

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.

PRODUCT DISCLOSURE SHEET [\(Versi Bahasa Malaysia\)](#)

Kindly read and understand this Product Disclosure Sheet before you apply and decide to accept the Term Investment Account-i (TIA-i). Be sure to also read the terms and conditions of TIA-i.

The information provided is merely general information of the product. The terms and conditions indicated in this Product Disclosure Sheet are tentative and may change at any time. Any changes will be notified to the Investment Account Holder(s) beforehand.

PRODUCT NAME: TERM INVESTMENT ACCOUNT-i (TIA-i) PROMOTION

(Applicable on 24 November 2023 – 8 December 2023)

THIS PRODUCT IS NOT PROTECTED BY PIDM

BRIEF INFORMATION ON THE PRODUCT

1. What is this product about?

Applicable Shariah Contract	TIA-i is a term investment account based on a profit sharing contract, which is known as Mudarabah contract.
Type of Product	The product is classified as Unrestricted Investment Account (UA). UA refers to a type of investment account where the investor(s), who are also known as Investment Account Holder(s) ("IAH"), allows the Bank to make the ultimate investment decisions without specifying any restrictions and / or conditions.
Parties involved in the investment activities, their roles and responsibilities.	The parties involved will be the IAH (i.e. the capital provider) and the Bank (i.e. the entrepreneur). The Bank, acting as the fund manager, will invest on behalf of the IAH. Under this product, the IAH will not be involved in the investment activities.

PRODUCT SUITABILITY

2. Who is this product suitable for?

Type of Customer	a) Individual(s); b) Sole-proprietorship(s).
Return Objective	Aiming to generate stable and consistent returns over an agreed period of time through low to medium risk investment.

KEY PRODUCT FEATURES

3. What am I investing in?

Investment Strategy	The fund will be invested in selected qualities of Shariah compliant financing assets which are House Financing-i, Personal Financing-i and Business Corporate Banking Term Financing-i within HLISB.
Minimum Investment Amount	RM500 (Ringgit Malaysia Five Hundred)
Investment Tenure	Three (3) months, six (6) months and twelve (12) months
Profit Sharing Ratio (PSR)	<ul style="list-style-type: none"> Any profit gained from the TIA-i is shared between IAH and the Bank according to a mutually pre-agreed Profit Sharing Ratio (PSR) of 85:15 for three (3) months, six (6) months and twelve (12) months respectively. The PSR may also be changed from time to time. If there are any change(s) in the terms and conditions, the Bank will inform the IAH of the change(s) through the common communication channels of the Bank before the new terms and conditions take effect. If excess profit is generated from TIA-i above the expected profit rate, IAH agrees to forego or waive the excess profit under the Shariah concept of Tanazul. The excess profit will be kept by the Bank. Tanazul refers to the release of the right to claim what should have been set (in this context is the profit in excess of the indicative profit rate). Under the Mudarabah concept, profit will be shared between the IAH and the Bank according to a mutually pre-agreed PSR. For losses, on the other hand, the financial losses will be borne entirely by the IAH while the Bank, as the Fund Manager, will suffer losses in terms of time and effort lost that was spent on the investment but not in monetary terms, save and except where, such losses are due to the Bank's misconduct, negligence or breach of specified terms.
Profit Payment Method	<ul style="list-style-type: none"> Profit payment is calculated daily and credited at the end of the investment tenure (i.e. three (3), six (6) and twelve (12) months). Profit payment will be credited into IAH's Current Account-i / Savings Account-i (CASA-i) within Hong Leong Islamic Bank (HLISB) or Current Account / Savings Account (CASA) within Hong Leong Bank (HLB), based on the agreed PSR.
Fees & Charges	None
Reinvestment/ Auto-renewal	<p>1. IAH has the options to select the following renewal feature(s):</p> <ul style="list-style-type: none"> With Auto Renewal: <ul style="list-style-type: none"> a) Auto renew principal only (P) - Profit will be credited into IAH's CASA-i (HLISB) or CASA (HLB); or b) Auto renew principal with profit (P+p). Without Auto Renewal – Principal and profit will be credited into Investor(s)'s CASA-i (HLISB)/ CASA (HLB). <p>2. Automatic renewals are not considered as active transactions. Moneys kept in investment accounts on an automatic renewal arrangement will be transferred to the Registrar of Unclaimed Moneys (RUM) after seven (7) years of automatic renewals.</p> <p>3. If the investment in TIA-i is auto renewed, the indicative profit rate after auto renewal will be equal to the HLISB indicative board rate on the day of the renewal.</p>

Sample of Profit Calculation

Sample of daily profit calculation is as per the table below.

(Numbers are for illustration purposes only)

Date of Subscription	24 Nov 2023	Profit Sharing Ratio (PSR)	Customer : Bank 85:15
Principal (Investment Amount)	RM 50,000	Percentage of net return to customer	3.88% p.a.*
Date of maturity	24 Feb 2024	Investment Tenure	3 months

Note :

- Percentage of Net Return to Customer = Profit Sharing Ratio x Gross Profit
- Profit Calculation = Principal x Percentage of return to customer x No. of days / 365

Profit Payable to the Customer = RM 50,000 x 3.88 %* x 92/365 = **RM 488.99**

**If there is an Overnight Policy Rate (OPR) change, the indicative profit rate for new subscription (after the OPR change) may be changed.*

Date of Subscription	24 Nov 2023	Profit Sharing Ratio (PSR)	Customer : Bank 85:15
Principal (Investment Amount)	RM 50,000	Percentage of net return to customer	3.95% p.a.*
Date of maturity	24 May 2024	Investment Tenure	6 months

Note :

- Percentage of Net Return to Customer = Profit Sharing Ratio x Gross Profit
- Profit Calculation = Principal x Percentage of return to customer x No. of days / 365

Profit Payable to the Customer = RM 50,000 x 3.95 %* x 182/365 = **RM984.79**

**If there is an Overnight Policy Rate (OPR) change, the indicative profit rate for new subscription (after the OPR change) may be changed.*

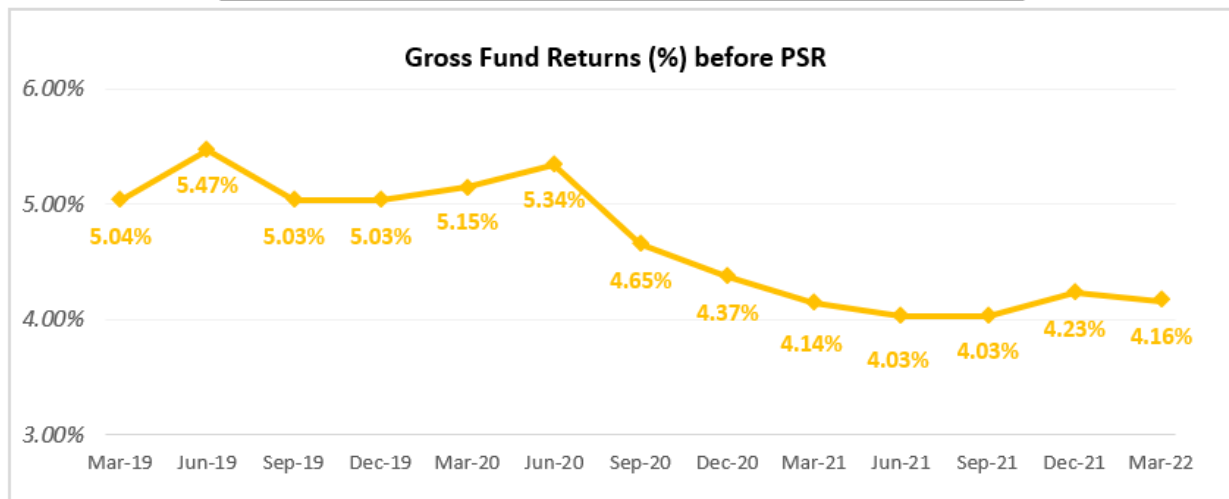
	Date of Subscription	24 Nov 2023	Profit Sharing Ratio (PSR)	Customer : Bank 85:15
	Principal (Investment Amount)	RM 50,000	Percentage of net return to customer	3.80% p.a.*
	Date of maturity	24 Nov 2024	Investment Tenure	12 months
	<p>Note :</p> <ul style="list-style-type: none"> Percentage of Net Return to Customer = Profit Sharing Ratio x Gross Profit Profit Calculation = Principal x Percentage of return to customer x No. of days / 365 <p>Profit Payable to the Customer = RM 50,000 x 3.80%* x 366/365 = RM1,905.21</p> <p><i>*If there is an Overnight Policy Rate (OPR) change, the indicative profit rate for new subscription (after the OPR change) may be changed.</i></p>			
Premature Redemption	<ol style="list-style-type: none"> Partial redemption is not allowed. Premature redemption is allowed. However, no profit shall be payable on premature redemption, regardless of the number of completed months at the time of premature redemption. 			
Account Opening	<ol style="list-style-type: none"> For existing CASA-i / CASA account holder(s), TIA-i subscription can be made through HLB Connect. For non-existing CASA-i / CASA account holder, IAH is required to open a CASA-i. The IAH will have to login to HLB Connect to subscribe for TIA-i. 			
TIA-i Redemption	<ol style="list-style-type: none"> TIA-i can only be redeemed through HLB Connect. The redemption will be instantly credited into the IAH's CASA-i (HLISB) / CASA (HLB). The Bank can suspend any redemption under any exceptional circumstances (e.g. breach of contract, market wide failures, etc.) and/or in the best interest of the IAH. 			
Coverage by PIDM	This product is not protected by PIDM			

4. What are the possible outcomes of my investment?

- Investor(s) may receive higher returns than a term/fixed deposit, depending on the performance of the underlying investment asset.
- However, the principal and returns of TIA-i are **NOT** guaranteed if TIA-i incurs losses or does not perform as expected.
 - Historical Fund Performance**

Term Investment Account-i

Retail Fund Performance Report for Quarter Ended 31 March 2022



The graph shows Gross Returns before Profit Sharing Ratio (PSR) for Term Investment Account-i for its first initiation in **March 2019 until March 2022**. The Gross Return is the total return derived from the investment in financing assets before distributing the profit between the Investor(s) and the Bank.

For an in-depth report on TIA-i's fund performance, you may refer to TIA-i quarterly Fund Performance Report (Retail) published at <https://www.hlisb.com.my/en/personal-i/manage-my-wealth/term-investment-account-i.html?icp=hlisb-en-all-menu-txt-terminvesti>

Disclaimer:

The graph above represents the historical gross returns of the fund from March 2019 to March 2022 and is not reflective of future performance.

- Possible Future Gain and Loss (Investment of RM 50,000)**

Best Market Simulation		Worst Market Simulation		Base Market Simulation	
Date	Mar 2019	Date	Mar 2022	Date	Mar 2023
OPR	3.25%	OPR	1.75%	OPR	2.75%
Profit Rate to Investor(s) for 3-month tenure	*3.25%	Profit Rate to Investor(s) for 3-month tenure	*1.75%	Profit Rate to Investor(s) for 3-month tenure	*2.75%
*Number for illustration purpose only ** 1bps = 0.0001		*Number for illustration purpose only ** 1bps = 0.0001		*Number for illustration purpose only ** 1bps = 0.0001	

*This is on the assumption that the current Indicative Profit Rate to Investor(s) for 12 months tenure is 2.75%

Note:

The Best Market and Worst Market scenarios are based on the last ten years' data of Bank Negara Malaysia (BNM)'s highest (26 April 2006) and lowest (8 August 2005) Overnight Policy Rate (OPR) levels, which are assumed to directly impact returns through full transfer of OPR increase/decrease to portfolio returns (i.e. 25 bps increase or 55 bps decrease in returns), assuming all other factors remain the same.

VALUATION

The Bank will perform valuation of the underlying assets of the Fund in accordance with sound industry practice and consistent with applicable Malaysian Financial Reporting Standards (“MFRS”) which will be carried out on a monthly basis.

The Fund performance report will be made available together with the quarterly financial statements at all branches and published via the website at <https://www.hlisb.com.my/IA-i>

KEY RISKS

5. What are the key risks associated with this product?

(a) Risk of Capital Loss	The product carries the risk of not recovering the full original investment. To control the risk, the Bank will invest the funds in a diversified portfolio of Bank's qualified financing assets with low risks. The Bank will also use sound investment management techniques. The Bank can do portfolio rebalancing to make sure that assets that no longer comply with the fund's strategies and objectives are rebalanced. Portfolio rebalancing is the process of revising the fractions of a class of assets in a portfolio to maintain the desired level of risk.
(b) Market Risk	Market risk is the possibility for the IAH to experience losses due to factors that affect the entire financial markets which may directly or indirectly impact the performance of the underlying assets. The Bank will monitor and manage market risk exposure using existing risk management system. This allows the Bank to manage the fund's position effectively within the approved risk framework.
(c) Liquidity Risk	Liquidity risk is the risk that the Bank may be unable to meet short term redemption demands from IAH. Based on the historical trend of the redemption activities, the Bank will formulate the stress test and establish controls to manage the liquidity risk. Stress testing is a technique used to test the ability of the investment to withstand various possible future financial situations. Any mismatches in the amount of cash being transferred into and out of the portfolio will be analysed and monitored under the liquidity framework as recommended by BNM. The potential loss arising from the liquidity risk for IAH is that there may be lower return and possible capital loss.
(d) Credit Risk	This risk may arise when a great amount of the fund's assets goes into default. This will be managed by the Bank through careful selection of diversified qualified asset portfolios and close monitoring of the performance of the selected assets to ensure the investment complies with the fund's strategies and objectives.
(e) Investment Decision Risk	This risk applies if the market movement does not favour the allocation of assets to be invested in. Hence, careful selection and strict governance must be applied by the Bank in the decision making process.
(f) Regulatory Non-Compliance Risk	Such situation occurs when the investment fails to follow the investment parameters set by the relevant regulators. The risk is managed by the Bank according to the Bank's overall policies and procedures.
(g) Shariah Non-Compliance Risk	This is a risk that arises from the Bank's failure to comply with the Shariah rules and principles determined by the Bank's Shariah Committee or regulatory councils. The Bank will monitor, with guidance from the Bank's Shariah Committee, to ensure that the investment complies with the Shariah rules and principles.
(h) Country Risk	Political and economic stability of the country may influence the growth and performance of the investment asset.
(i) Industry / Sector Risk	Every industry/sector is exposed to various risk elements. As such, diversification and careful selection of such industry/sector is critical to the Bank in managing such risks.

You are advised to carefully consider all risk factors before making an investment decision.

CONTACT INFORMATION

6. What do I need to do if I change my contact details?

It is important that you inform us of any changes to your contact details to ensure that all communications reach you in a timely manner. You can update your contact details through HLB Connect.

7. Who should I contact for further information or to lodge a complaint?

1. If you have enquiries, concerns or comments please call, write, e-mail or fax us at:

Service Recovery & Complaint Resolution - Customer Experience

Hong Leong Islamic Bank Berhad,
13A Floor, Menara Hong Leong,
No 6, Jalan Damanlela, Bukit Damansara,
50490 Kuala Lumpur.
Contact Centre: 03-7626 8899 **Facsimile:** 03-7946 8888

2. If your query or complaint is not satisfactorily resolved by us, you may contact Bank Negara Malaysia at:


BNMLINK

Address : 4th Floor, Podium Bangunan AICB, No. 10, Jalan Dato' Onn, 50480 Kuala Lumpur
Telephone : 1-300-88-5465 or 03-2174 1717 (for overseas calls)
Fax : 03-2174 1515

8. How do I subscribe for TIA-i?


Follow these steps to subscribe Term Investment Account-i

1



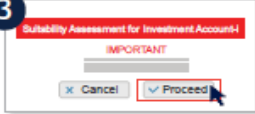
Login to
www.hongleongconnect.my

2



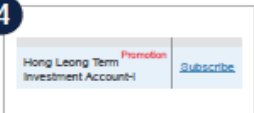
Click 'Apply' > 'Investment Account-i' > 'Create Account / New Subscription'

3




Upon prompt, complete the Suitability Assessment to assess your risk profile

4



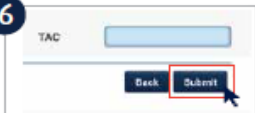
Choose 'Term Investment Account-i' and click 'Subscribe'

5



Enter the required subscription details and click 'Next'

6



Enter TAC and click 'Submit'. Save receipt for future reference.

Investment Account Holders (IAHs) are advised to read the Terms & Conditions and Product Disclosure Sheet available on Hong Leong Connect and HUSB Website prior to making any subscriptions.

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 PIDM.

The information provided in this disclosure sheet is valid as at 23 November 2023