

IMPORTANT/DISCLAIMER

THIS IS AN INVESTMENT ACCOUNT PRODUCT THAT IS TIED TO THE PERFORMANCE OF THE UNDERLYING / ALLOCATED ASSETS AND IS NOT A DEPOSIT PRODUCT.

PRODUCT DISCLOSURE SHEET

Kindly read and understand this Product Disclosure Sheet before you apply and decide to accept the Term Investment Account-i (TIA-i). Be sure to also read the general terms and conditions.

The information provided is merely general information of the product. The terms and conditions indicated in this Product Disclosure Sheet are tentative and may change at any time. Any changes will be notified to the Investment Account Holder(s) beforehand.

PRODUCT NAME:

TERM INVESTMENT ACCOUNT-i (TIA-i)

Applicable from 5 December 2023 onwards

BRIEF INFORMATION ON THE PRODUCT

1. What is this product about?

Applicable Shariah Contract	TIA-i is a term investment account based on a profit-sharing contract, which is known as the <i>Mudarabah</i> contract.
Type of Product	The product is classified as an Unrestricted Investment Account (UA). UA refers to a type of investment account where the Investor(s), who is also known as Investment Account Holder(s) ("IAH"), allows the Bank to make the ultimate investment decisions without specifying any restrictions and/or conditions.
Parties Involved	The parties involved will be the Investor(s) (i.e., the capital provider) and the Bank (i.e., the entrepreneur). The Bank, acting as the fund manager, will invest on behalf of the Investor(s). Under this product, the Investor(s) will not be involved in the investment activities.

PRODUCT SUITABILITY

2. Who is this product suitable for?

Type of Customer	<ul style="list-style-type: none"> i. Individual(s); ii. Sole-proprietorship(s).
Investment Objective	Aiming to generate stable and consistent returns over an agreed period of time through low to medium-risk investment.

KEY PRODUCT FEATURES
3. What am I investing in?

Investment Strategy	The fund will be invested in selected qualities of Shariah-compliant financing assets which are Property Financing-i, Personal Financing-i, and Term Financing-i within HLISB.						
Investment Amount	<table border="1" data-bbox="416 472 1469 600"> <tr> <td data-bbox="416 472 571 533">Minimum</td> <td data-bbox="571 472 1469 533">RM 500 for board rate</td> </tr> <tr> <td data-bbox="416 533 571 600">Maximum</td> <td data-bbox="571 533 1469 600">RM 250,000 per transaction for board rate</td> </tr> </table>	Minimum	RM 500 for board rate	Maximum	RM 250,000 per transaction for board rate		
Minimum	RM 500 for board rate						
Maximum	RM 250,000 per transaction for board rate						
Investment Tenure	3, 6, and 12 months.						
Profit Sharing Ratio (PSR)	<ul style="list-style-type: none"> Any profit gained from the TIA-i is shared between Investor(s) and the Bank according to a mutually pre-agreed Profit-Sharing Ratio (PSR). Below is the PSR for board rate and investment tenure applicable: <table border="1" data-bbox="416 846 1469 1037"> <thead> <tr> <th data-bbox="416 846 762 913">Investment Tenure</th> <th data-bbox="762 846 1469 913">Profit-Sharing Ratio (PSR) for Board Rate (IAH: Bank)</th> </tr> </thead> <tbody> <tr> <td data-bbox="416 913 762 981">6-month & 12-month</td> <td data-bbox="762 913 1469 981">68:32</td> </tr> <tr> <td data-bbox="416 981 762 1037">3-month</td> <td data-bbox="762 981 1469 1037">65:35</td> </tr> </tbody> </table> The PSR may also be changed from time to time. If there is any change(s) in the terms and conditions, the Bank will inform the Investor(s) of the change(s) through the common communication channels of the Bank. If excess profit is generated from TIA-i above the indicative profit rate, Investor(s) agrees to forego or waive the excess profit under the Shariah principle of Tanazul. The excess profit will be kept by the Bank. Tanazul refers to the waiver of the right to claim whatever may be specified (which in this context is the excess profit above the indicative profit rate). Under the <i>Mudarabah</i> concept, profits will be shared between the Investor(s) and the Bank according to a mutually pre-agreed PSR. For losses, on the other hand, the financial losses will be borne entirely by the Investor(s) while the Bank, as the Fund Manager (i.e., the Entrepreneur), will suffer losses in terms of time and effort that was spent over the investment and not in monetary terms. The Bank will bear the financial losses if it is due to the Bank's misconduct, negligence, or breach of specified terms. 	Investment Tenure	Profit-Sharing Ratio (PSR) for Board Rate (IAH: Bank)	6-month & 12-month	68:32	3-month	65:35
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6-month & 12-month	68:32						
3-month	65:35						
Profit Payment Method	<ul style="list-style-type: none"> Profit payment is calculated daily and credited at the end of the investment tenure. Profit payment will be credited into Investor(s)'s Current Account-i / Savings Account-i (CASA-i) within Hong Leong Islamic Bank (HLISB) or Current Account / Savings Account (CASA) within Hong Leong Bank (HLB), based on the agreed PSR. 						
Fees and Charges	None						

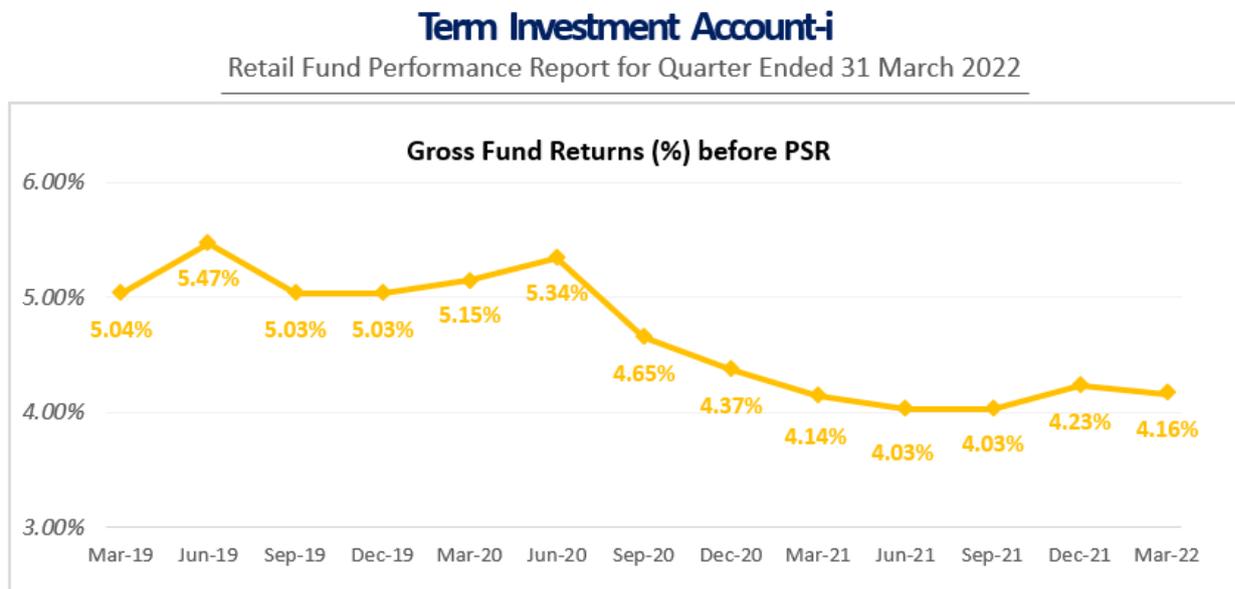
Reinvestment/ Auto-renewal	Renewal Options														
	Auto-Renewal	Principal Only	Only principal amount will be renewed; Profit will be credited into Investor(s)' CASA/-i under HLB or HLISB												
		Principal with Profit	Both principal and profit will be renewed												
Without Auto-Renewal	Investment will mature at the end of the investment tenure. Principal and profit will be credited into Investor(s)'s CASA/-i under HLB or HLISB														
	<ol style="list-style-type: none"> Automatic renewals are not considered active transactions. Money kept in investment accounts on an automatic renewal arrangement will be transferred to the Registrar of Unclaimed Moneys (RUM) after seven (7) years of automatic renewals. If the investment in TIA-i is auto-renewed, the indicative profit rate after auto-renewal will be equal to the indicative board profit rate of that particular tenure. 														
Sample of Profit Calculation	<p>The sample of daily profit calculation is as per the table below.</p> <p>Disclaimer: The numbers are for illustration purposes only.</p> <table border="1" style="margin-left: auto; margin-right: auto;"> <tr> <td style="text-align: center;">Date of Subscription</td> <td style="text-align: center;">22 March 2021</td> <td style="text-align: center;">Profit Sharing Ratio (PSR)</td> <td style="text-align: center;">Customer : Bank 68:32</td> </tr> <tr> <td style="text-align: center;">Principal (Investment Amount)</td> <td style="text-align: center;">RM 50,000</td> <td style="text-align: center;">Percentage of Net Return to the Customer</td> <td style="text-align: center;">2.15% p.a.*</td> </tr> <tr> <td style="text-align: center;">Date of Maturity</td> <td style="text-align: center;">22 March 2022</td> <td style="text-align: center;">Investment Tenure</td> <td style="text-align: center;">12 months</td> </tr> </table> <p>Note:</p> <ul style="list-style-type: none"> Percentage of Net Return to Customer = Profit Sharing Ratio x Gross Profit Profit Calculation = Principal x Percentage of return to customer x No. of days / 365 <p>Profit Payable to the Customer = RM 50,000 x 2.15%* x 365/365 = RM 1075 <i>*If there is an Overnight Policy Rate (OPR) change, the indicative profit rate for a new subscription (after the OPR change) may be changed.</i></p>			Date of Subscription	22 March 2021	Profit Sharing Ratio (PSR)	Customer : Bank 68:32	Principal (Investment Amount)	RM 50,000	Percentage of Net Return to the Customer	2.15% p.a.*	Date of Maturity	22 March 2022	Investment Tenure	12 months
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Premature Redemption	<ol style="list-style-type: none"> Partial redemption is not allowed (i.e. withdrawing part of the investment amount is not allowed). Premature redemption is allowed with the below condition(s); <ul style="list-style-type: none"> No profit will be paid for any TIA-i that has not completed its respective investment tenure. 														

Account Opening	<ol style="list-style-type: none"> For existing CASA/-i under HLB or HLISB account holder(s), TIA-i subscription can be made through HLB Connect. Without CASA/-i under HLB or HLISB, Investor(s) is required to open a CASA/-i under HLB or HLISB over the counter. Alternatively, Investor(s) may apply online through Apply@HLB and follow the steps accordingly. The Investor(s) then will be given the access to HLB Connect to subscribe for TIA-i.
TIA-i Redemption	<ol style="list-style-type: none"> TIA-i can only be redeemed through HLB Connect. The redemption will be instantly credited into the Investor(s)'s CASA/-i under HLB or HLISB. The Bank can suspend any redemption under any exceptional circumstances (e.g., breach of contract, market-wide failures, etc.) and/or in the best interest of the Investor(s).
Coverage by PIDM	This product is NOT protected by PIDM.

4. What are the possible outcomes of my investment?

- Investor(s) may receive higher returns than a term/fixed deposit, depending on the performance of the underlying investment asset.
- However, the principal and returns of TIA-i are **NOT** guaranteed if TIA-i incurs losses or does not perform as expected.

- Historical Fund Performance**



The graph shows Gross Returns before Profit Sharing Ratio (PSR) for Term Investment Account-i for its first initiation in **March 2019 until March 2022**. The Gross Return is the total return derived from the investment in financing assets before distributing the profit between the Investor(s) and the Bank.

For an in-depth report on TIA-i's fund performance, you may refer to TIA-i quarterly Fund Performance Report (Retail) published [here](#).

Disclaimer: The graph above represents the historical gross returns of the fund from March 2019 to March 2022 and is **NOT reflective of future performance.**

- **Possible Future Gain and Loss (Investment of RM 50,000)**

Best Market Simulation		Worst Market Simulation		Base Market Simulation	
Date	Mar 2019	Date	Mar 2022	Date	Mar 2023
OPR	3.25%	OPR	1.75%	OPR	2.75%
Profit Rate to Investor(s) for 3-month tenure	*3.25%	Profit Rate to Investor(s) for 3-month tenure	*1.75%	Profit Rate to Investor(s) for 3-month tenure	*2.75%
*Number for illustration purpose only		*Number for illustration purpose only		*Number for illustration purpose only	

Note:

The Best and Worst Market scenarios are based on the last 10 years' data from Bank Negara Malaysia (BNM)'s highest (March 2019) and lowest (March 2022) Overnight Policy Rate (OPR) levels, which are assumed to directly impact returns through the full transfer of OPR increase/decrease to portfolio returns, assuming all other factors remain the same.

The Fund performance report will be made available via website.

VALUATION

The Bank will perform the valuation of the underlying assets of the Fund in accordance with the sound industry practice and consistent with applicable Malaysian Financial Reporting Standards ("MFRS") which will be carried out on a monthly basis.

KEY RISKS
5. What are the key risks associated with this product?

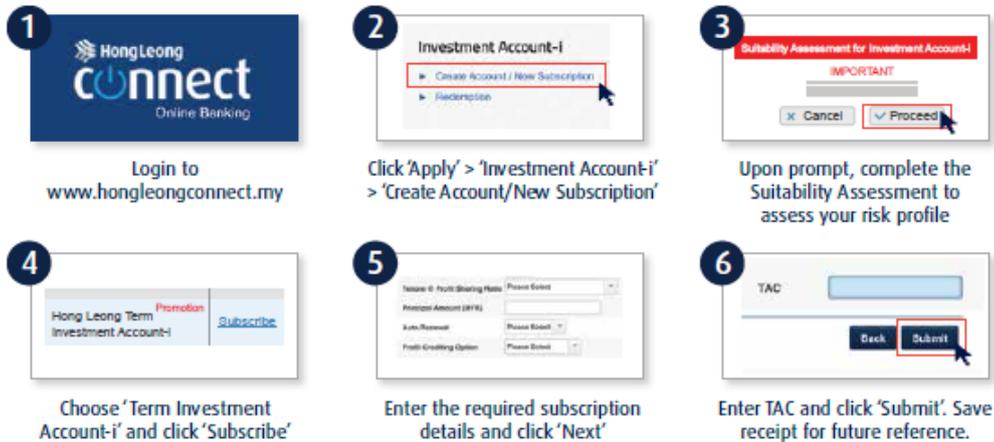
(a) Risk of Capital Loss	<p>The product carries the risk of not recovering the full original investment. To control the risk, the Bank will invest the funds in a diversified portfolio of the Bank's low risk qualified financing assets. The Bank will also use sound investment management techniques. The Bank will do portfolio rebalancing to make sure that assets which no longer comply with the fund's strategies and objectives are rebalanced. Portfolio rebalancing is the process of revising the fractions of a class of assets in a portfolio to maintain the desired level of risk.</p>
(b) Market Risk	<p>Market risk is the possibility for an investor to experience losses due to factors that affect the entire financial markets. This may directly or indirectly impact the performance of the underlying assets. The Bank will monitor and manage market risk exposure using the existing risk management system. This allows the Bank to manage the fund's position effectively within the approved risk framework.</p>
(c) Liquidity Risk	<p>Liquidity risk is the risk that the Bank may be unable to meet short-term redemption demands from Investor(s). Based on the historical trend of the redemption activities, the Bank will formulate the stress test and establish controls to manage the liquidity risk. Stress testing is a technique used to test the ability of the investment to withstand various possible future financial situations. Any mismatches in the amount of cash being transferred into and out of the portfolio will be analyzed and monitored under the liquidity framework as recommended by BNM. The potential loss arising from the liquidity risk for Investor(s) is that there may be lower return and possible capital loss.</p>
(d) Credit Risk	<p>This risk may arise when a great amount of the fund's assets goes into default. This will be managed by the Bank through careful selection of diversified qualified asset portfolios and close monitoring of the performance of the selected assets to ensure the investment complies with the fund's strategies and objectives.</p>
(e) Investment Decision Risk	<p>This risk applies if the market movement does not favor the allocation of assets to be invested in. Hence, careful selection and strict governance will be applied by the Bank in the decision-making process.</p>
(f) Regulatory Non-Compliance Risk	<p>Such a situation occurs when the investment fails to follow the investment parameters set by the relevant regulators. The risk will be managed by the Bank according to its overall policies and procedures.</p>
(g) Shariah Non-Compliance Risk	<p>This is a risk that arises from the Bank's failure to comply with the Shariah rules and principles determined by the Bank's Shariah Committee or regulatory councils. The Bank will monitor, with guidance from the Bank's Shariah Committee, to ensure that the investment complies with the Shariah rules and principles.</p>
(h) Country Risk	<p>The political and economic stability of the country may influence the growth and performance of the investment asset.</p>
(i) Industry / Sector Risk	<p>Every industry/sector is exposed to various risk elements. As such, diversification and careful selection of such industry/sector are critical to the Bank in managing such risk.</p>
<p>'You are advised to carefully consider all risk factors before making an investment decision'</p>	

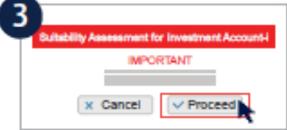
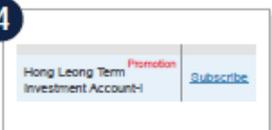
CONTACT INFORMATION
6. What do I need to do if I change my contact details?

It is important that you inform us of any changes to your contact details to ensure that all communications reach you in a timely manner. You can update your contact details through HLB Connect.

7. Who should I contact for further information or to lodge a complaint?

- 1. If you have enquiries, concerns or comments: - Please call, write, e-mail or fax us at:**
Service Recovery & Complaint Resolution - Customer Experience
 Hong Leong Islamic Bank Berhad, 13A Floor, Menara Hong Leong, No 6, Jalan Damanela, Bukit Damansara, 50490 Kuala Lumpur. **Contact Centre:** 03-7626 8899 **Facsimile:** 03-7946 8888 **E-mail:** HLOnline@hlbb.hongleong.com.my
- 2. If your query or complaint is not satisfactorily resolved by us, you may contact BNMLINK at:**
 4th floor, Podium Bangunan AICB, No 10, Jalan Dato' Onn, 50480 Kuala Lumpur. **Web:** bnmlink.bnm.gov.my
Tel: 1-300-88-5465 or 03-2174-1717 (for overseas calls)

8. How do I subscribe for TIA-i?
Follow these steps to subscribe Term Investment Account-i


- 1** 
 Login to www.hongleongconnect.my
- 2** 
 Click 'Apply' > 'Investment Account-i' > 'Create Account/New Subscription'
- 3** 
 Upon prompt, complete the Suitability Assessment to assess your risk profile
- 4** 
 Choose 'Term Investment Account-i' and click 'Subscribe'
- 5** 
 Enter the required subscription details and click 'Next'
- 6** 
 Enter TAC and click 'Submit'. Save receipt for future reference.

WARNING

THE RETURN ON THIS INVESTMENT ACCOUNT WILL BE AFFECTED BY THE PERFORMANCE OF THE UNDERLYING ASSETS. THE PRINCIPAL AND RETURNS ARE NOT GUARANTEED AND THE CUSTOMER RISKS EARNING NO RETURNS AT ALL. IF THE INVESTMENT IS REDEEMED EARLY, THE CUSTOMER MAY SUFFER LOSSES IN PART OR THE ENTIRE PRINCIPAL SUM INVESTED. THIS INVESTMENT ACCOUNT IS NOT PROTECTED BY PIDM.

The information provided in this disclosure sheet is valid as of 5 December 2023 onwards