

# Term Investment Account-i

Retail Fund Performance Report for  
Quarter Ended 31 Dec 2019

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## Fund Information

<b>Product Name</b>	Term Investment Account-i
<b>Shariah Contract</b>	<b>Mudarabah</b> - A profit sharing contract between the Bank as fund manager and the customer as Investment Account Holder (IAH) or the Investor(s).
<b>Investment Account Type</b>	<b>Unrestricted Investment Account</b> – Investor(s) provides the Bank with a mandate to make an ultimate investment decision without specifying specific restrictions or conditions.
<b>Fund Inception</b>	8 January 2019

## Fund Investment Objective

The fund aims to generate stable returns over an agreed investment interval through low to medium risk investment activities.

## Investor Profile

- Category of Investor(s):
  - Individual(s)
  - Sole-Proprietorship(s)
- Investor(s) with low to medium risk tolerance
- Investor(s) who seeks stable profits

### Note:

Investor(s) are advised to understand the risk(s) related to TIA-i before making an investment decision. Further explanation of each risk is in Product Disclosure Sheet (PDS) available on Hong Leong Islamic Bank Corporate website.

## Profit Payment Policy

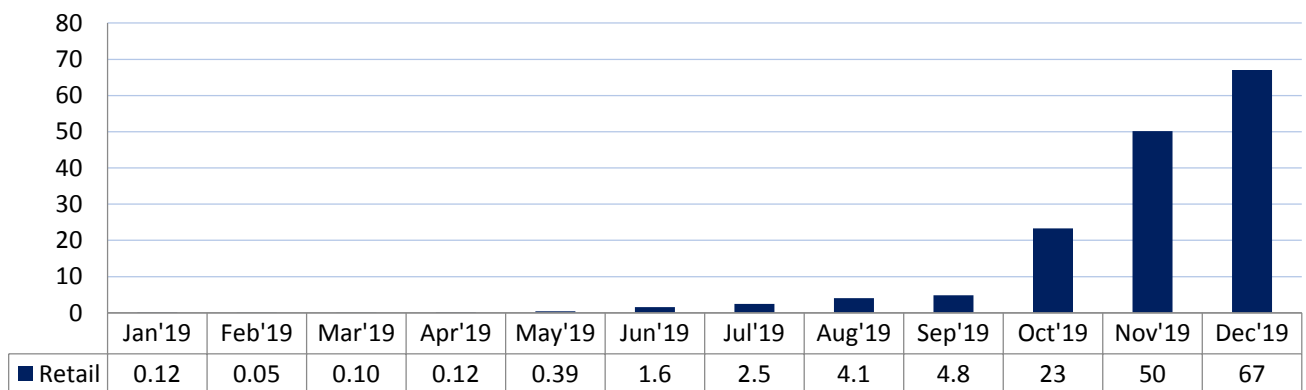
Profit distribution is upon maturity.

## Fund Performance

### 1. Fund Size and Returns

As at December 2019, Term Investment Account-i retail fund balance was recorded at RM67 million.

### TIA-i Retail Fund Size (RM 'mil)



## Nature of Investment Account

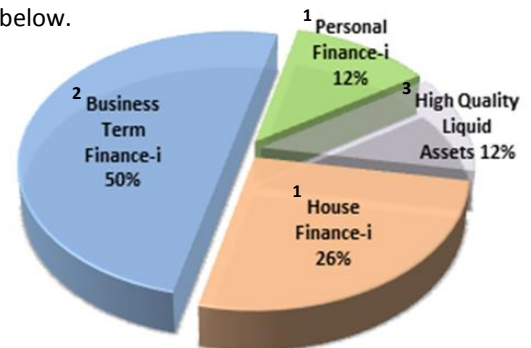
A renewable term investment type of 3 and 6 months tenure.

## Fund Investment Strategies

Investment into selective Shariah-compliant financing assets within the risk parameters prescribed under the Fund Investment Objective. Portfolio rebalancing is also executed to ensure the performance of the particular assets is aligned with the fund's Investment Objective. Any profit generated from the investment will be shared between the Investor(s) and the Bank according to mutually pre-agreed Profit Sharing Ratio (PSR) whilst losses (if any) will be borne by the Investor(s).

## Investment Asset Allocation

The fund is invested in a portfolio of Hong Leong Islamic Bank's retail assets<sup>1</sup>, non-retail assets<sup>2</sup> and HQLA<sup>3</sup> as per chart below.



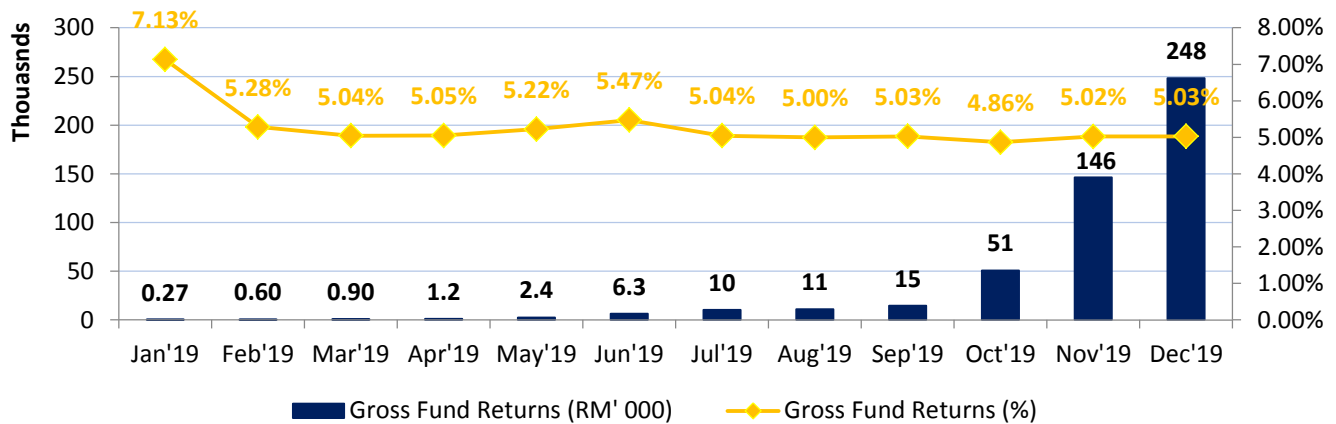
### Note:

- <sup>1</sup> Retail financing assets consist of House Financing-i and Personal Financing-i.
- <sup>2</sup> Non-retail financing asset consists of Business Term Financing-i.
- <sup>3</sup> High Quality Liquid Assets (HQLA) are assets that can be easily and immediately converted into cash at little or no loss of value.

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### TIA-i Retail Gross Returns before PSR



### 2. Rate of Return of TIA-i for Retail Investors

This section is applicable to Investor(s) who have made subscription under the TIA-i 3-month and 6-month tenure.

#### 3 Months

Month <sup>2</sup>	Average Effective Rate of Return to Investors % (p.a) <sup>3</sup>	
	Board	Promo
Oct	3.00	3.84
Nov	3.00	3.90
Dec	3.00	4.05

#### 6 Months

Month <sup>2</sup>	Average Effective Rate of Return to Investors % (p.a) <sup>3</sup>	
	Board	Promo
Oct	3.15	4.04
Nov	3.15	4.04
Dec	3.15	4.04

<sup>2</sup> Subscription Month.

<sup>3</sup> Rate of Return after PSR (net profit to Investor(s)) weighted on average daily amount of fund.

### Profit & Loss Statement

Profit & Loss Statement for Quarter Ended 31 <sup>st</sup> December 2019			
	Oct 2019 RM '000	Nov 2019 RM '000	Dec 2019 RM '000
Total Gross Income	51	146	248
Net Income Distributed to Investors	40	118	202
Net Income Distributed to Bank	11	28	47

### Market Outlook

The financial outlook on the Malaysian Islamic banking are expected to remain stable, albeit at slower pace, supported by strong capitalization and assets growth while asset-quality indicators should stay resilient. Cost management will continue to be an area of focus with the need to sustain a strong liquidity position to support business growth.

### Statement of Any Changes

There have been no changes in the Investment Objectives, Strategies, restrictions and limitations during the quarter period.

### Underlying Asset Outlook

Based on the Fund Investment Strategies during this review period, the Bank is optimistic on the future performance of the fund until the next review period.

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### IMPORTANT/DISCLAIMER

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Prepared by: