

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 (PDS) before you apply and decide to accept the Term Investment Account-i (TIA-i). Be sure to also read the general terms and conditions (T&Cs).

The information provided is merely general information about the product. The T&Cs indicated in this PDS are tentative and may change at any time. Any changes will be notified to the Investment Account Holder (IAH) beforehand.

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

(Applicable on 1 August 2024 – 7 September 2024)

***THIS PRODUCT IS NOT PROTECTED BY Perbadanan Insurans
Deposit Malaysia (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 <i>Mudarabah</i> 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 Hong Leong Islamic Bank Berhad ("HLISB" or "Bank") to make the ultimate investment decisions without specifying any restrictions and/or conditions.
Parties Involved	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	<ul style="list-style-type: none"> a) Individual(s); b) Sole-proprietorship(s) (with an Individual CASA/CASA-i).
Investment Objective	Aiming to generate stable and consistent returns over an agreed period of time through low-risk investment.

KEY PRODUCT FEATURES
3. What is IAH investing in?

Investment Strategy	The fund will be invested in selected qualities of Shariah-compliant financing assets which are Property Financing-i, Personal Financing-i, and Term Financing-i within HLISB.											
Minimum Investment Amount	RM1,000 (Ringgit Malaysia One Thousand)											
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 PSR of 85:15 for three (3) months, six (6) months and twelve (12) months respectively under the Mudarabah contract. The PSR may also be changed from time to time. If there is any change in the terms and conditions, the Bank will inform the Investors of the change through the common communication channels of the Bank. If excess profit is generated from TIA-i above the indicative profit rate, IAH agree 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 waiver of the right to claim whatever may be specified (which in this context is the excess profit above the indicative profit rate). Under the Mudarabah contract, profits 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 (i.e., the Entrepreneur), will suffer losses in terms of time and effort that were spent over the investment and not in monetary terms. The Bank will bear the financial losses if it is 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 Profit payment will be credited into the 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	<table border="1" data-bbox="379 1444 1497 1765"> <thead> <tr> <th colspan="3" data-bbox="379 1444 1497 1507">Renewal Options</th> </tr> </thead> <tbody> <tr> <td data-bbox="379 1507 646 1608" rowspan="2">Auto-Renewal</td> <td data-bbox="646 1507 906 1608">Principal Only</td> <td data-bbox="906 1507 1497 1608">Only principal amount will be renewed; Profit will be credited into IAH's CASA-i/CASA</td> </tr> <tr> <td data-bbox="646 1608 906 1668">Principal with Profit</td> <td data-bbox="906 1608 1497 1668">Both principal and profit will be renewed</td> </tr> <tr> <td data-bbox="379 1668 646 1765">Without Auto-Renewal</td> <td colspan="2" data-bbox="646 1668 1497 1765">Principal and profit will be credited into IAH's CASA-i/CASA</td> </tr> </tbody> </table> <p data-bbox="379 1798 1560 1888">1. Automatic renewals are not considered active transactions. Money 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 data-bbox="379 1921 1560 1977">2. If the investment in TIA-i is auto-renewed, the indicative profit rate after auto-renewal will be equal to the indicative board profit rate of that particular tenure.</p>	Renewal Options			Auto-Renewal	Principal Only	Only principal amount will be renewed; Profit will be credited into IAH's CASA-i/CASA	Principal with Profit	Both principal and profit will be renewed	Without Auto-Renewal	Principal and profit will be credited into IAH's CASA-i/CASA	
Renewal Options												
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Without Auto-Renewal	Principal and profit will be credited into IAH's CASA-i/CASA											

Sample of Profit Calculation

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

(Numbers are for illustration purposes only)

Date of Subscription	1 Aug 2024	PSR	Customer:Bank 85:15
Principal (Investment Amount)	RM 50,000	Percentage of Net Return to IAH	3.50% p.a.*
Date of Maturity	1 Nov 2024	Investment Tenure	3 months

Note:

- Percentage of Net Return to IAH = PSR x Gross Profit
- Profit Calculation = Principal x Percentage of return to IAH x No. of days / 365

Profit Payable to the IAH = RM 50,000 x 3.50%* x 92/365 = **RM 441.10**

**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	1 Aug 2024	PSR	Customer:Bank 85:15
Principal (Investment Amount)	RM 50,000	Percentage of Net Return to IAH	3.70% p.a.*
Date of Maturity	1 Feb 2025	Investment Tenure	6 months

Note:

- Percentage of Net Return to IAH = PSR x Gross Profit
- Profit Calculation = Principal x Percentage of return to IAH x No. of days / 365

Profit Payable to the IAH = RM 50,000 x 3.70%* x 184/365 = **RM932.60**

**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	1 Aug 2024	PSR	Customer:Bank 85:15
	Principal (Investment Amount)	RM 50,000	Percentage of Net Return to IAH	3.65% p.a.*
	Date of Maturity	1 Aug 2025	Investment Tenure	12 months
	<p>Note:</p> <ul style="list-style-type: none"> • Percentage of Net Return to IAH = PSR x Gross Profit • Profit Calculation = Principal x Percentage of return to IAH x No. of days / 365 <p>Profit Payable to the IAH = RM 50,000 x 3.65%* x 365/365 = RM1,825.00 <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>			
Partial & Premature Redemption	<ol style="list-style-type: none"> 1. Partial redemption is not allowed (i.e. withdrawing part of the investment amount is not allowed). 2. Premature redemption is allowed with the below condition(s); <ul style="list-style-type: none"> • No profit will be paid for any TIA-i that has not completed its respective investment tenure. 			
Account Opening	<ol style="list-style-type: none"> 1. For existing CASA-i/CASA account holders, TIA-i subscription can be made through HLB Connect and via In-Branch Platform at any branch. 2. Without CASA-i/CASA, IAH is required to open a CASA-i/CASA under HLISB/HLBB or over the counter or apply online through Apply@HLB. 			
TIA-i Redemption	<ol style="list-style-type: none"> 1. TIA-i can only be redeemed through HLB Connect and/or In-Branch Platform. 2. The redemption will be instantly credited to the IAH's CASA-i/CASA. 3. 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 <u>NOT</u> protected by PIDM.			

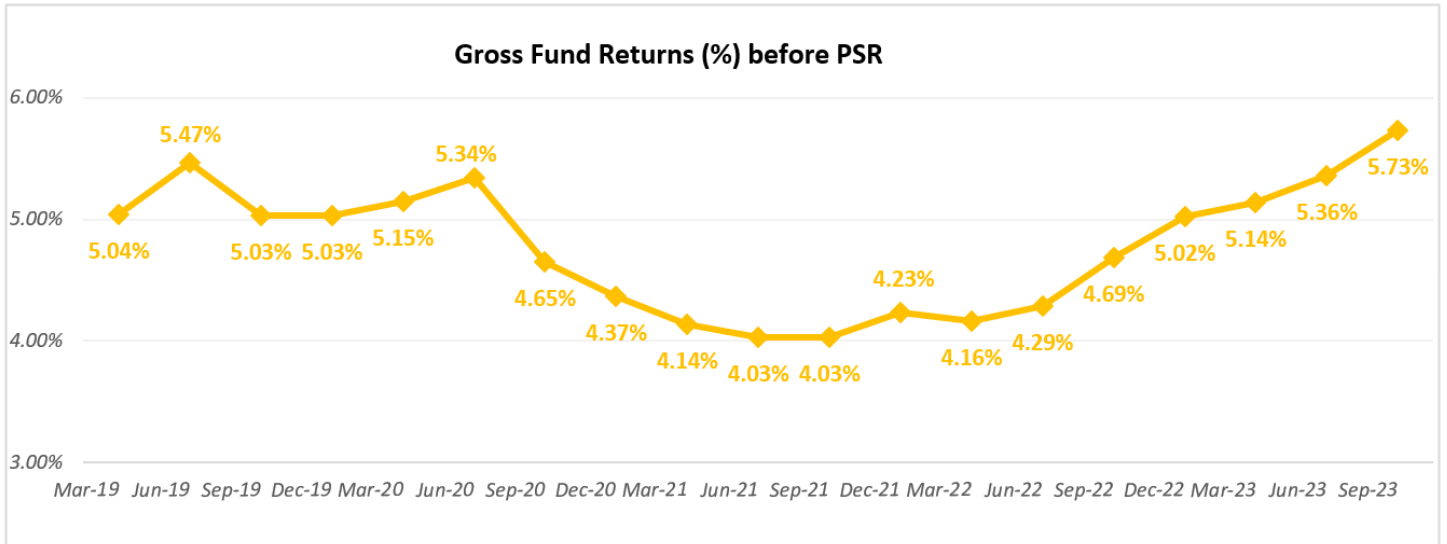
4. What are the possible outcomes of IAH's investment?

1. IAH may receive higher returns than a term/fixed deposit, depending on the performance of the underlying investment asset.
2. 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 30 September 2023



The graph shows Gross Returns before PSR for Term Investment Account-i for its first initiation in **March 2019 until September 2023**. The Gross Return is the total return derived from the investment in financing assets before distributing the profit between the IAH and the Bank.

For an in-depth report on TIA-i's fund performance, IAH may refer to TIA-i Quarterly Fund Performance Report (Retail) published [here](#).

Disclaimer: The graph above represents the historical gross returns of the fund from March 2019 to September 2023 and is NOT reflective of future performance.

3. 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		*Number for illustration purpose only		*Number for illustration purpose only	

Note:

The Best and Worst Market scenarios are based on the last 10 years' data from BNM's highest (March 2019) and lowest (March 2022) Overnight Policy Rate (OPR) levels, which are assumed to directly impact returns through the full transfer of OPR increase/decrease to portfolio returns, assuming all other factors remain the same.

The Fund performance report will be made available via the website.

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.

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

(a) Risk of Capital Loss	<p>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 the Bank's low risk qualified financing assets. The Bank will also use sound investment management techniques. The Bank will do portfolio rebalancing to make sure that assets which 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.</p>
(b) Market Risk	<p>Market risk is the possibility for an IAH to experience losses due to factors that affect the entire financial market. This may directly or indirectly impact the performance of the underlying assets. The Bank will monitor and manage market risk exposure using the existing risk management system. This allows the Bank to manage the fund's position effectively within the approved risk framework.</p>
(c) Liquidity Risk	<p>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 analyzed 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 returns and possible capital loss.</p>
(d) Credit Risk	<p>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.</p>
(e) Investment Decision Risk	<p>This risk applies if the market movement does not favor the allocation of assets to be invested in. Hence, careful selection and strict governance will be applied by the Bank in the decision-making process.</p>
(f) Regulatory Non-Compliance Risk	<p>Such a situation occurs when the investment fails to follow the investment parameters set by the relevant regulators. The risk will be managed by the Bank according to its overall policies and procedures.</p>
(g) Shariah Non-Compliance Risk	<p>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.</p>
(h) Country Risk	<p>The political and economic stability of the country may influence the growth and performance of the investment asset.</p>
(i) Industry / Sector Risk	<p>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.</p>

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

CONTACT INFORMATION

6. What does IAH need to do if IAH wishes change their contact details?

It is important that IAH informs the Bank of any changes to their contact details to ensure that all communications reach IAH in a timely manner. IAH can update their contact details through HLB Connect or any HLB/HLISB Branch

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


1. **If IAH has enquiries, concerns or comments: - Please call, write, e-mail or fax us at:**
Customer Advocacy
 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 **E-mail:** HLOnline@hlbb.hongleong.com.my

2. **If IAH's query or complaint is not satisfactorily resolved by the Bank, IAH may contact:**
BNMLINK
 4th floor, Podium Bangunan AICB,
 No 10, Jalan Dato' Onn,
 50480 Kuala Lumpur.
Web: bnmlink.bnm.gov.my **Tel:** 1-300-88-5465 or 03-2174-1717 (for overseas calls)

8. How does IAH subscribe for TIA-I via HLB Connect?


Follow these steps to subscribe Term Investment Account-i

1



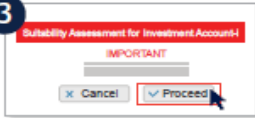
Login to
www.hongleongconnect.my

2



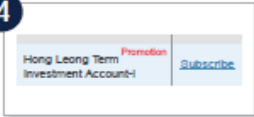
Click 'Apply' > 'Investment Account-i'
> 'Create Account/New Subscription'

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

The information provided in this disclosure sheet is valid as at 26 July 2024