

# Term Investment Account-i

Fund Performance Report for  
Quarter Ended 30 June 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 Investment Account Holder (IAH) as the Investor
<b>Investment Account Type</b>	<b>Unrestricted Investment Account</b> - IAH 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 and consistent returns over an agreed investment interval through low to medium risk investment activities.

### Investor Profile

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

**Note:**

IAH are advised to understand the risk(s) related to TIA-i before making an investment decision. Further explanation of each risk is available in 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.

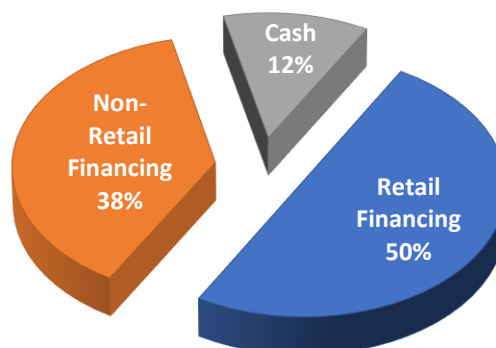
### Fund Investment Strategies

Investment into selected qualified 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 is to be shared between IAH and the Bank according to mutually pre-agreed profit sharing ratio (PSR) whilst financial losses (if any) is borne by the IAH.

### Investment Asset Allocation

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

**TIA-i Fund Composition**



**Note:**

<sup>1</sup> Retail financing assets consist of House Financing-i and Personal Financing-i

<sup>2</sup> Non-retail financing asset consist of Business Term Financing-i.

### Fund Performance

#### 1. Rate of Return of TIA-i 3-Month (Board)

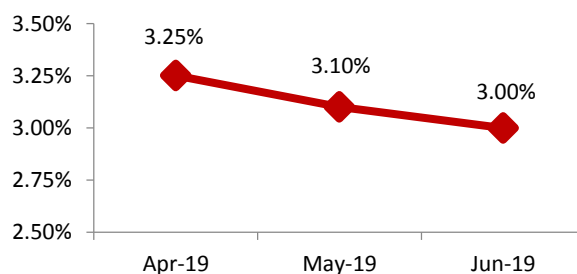
This section is applicable to IAH who have made subscription under the TIA-i 3-month board rate.

Month <sup>2</sup>	Effective Rate of Return to IAH % (p.a.) <sup>3</sup>	Profit Sharing Ratio ('PSR') (IAH : Bank)
April	3.25	85:15
May	3.10	85:15
June	3.00	65:35

<sup>2</sup> Subscription Month

<sup>3</sup> Rate of Return after PSR

**TIA-i 3-Month (Board) Historical Rate of Return**



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### 2. Rate of Return of TIA-i 3-Month (Promo)

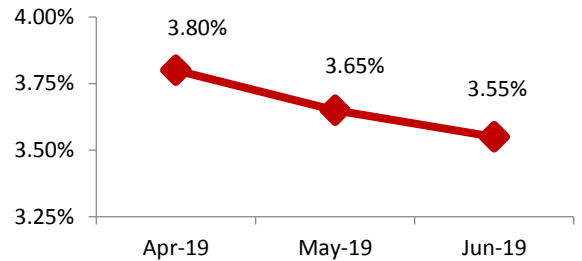
This section is applicable to IAHs who have made subscription-under the TIA-i 3-month promo rate.

Month <sup>2</sup>	Effective Rate of Return to IAH % (p.a.) <sup>3</sup>	Profit Sharing Ratio ('PSR') (IAH : Bank)
April	3.80	85:15
May	3.65	85:15
June	3.55	85:15

<sup>2</sup> Subscription Month

<sup>3</sup> Rate of Return after PSR

TIA-i 3-Month (Promo) Historical Rate of Return



### 3. Rate of Return of TIA-i 6-Month (Board)

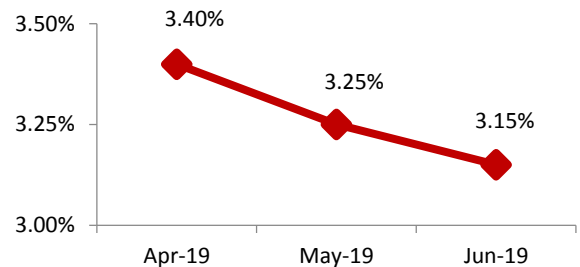
This section is applicable to IAHs who have made subscription under the TIA-i 6-month board rate.

Month <sup>2</sup>	Effective Rate of Return to IAH % (p.a.) <sup>3</sup>	Profit Sharing Ratio ('PSR') (IAH : Bank)
April	3.40	89:11
May	3.25	89:11
June	3.15	68:32

<sup>2</sup> Subscription Month

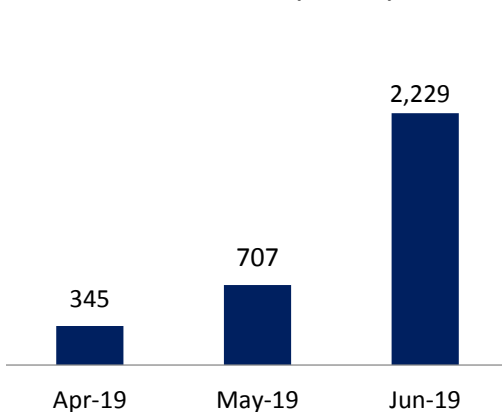
<sup>3</sup> Rate of Return after PSR

TIA-i 6-Month (Board) Historical Rate of Return

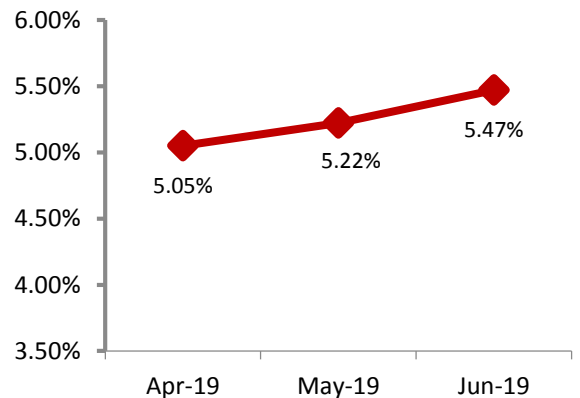


### 4. Fund Size and Growth

TIA-i Fund Size (RM'000)



### 5. Return on Assets



### Profit & Loss Statement

#### Profit & Loss Statement for Quarter Ended 30<sup>th</sup> June 2019

	April 2019 RM '000	May 2019 RM '000	June 2019 RM '000
<b>Net Distributable Income</b>	1.220	2.410	6.344
<b>Total Net Distributable Income</b>	1.220	2.410	6.344

### Statement of Any Changes

There have been no changes in the Investment Objectives, Strategies, restrictions and limitations during the quarter period. However, the bank has revised the PSR effective for June 2019 subscription onwards.

### Underlying Asset Outlook

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

### Market Outlook

Net financing banking systems expanded 9.5% in June year-on-year (YoY) where household loan/financing expanded by 4.9% and business financing grew by 3.4% YoY.

Banking system's total loan/financing monthly average as at June 2019 remained steady across both household and business segments including SMEs.

Islamic banking industry financing and profitability indicators growth is expected to be stable in 2019.

Source: BNM Press Release Monthly Highlights June 2019 & RAM Report

#### IMPORTANT/DISCLAIMER

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Prepared by: