HSBC Amanah Malaysia Berhad 200801006421 (807705-X) is the intermediary in the distribution of this plan in Malaysia and may be remunerated/paid a commission by FWD Takaful Berhad. Products and services referred to in this brochure are offered in Malaysia only.

Please consult your Relationship Managers, for further information on the product.

\* HSBC Holdings plc, The value of education: Higher and higher, 2017.

<sup>1</sup> Bid Price is determined by dividing value of the fund by the number of units held in the fund.