

# Term Investment Account-i

Retail Fund Performance Report for  
Quarter Ended 30 Jun 2020

## Term Investment Account-i

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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

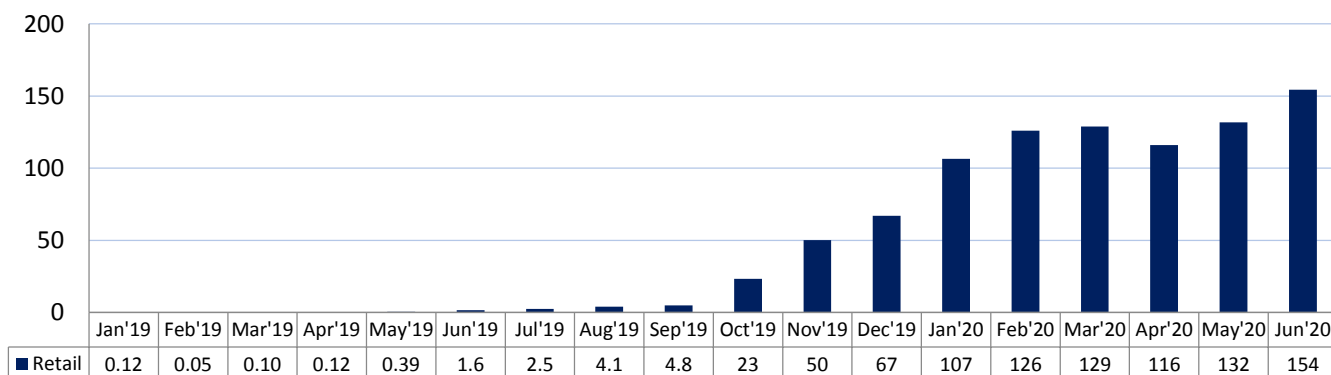
Profit distribution is upon maturity.

### Fund Performance

#### 1. Fund Size and Returns

As at June 2020, Term Investment Account-i retail fund balance was recorded at RM154 million.

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



### Nature of Investment Account

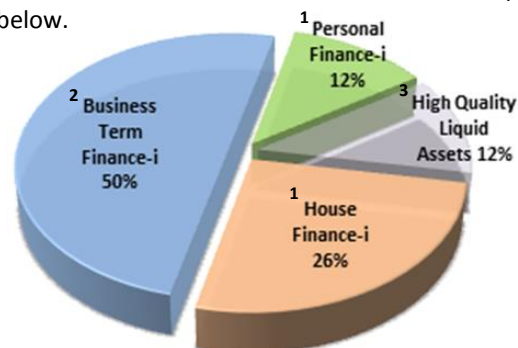
A renewable term investment type of 3 and 6 months tenure.

### 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.



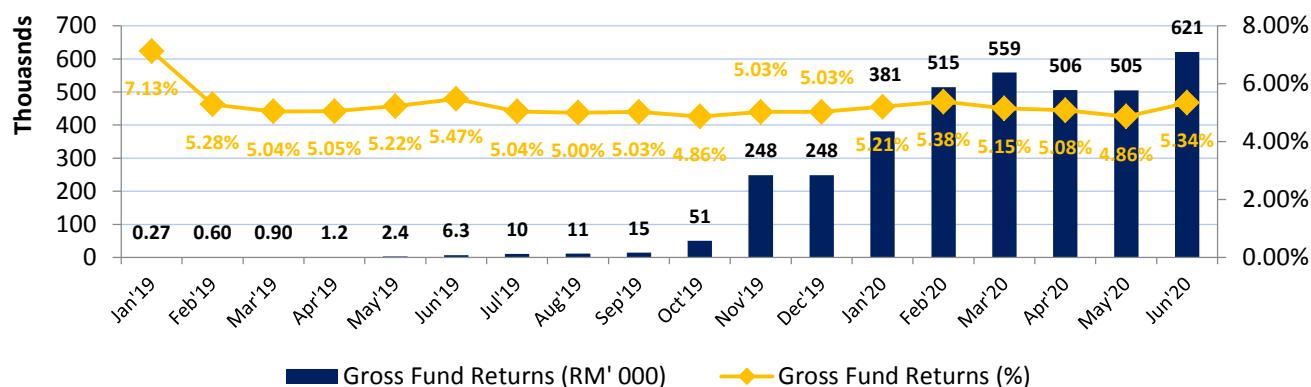
#### Note:

- <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
Apr	2.75	3.63
May	2.42	3.08
Jun	2.25	3.08

#### 6 Months

Month <sup>2</sup>	Average Effective Rate of Return to Investors % (p.a) <sup>3</sup>	
	Board	Promo
Apr	2.90	4.08
May	2.40	3.95
Jun	2.71	4.08

<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 30 <sup>th</sup> June 2020			
	Apr 2020 RM '000	May 2020 RM '000	Jun 2020 RM '000
<b>Total Gross Income</b>	506	505	621
<b>Net Income Distributed to Investors</b>	402	396	401
<b>Net Income Distributed to Bank</b>	104	110	220

### 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.

### 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, further emphasised by the Overnight Policy Rate cuts of 50bps by Bank Negara Malaysia (BNM) on 5<sup>th</sup> May 2020 on top of the 2020 Quarter 1 cuts, with the need to sustain a strong liquidity position to support business growth.

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### IMPORTANT/DISCLAIMER

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Prepared by: