

## **Term Investment Account-i**

Wholesale Fund Performance Report for  
Quarter Ended 31 Dec 2019

## Term Investment Account-i

Wholesale Fund Performance Report for Quarter Ended 31 December 2019

### 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):
  - Wholesale(s)
- Investor(s) with low to medium risk
- 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.

### Nature of Investment Account

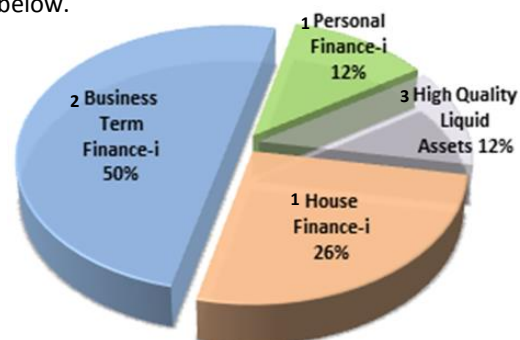
A renewable term investment type of 3 and 6 months tenure.

### 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.

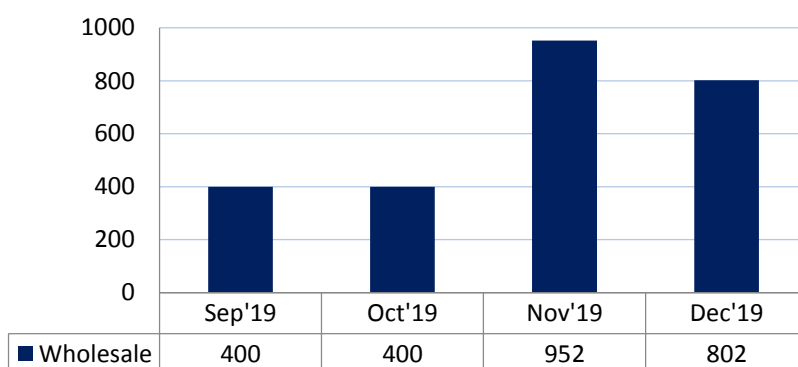
<sup>3</sup> High Quality Liquid Assets (HQLA) are assets that can be easily and immediately converted into cash at little or no loss of value.

### Fund Performance

#### 1. Fund Size and Returns

As at December 2019, Term Investment Account-i wholesale fund balance was recorded at RM802 million. Wholesale Fund Balance was nil prior to September 2020.

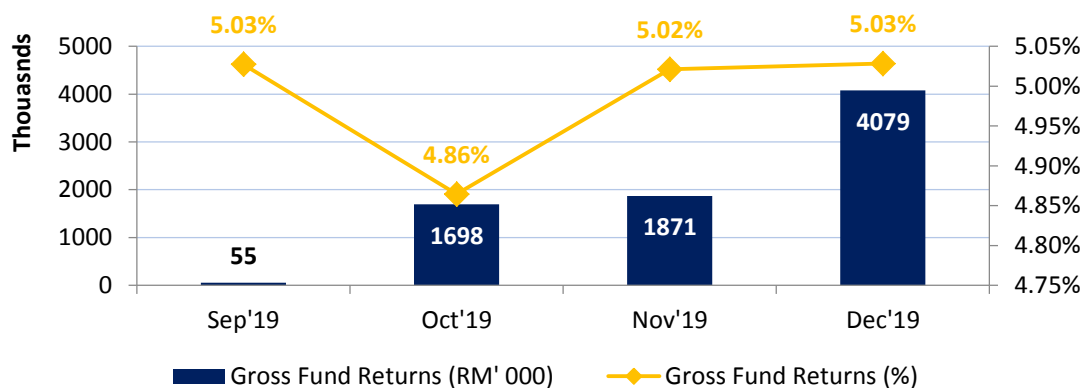
#### TIA-i Retail Fund Size (RM 'mil)



## Term Investment Account-i

Wholesale Fund Performance Report for Quarter Ended 31 December 2019

### TIA-i Wholesale Gross Returns before PSR



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

This section is applicable to wholesale Investor(s) for the quarter period ended December 2019.

### 3 Months

Month <sup>2</sup>	Average Effective Rate of Return to Investors % (p.a.) <sup>3</sup>
Oct	3.65
Nov	3.67
Dec	3.74

<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	1,698	1,871	4,079
Net Income Distributed to IAH	1,240	1,367	3,034
Net Income Distributed to Bank	458	504	1,046

### 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.

### 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.

### Statement of Any Changes

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

## Term Investment Account-i

Wholesale Fund Performance Report for Quarter Ended 31 December 2019

### 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.**

### 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 CUSTOMER RISKS EARNING NO RETURNS AT ALL. IF THE INVESTMENT IS REDEEMED EARLY, CUSTOMER MAY SUFFER LOSSES IN PART OR THE ENTIRE PRINCIPAL SUM INVESTED. THIS INVESTMENT ACCOUNT IS NOT PROTECTED BY PERBADANAN INSURANS DEPOSIT MALAYSIA.**

*THIS FUND PERFORMANCE REPORT IS PREPARED ONLY FOR THE USE AND BENEFIT OF THE INVESTOR TO ASSESS THE PERFORMANCE OF THE INVESTMENT. THIS REPORT IS NOT TO BE REPRODUCED, CITED OR REFERRED TO IN WHOLE OR IN PART WITHOUT PRIOR WRITTEN CONSENT BY HONG LEONG ISLAMIC BANK.*

*THE INFORMATION DESCRIBED HEREIN IS AND SHALL NOT BE RELIED UPON AS AN ASSURANCE OR REPRESENTATION OF THE FUTURE PERFORMANCE OF THE INVESTMENT. HONG LEONG ISLAMIC BANK ACCEPTS NO RESPONSIBILITY TO ANYONE OTHER THAN THE PARTIES IDENTIFIED IN THIS REPORT FOR THE INFORMATION PROVIDED.*

Prepared by: