

# Term Investment Account-i

Wholesale Fund Performance Report for  
Quarter Ended 31 Mar 2020

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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):
  - 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

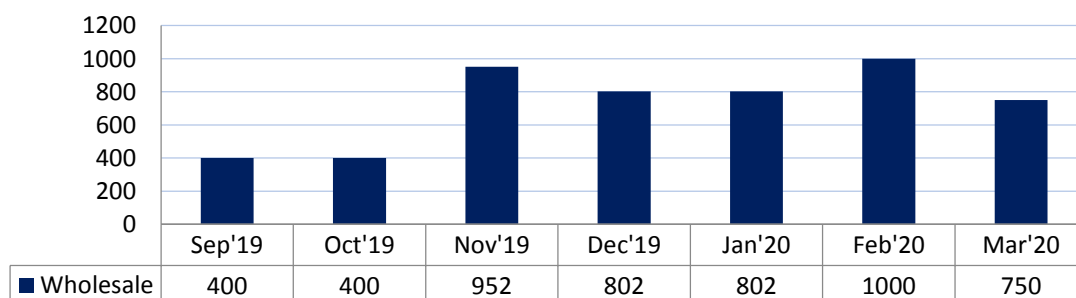
Profit distribution is upon maturity.

### Fund Performance

#### 1. Fund Size and Returns

As at March 2020, Term Investment Account-i wholesale fund balance was recorded at RM750 million. Wholesale Fund Balance was nil prior to September 2020.

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



### Nature of Investment Account

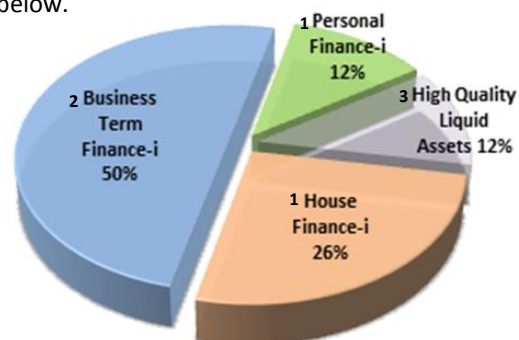
A renewable term investment type of 3 and 6 months tenure.

### 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.

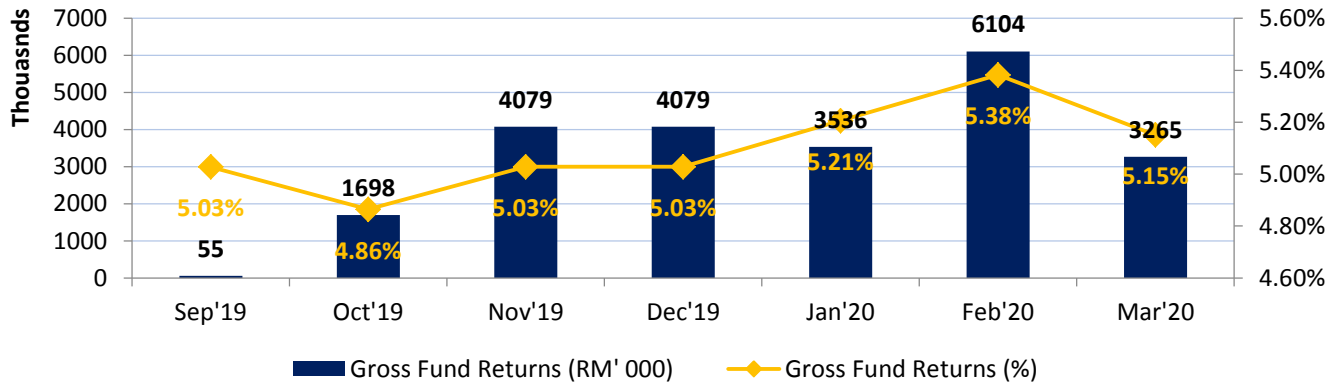
<sup>2</sup> Non-retail financing asset consists of Business Term Financing-i.

<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 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 March 2020.

#### 2 Month

Month <sup>2</sup>	Average Effective Rate of Return to Investors % (p.a.) <sup>3</sup>
Jan	-
Feb	-
Mar	3.40

#### 3 Month

Month <sup>2</sup>	Average Effective Rate of Return to Investors % (p.a.) <sup>3</sup>
Jan	3.80
Feb	3.80
Mar	-

#### 4 Month

Month <sup>2</sup>	Average Effective Rate of Return to Investors % (p.a.) <sup>3</sup>
Jan	-
Feb	3.40
Mar	3.40

#### 6 Month

Month <sup>2</sup>	Average Effective Rate of Return to Investors % (p.a.) <sup>3</sup>
Jan	-
Feb	3.55
Mar	3.55

<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> March 2020			
	Jan 2020 RM '000	Feb 2020 RM '000	Mar 2020 RM '000
Total Gross Income	3,536	6,104	3,265
Net Income Distributed to IAH	2,588	4,130	2,186
Net Income Distributed to Bank	948	1,974	1,078

### 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.

### 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, emphasised by the Overnight Policy Rate cuts of 25bps by Bank Negara Malaysia (BNM) on 22<sup>nd</sup> January 2020 and 3<sup>rd</sup> March 2020 respectively, 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: