

**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 (PDS)**

Kindly read and understand this Product Disclosure Sheet before you apply and decide to invest in Portfolio Investment Account-i (PIA-i). Please also read the Portfolio Investment Account-i (PIA-i) terms and conditions.

The information provided is merely general information of the product. The terms and conditions indicated in this Product Disclosure Sheet may change with consent from the Investment Account Holder(s) beforehand.

**PRODUCT NAME:**

**PORTFOLIO INVESTMENT ACCOUNT-i (PIA-i)**

**Applicable from 5 December 2023**

***THIS PRODUCT IS NOT PROTECTED BY PIDM***

**BRIEF INFORMATION ON THE PRODUCT**

**1. What is this product about?**

**Applicable Shariah Contract**

*Wakalah bi Al-Istithmar*. This is an agency contract where in PIA-i, the Investor (*Muwakkil*) authorizes the Bank, Hong Leong Islamic Bank (HLISB) as Agent (*Wakil*) to perform a particular task for the purpose of investment.

**Type of Product**

The product is categorized under the Restricted Investment Account (RA) category. RA refers to a type of Investment Account where the Investor, who is also known as Investment Account Holder(s) ("IAH"), provides a specific investment mandate to the Bank such as purpose, asset class, economic sector and/ or period of investment.

**Parties Involved, Roles & Responsibilities**

The parties involved will be:

1. Investor who acts as Investment Account Holder (IAH) (also known as *Muwakkil*).
2. HLISB who acts as an agent (*Wakil*) to invest on behalf of the Investor.
3. Hong Leong Islamic Asset Management (HLISAM) who acts as the investment manager of the underlying Dana.

Party	Responsibilities
<b>Investor</b>	IAH provides the investment mandate to the Bank by placing their investment money.
<b>HLISB</b>	HLISB acts as the agent to undertake the investment activity on behalf of the IAH by investing the money into three (3) Shariah Compliant Unit Trust funds known as Dana Al-Izdihar, Dana Maa'rof and Dana Makmur.
<b>HLISAM</b>	Manager of Dana Al-Izdihar, Dana Maa'rof and Dana Makmur that will execute the investment mandate by instruction(s) from HLISB

Any investment losses incurred under this product will be borne by the Investor, as long as such losses are not due to the Bank's misconduct, negligence or breach of specified terms.

### PRODUCT SUITABILITY

#### 2. Who is this product suitable for?

<b>Type of Customer</b>	<ol style="list-style-type: none"> <li>1. Individual(s);</li> <li>2. Sole-proprietorship(s)</li> </ol>
<b>Investment Objective</b>	PIA-i aims to generate regular income to Investors by investing in a capital growth portfolio through medium risk investment.
<b>Risk on Investment Principal</b>	The capital is not guaranteed throughout the investment activity.
<b>Investment Tenure</b>	PIA-i is a perpetual (no maturity) type of investment fund with semi-annual Profit Distribution Period (PDP).

### KEY PRODUCT FEATURES

#### 3. What am I investing in?

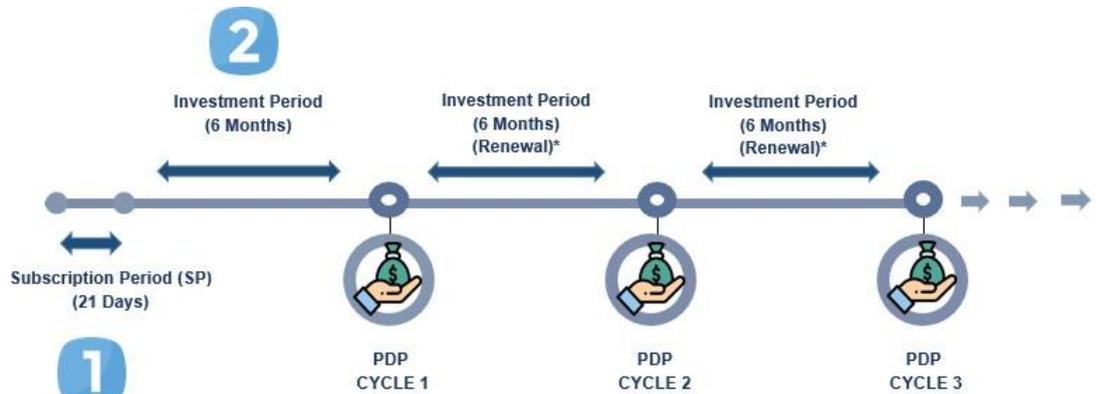
<b>Investment Strategy</b>	<p>PIA-i will be invested into three (3) Shariah Compliant Unit Trust funds managed by HLISAM which are known as Dana Al-Izdihar (Money Market), Dana Maa'rof (Balanced) and Dana Makmur (Equity).</p> <p>The investment into the three (3) Dana above will be based on respective asset allocations within the allowable threshold above to achieve Expected Profit Rate (EPR) while exercising appropriate defensive mechanisms to moderate market volatility.</p> <table border="1" data-bbox="529 1102 1422 1352"> <thead> <tr> <th colspan="2">Investment Instruments of each Dana(s)</th> </tr> <tr> <th>Dana</th> <th>Asset Allocation</th> </tr> </thead> <tbody> <tr> <td>Dana Al-Izdihar (Money Market Fund)</td> <td>Up to 20%</td> </tr> <tr> <td>Dana Maa'rof (Balanced Fund)</td> <td>30% - 50%</td> </tr> <tr> <td>Dana Makmur (Equity Fund)</td> <td>30% - 50%</td> </tr> </tbody> </table> <p>Please visit this link <a href="https://www.hlbislamic.com.my/content/dam/hlisb-new/my/docs/extraction-of-salient/hldm-extraction-of-salient-info.pdf">https:// www.hlbislamic.com.my/content/dam/hlisb-new/my/docs/extraction-of-salient/hldm-extraction-of-salient-info.pdf</a> for details of each Dana.</p>	Investment Instruments of each Dana(s)		Dana	Asset Allocation	Dana Al-Izdihar (Money Market Fund)	Up to 20%	Dana Maa'rof (Balanced Fund)	30% - 50%	Dana Makmur (Equity Fund)	30% - 50%
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## KEY PRODUCT FEATURES

### Investment Structure

Portfolio Investment Account-i (PIA-i) structure consists of multiple series, where each of the series will have its own Subscription Period (SP) of 21 days at the start of the series.

The investment manner will be in the following order:



*\*Applicable to Investors opted for auto-renewal during SP*

For the upcoming Subscription Period dates, please refer to the following link.  
[www.hlbislamic.com.my/pia-i](http://www.hlbislamic.com.my/pia-i)

#### 1. During Subscription Period (Day 1 to Day 21)

- a) Investors are only allowed to subscribe during the SP of 21 days where the monies placed (net of upfront fees) will be fully invested in Dana Al-Izdihar throughout the SP. However, subscription on Day 21 (last day of PDP) will not be invested into Dana Al-Izdihar.
- b) For Investors who remain until the end of the SP, the applicable profit for each Investors during this SP will be based on the numbers of days invested during the SP. The Bank will credit the profit to Investor's CASA-i (HLISB)/ CASA (HLBB) within four (4) Business Days.
- c) Investors that opt for premature redemption during SP will waive off the profit. The profit during premature redemption will be redistributed to the remaining Investors.
- d) No additional subscription is allowed after the SP.

#### 2. Investment Period (Day 22 onwards)

- a) After the SP expires, the collected principal amount during SP will then be invested into three (3) Danas; Dana Al-Izdihar, Dana Maa'rof and Dana Makmur for an investment period of 6 months based on their respective Asset Allocations set under the Investment Strategy.
- b) Profit Distribution Period (PDP) is on a semi-annual basis. The principal and profits will be credited into the Investor's CASA-i (HLISB) / CASA (HLBB) within four (4) Business Days after the date of PDP.

**KEY PRODUCT FEATURES**

<b>Subscription Period</b>	<p>The subscription period (SP) is the period where Investors are allowed to subscribe between the Day 1 until Day 21 of each series. The Investors are not allowed to make any additional subscription after 21 days of each series ended. However, should the Investors wish to subscribe further into PIA-i, the investment can be made in the upcoming new series during the SP.</p> <p>Every new series introduced will be announced in the HLISB corporate website: <a href="http://www.hlbislamic.com.my/pia-i">www.hlbislamic.com.my/pia-i</a></p> <p>The timeline for each series will be as below. There will be a 21 days SP, followed by a 6-month Investment Period which leads to the PDP.</p> <table border="1" data-bbox="414 638 1540 817"> <thead> <tr> <th>Series No.</th> <th>Subscription Period (SP) (T1-T21)</th> <th>Investment Start Date (T22)</th> <th>Profit Distribution Period (PDP)</th> <th>Next Cycle Investment</th> <th>Next Cycle PDP</th> <th rowspan="4">Perpetual Investment</th> </tr> </thead> <tbody> <tr> <td>1</td> <td>1 Jan – 21 Jan</td> <td>22 Jan – 6 Months</td> <td>22 July 20XX</td> <td>23 July – 6 Months</td> <td>22 Jan 20XX</td> </tr> <tr> <td>2</td> <td>1 Apr – 21 Apr</td> <td>22 Apr – 6 Months</td> <td>22 Oct 20XX</td> <td>23 Oct – 6 Months</td> <td>22 Apr 20XX</td> </tr> <tr> <td>3</td> <td>1 Jul – 21 Jul</td> <td>22 Jul – 6 Months</td> <td>22 Jan 20XX</td> <td>23 Jan – 6 Months</td> <td>22 July 20XX</td> </tr> </tbody> </table> <p><i>Disclaimer: The timeline above is an illustration only.</i></p>	Series No.	Subscription Period (SP) (T1-T21)	Investment Start Date (T22)	Profit Distribution Period (PDP)	Next Cycle Investment	Next Cycle PDP	Perpetual Investment	1	1 Jan – 21 Jan	22 Jan – 6 Months	22 July 20XX	23 July – 6 Months	22 Jan 20XX	2	1 Apr – 21 Apr	22 Apr – 6 Months	22 Oct 20XX	23 Oct – 6 Months	22 Apr 20XX	3	1 Jul – 21 Jul	22 Jul – 6 Months	22 Jan 20XX	23 Jan – 6 Months	22 July 20XX
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<b>PIA-i Renewal Mechanics (For Investors opted for auto-renewal during SP)</b>	<p>Assuming there is no loss, the Principal Amount during auto renewal will be re-invested for another 6-month Investment Period.</p> <p>This will lead to the next PDP and be repeated continuously until the Investor(s) redeems or the series ends.</p>																									
<b>Renewal Options</b>	<ol style="list-style-type: none"> <li><b>1. Auto Renewal with principal only</b> Principal will be auto renewed continuously while the profit will be credited into Investor's CASA-i (HLISB) / CASA (HLBB) within four (4) Business Days after the PDP date. The Investors are able to select their preferred renewal option during subscription.</li> <li><b>2. No Renewal</b> Principal and profit will be credited into Investor's CASA-i (HLISB) / CASA (HLBB) within four (4) Business Days after the PDP date.</li> </ol>																									

**KEY PRODUCT FEATURES**

<b>Redemptions</b>	<p>1. The following conditions are <b>not allowed</b> under general redemption terms:</p> <table border="1" data-bbox="411 349 1533 636"> <thead> <tr> <th>Scenario(s)</th> <th>Allowability</th> <th>When?</th> </tr> </thead> <tbody> <tr> <td>Partial redemption</td> <td rowspan="3"><b>Not Allowed</b></td> <td>All time</td> </tr> <tr> <td>Redemption or cancellation on the same day of the subscription</td> <td>During SP</td> </tr> <tr> <td>Early redemption four (4) Business Days before PDP date until the PDP date</td> <td>During Investment period (after SP)</td> </tr> </tbody> </table> <p>2. Early redemption of PIA-i is <b>allowed</b> in below scenarios:</p> <table border="1" data-bbox="411 712 1533 1048"> <thead> <tr> <th>Scenario(s)</th> <th>Allowability</th> <th>When?</th> </tr> </thead> <tbody> <tr> <td>Early redemption during SP</td> <td>Upfront fee will be reimbursed back to Investors and the profit will be waived, if any. The losses will be borne by remaining Investors, if any.</td> <td>Credited within four (4) Business Days into Investor's CASA-i (HLISB) / CASA (HLBB)</td> </tr> <tr> <td>Early redemption after SP until four (4) Business Days before PDP date</td> <td>Upfront fee will not be reimbursed back to Investors. The profit will be waived, if any and the losses incurred during redemption will be borne fully by the Investors.</td> <td>Credited within seven (7) Business Days into Investor's CASA-i (HLISB) / CASA (HLBB)</td> </tr> </tbody> </table> <p><b>Important Note:</b></p> <ul style="list-style-type: none"> <li><i>The restriction is to facilitate smooth and accurate profit distribution exercise due to possibility of collision of PDP date and crediting days if early redemption is allowed between four (4) Business Days before PDP and on actual PDP date.</i></li> <li><i>Investors may view the current investment amount on HLB Connect &gt; IA Account Inquiry. The current investment amount displayed is estimated based on the most recent fund valuation data available.</i></li> </ul>	Scenario(s)	Allowability	When?	Partial redemption	<b>Not Allowed</b>	All time	Redemption or cancellation on the same day of the subscription	During SP	Early redemption four (4) Business Days before PDP date until the PDP date	During Investment period (after SP)	Scenario(s)	Allowability	When?	Early redemption during SP	Upfront fee will be reimbursed back to Investors and the profit will be waived, if any. The losses will be borne by remaining Investors, if any.	Credited within four (4) Business Days into Investor's CASA-i (HLISB) / CASA (HLBB)	Early redemption after SP until four (4) Business Days before PDP date	Upfront fee will not be reimbursed back to Investors. The profit will be waived, if any and the losses incurred during redemption will be borne fully by the Investors.	Credited within seven (7) Business Days into Investor's CASA-i (HLISB) / CASA (HLBB)
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<b>Cut off Time</b>	The cut off period for any transaction will be between 11.45 p.m to 5.59 a.m everyday. No transaction requests can be performed during this period.																			
<b>Profit Distribution Period (PDP) Frequency</b>	<p>Every 6 months after the Investment Start Date.</p> <p>Investment Start Date begins from Day 22 which is a day after the Subscription Period (SP) ends.</p> <table border="1" data-bbox="424 1621 1501 1805"> <thead> <tr> <th>Series No.</th> <th>Subscription Period (SP) (T1 – T21)</th> <th>Investment Start Date (T22)</th> <th>Profit Distribution Period (PDP)</th> </tr> </thead> <tbody> <tr> <td>1</td> <td>1 Jan 20XX – 21 Jan 20XX</td> <td>22 Jan – 6 Months</td> <td>22 Jul 20XX</td> </tr> <tr> <td>2</td> <td>1 Apr 20XX – 21 Apr 20XX</td> <td>22 Apr – 6 Months</td> <td>22 Oct 20XX</td> </tr> <tr> <td>3</td> <td>1 Jul 20XX – 21 Jul 20XX</td> <td>22 Jul – 6 Months</td> <td>22 Jan 20XX</td> </tr> </tbody> </table> <p><i>Note: The table above merely for illustrative purpose. For further information on the tentative SP schedule, please refer to <a href="https://www.hlbislamic.com.my/en/personal-i/manage-my-wealth/portfolio-investment-account-i.html">https://www.hlbislamic.com.my/en/personal-i/manage-my-wealth/portfolio-investment-account-i.html</a></i></p>	Series No.	Subscription Period (SP) (T1 – T21)	Investment Start Date (T22)	Profit Distribution Period (PDP)	1	1 Jan 20XX – 21 Jan 20XX	22 Jan – 6 Months	22 Jul 20XX	2	1 Apr 20XX – 21 Apr 20XX	22 Apr – 6 Months	22 Oct 20XX	3	1 Jul 20XX – 21 Jul 20XX	22 Jul – 6 Months	22 Jan 20XX			
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<b>Profit Payment Method</b>	Profit payment will be credited into Investor's CASA-i (HLISB) / CASA (HLBB) within four (4) Business Days after PDP.																			

**KEY PRODUCT FEATURES**

<b>Expected Profit Rate</b>	<ul style="list-style-type: none"> <li>6% per annum. However, the profit is <u>not guaranteed</u> and <u>may fluctuate</u> from the Expected Profit Rate, depending on the performance of the underlying Danas (depicted by the Net Asset Value (NAV) of the individual underlying Danas).</li> <li>Investors are advised to carefully review the Cumulative Historical Return of Underlying Dana to understand the actual performance of these Danas historically at <a href="https://www.hlam.com.my/Fund-Hub">https://www.hlam.com.my/Fund-Hub</a></li> <li>The profit is the return after deducting the management fees charged by HLISAM.</li> </ul>																				
<b>Fees &amp; Charges</b>	<table border="1"> <thead> <tr> <th data-bbox="411 595 619 645">Fee Type</th> <th data-bbox="619 595 1536 645">Fee Amount</th> </tr> </thead> <tbody> <tr> <td data-bbox="411 645 619 846"> <b>Management Fees</b> </td> <td data-bbox="619 645 1536 846"> Charged by HLISAM.   <i>Note: Please refer to this <b>page 21</b> of the extracted HLAM's prospectus at <a href="https://www.hlisb.com.my/content/dam/hlisb-new/my/docs/extraction-of-salient/hldm-extraction-of-salient-info.pdf">https://www.hlisb.com.my/content/dam/hlisb-new/my/docs/extraction-of-salient/hldm-extraction-of-salient-info.pdf</a></i> </td> </tr> <tr> <td data-bbox="411 846 619 891"> <b>Upfront Fee</b> </td> <td data-bbox="619 846 1536 891"> 1.00% charged upfront upon placement by Investor during SP. </td> </tr> <tr> <td data-bbox="411 891 619 1382"> <b>Incentive Fee</b> </td> <td data-bbox="619 891 1536 1382"> Capped up to 0.25% for the Bank if PIA-i returns exceed 6% p.a.   <i>Below are the Incentive Fee earned by Bank at possible PDP scenarios:</i> <table border="1" data-bbox="635 1016 1513 1240"> <thead> <tr> <th data-bbox="635 1016 927 1111">Possible Scenario(s) during PDP (p.a%)</th> <th data-bbox="927 1016 1209 1111">Profit Rate Assumptions during PDP (p.a%)</th> <th data-bbox="1209 1016 1513 1111">Incentive Fee (p.a %)</th> </tr> </thead> <tbody> <tr> <td data-bbox="635 1111 927 1144">Lower than 6 %</td> <td data-bbox="927 1111 1209 1144">5.90%</td> <td data-bbox="1209 1111 1513 1144">Not applicable</td> </tr> <tr> <td data-bbox="635 1144 927 1205">More than 6% or equal to 6.25%</td> <td data-bbox="927 1144 1209 1205">6.10%</td> <td data-bbox="1209 1144 1513 1205">0.10%</td> </tr> <tr> <td data-bbox="635 1205 927 1240">More than 6.25%</td> <td data-bbox="927 1205 1209 1240">6.30%</td> <td data-bbox="1209 1205 1513 1240">0.25%</td> </tr> </tbody> </table>   Any excess profit after deducting Bank's Incentive Fee will be earned by the Investors. </td> </tr> </tbody> </table>	Fee Type	Fee Amount	<b>Management Fees</b>	Charged by HLISAM.  <i>Note: Please refer to this <b>page 21</b> of the extracted HLAM's prospectus at <a href="https://www.hlisb.com.my/content/dam/hlisb-new/my/docs/extraction-of-salient/hldm-extraction-of-salient-info.pdf">https://www.hlisb.com.my/content/dam/hlisb-new/my/docs/extraction-of-salient/hldm-extraction-of-salient-info.pdf</a></i>	<b>Upfront Fee</b>	1.00% charged upfront upon placement by Investor during SP.	<b>Incentive Fee</b>	Capped up to 0.25% for the Bank if PIA-i returns exceed 6% p.a.  <i>Below are the Incentive Fee earned by Bank at possible PDP scenarios:</i> <table border="1" data-bbox="635 1016 1513 1240"> <thead> <tr> <th data-bbox="635 1016 927 1111">Possible Scenario(s) during PDP (p.a%)</th> <th data-bbox="927 1016 1209 1111">Profit Rate Assumptions during PDP (p.a%)</th> <th data-bbox="1209 1016 1513 1111">Incentive Fee (p.a %)</th> </tr> </thead> <tbody> <tr> <td data-bbox="635 1111 927 1144">Lower than 6 %</td> <td data-bbox="927 1111 1209 1144">5.90%</td> <td data-bbox="1209 1111 1513 1144">Not applicable</td> </tr> <tr> <td data-bbox="635 1144 927 1205">More than 6% or equal to 6.25%</td> <td data-bbox="927 1144 1209 1205">6.10%</td> <td data-bbox="1209 1144 1513 1205">0.10%</td> </tr> <tr> <td data-bbox="635 1205 927 1240">More than 6.25%</td> <td data-bbox="927 1205 1209 1240">6.30%</td> <td data-bbox="1209 1205 1513 1240">0.25%</td> </tr> </tbody> </table> Any excess profit after deducting Bank's Incentive Fee will be earned by the Investors.	Possible Scenario(s) during PDP (p.a%)	Profit Rate Assumptions during PDP (p.a%)	Incentive Fee (p.a %)	Lower than 6 %	5.90%	Not applicable	More than 6% or equal to 6.25%	6.10%	0.10%	More than 6.25%	6.30%	0.25%
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**KEY PRODUCT FEATURES**

**Calculation of Profit & Fees**

Illustration of fees and charges as follows:

1. Calculation of Upfront Fee:

<b>Upfront Fee (1%) X Subscription Amount [A]</b>	<b>=</b>	<b>Upfront Fee [B]</b>
<b>1 % X RM 1,000 [A]</b>	<b>=</b>	<b>RM10</b>
<i>Upfront Fee (1%) [only applicable during SP, not during auto renewal]</i>		

2. Calculation of Principal Amount to be invested:

<b>Subscription Amount [A] - Upfront Fee [B]</b>	<b>=</b>	<b>Principal Amount [C]</b>
<b>RM 1,000 - RM 10</b>	<b>=</b>	<b>RM990</b>

3. Total Investment into three (3) Dana:

<b>Principal Amount [C] X *Allocation of each Dana</b>	<b>=</b>	<b>Total Investment [D]</b>
<b>Investment into Dana Al-Izdihar</b>	<b>=</b>	<b>RM198</b>
<b>Investment into Dana Maa'rof</b>	<b>=</b>	<b>RM396</b>
<b>Investment into Dana Makmur</b>	<b>=</b>	<b>RM396</b>
<i>*Refer Asset Allocation under Investment Strategy</i>		<b>RM990</b>

**KEY PRODUCT FEATURES**
**4. Calculation of Net Profit (%) for PIA-i from three (3) Dana:**

<b>Gross Profit from Dana Al-Izdihar</b>	=	<b>RM5</b>
<b>Gross Profit from Dana Maa'rof</b>	=	<b>RM40</b>
<b>Gross Profit from Dana Makmur</b>	=	<b>RM20</b>
<b>*Gross Profit for PIA-I from 3 Dana [D]</b>	=	<b>RM65</b>
<i>*Assumption of gross profit for each Dana</i>		

<b>Management Fee [E]</b>	=	<b>RM5.85</b>
<b>Net Profit from Investment [F]</b>	=	<b>RM59.15</b>
<b>Total Investor's Investment Value [G]</b>	=	<b>RM1,049.15</b>
<i>*Charged by HLISAM at underlying Dana level</i>		
		<b>[F] = [D] - [E]</b>
		<b>[G] = [C] + [F]</b>
<b>(Net Profit / Capital Amount) X (365 / 180)</b>	=	<b>Net Profit [H]</b>
<b>([F] / [C]) X (365 / 180)</b>	=	<b>12.11% p.a*</b>

**5. Calculation of Incentive Fee:**

<b>Incentive Fee (0.25%) X Capital Amount [C] x (180/365)</b>	=	<b>Incentive Fee [I]</b>
<b>0.25% X RM 990 X (180 / 365)</b>	=	<b>RM1.22</b>
<i>*Only applicable if Net Profit [H] exceeds 6% p.a.</i>		

**6. Total funds credited to Investor:**

<b>[G] - [C] - [I]</b>	=	<b>Net Profit return to Investor [J]</b>
	=	<b>RM57.93</b>
<b>Total funds credited to Investor [J] + [C]</b>	=	<b>RM 57.93 + RM 990</b>
	=	<b>RM1,047.93</b>

**KEY PRODUCT FEATURES**

<b>Account Opening</b>	<ol style="list-style-type: none"> <li>For existing CASA-i (HLISB) / CASA (HLBB) account holder(s), PIA-i subscription can be made through HLB Connect.</li> <li>For non-existing CASA-i (HLISB) / CASA (HLBB) account holders, Investors are required to open a CASA-i (HLISB) / CASA (HLBB) over the counter.</li> <li>Alternatively, Investor(s) may apply online through Apply@HLB and follow the steps accordingly. The Investor(s) then will be given the access to HLB Connect to subscribe for PIA-i.</li> </ol>
<b>Coverage by PIDM</b>	This product is not protected by PIDM.

**4. What are the possible outcomes of my investment?**

- Investor(s) may receive the Expected Profit Rate or potentially higher return than Term Investment Account-i (TIA-i), depending on the performance of the underlying investment asset.
- However, the principal and returns of PIA-i investment are not guaranteed and runs the risk of losses if the investment does not perform as expected.

**A. Historical Returns of Underlying Dana**



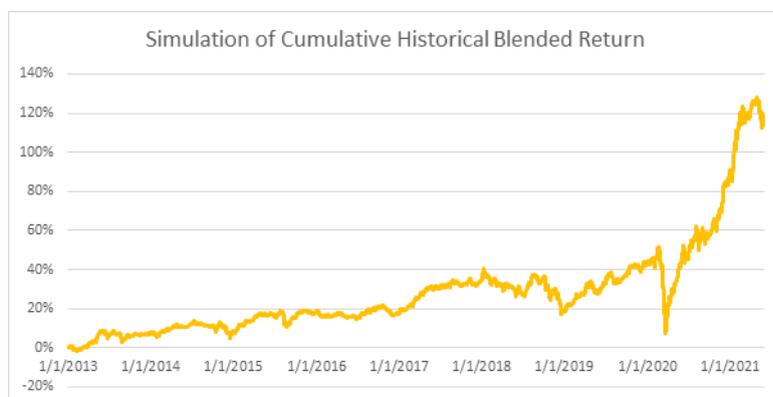
	Highest(%)	Lowest(%)	Average(%)
<b>Dana Makmur</b>	37.19	-9.82	7.41
<b>Dana Maa'rof</b>	23.46	-6.04	5.06
<b>Dana Al-Izdihar</b>	3.33	2.12	3.18

**Disclaimers:**

- The graph above represents the historical returns of the underlying Dana from 1st January 2013 to 31st May 2021 and is not reflective of future performance.
- The highest/ lowest/ average cases in table above represent the minimum of the top 10% returns, top 50% returns and top 90% returns of the historical 6-month return (% p.a.) of each underlying Dana.

## KEY PRODUCT FEATURES

### B. Simulation of Historical Blended Returns



	Best Case	Base Case	Worst Case
Blended	25.59%	6.04%	-5.71%

#### Disclaimers:

1. The graph above represents the simulation of the blended historical returns of the three (3) underlying Dana from 1st January 2013 to 31st May 2021 based on a historic-based algorithmic asset allocation method.
2. The Asset Allocation methods used in the simulation above is not reflective of the true asset allocation method used by the Fund Manager during investment as it doesn't take into account the Fund Manager's forward-looking judgement(s).
3. The simulation above is based on historical return and is not reflective of future performance.
4. The best/base/worst case in table above represent the minimum of the top 10% returns, top 50% returns and top 90% returns of the annualized semi-annual return of the simulated blended historical returns computed daily.

## VALUATION

HLISB will receive the valuation of the fund every business day at 7 p.m. HLISB will update the NAV to the Investor on the following day before 5 p.m. daily. The Investor(s) may check the current NAV price at their own PIA-i dashboard in HLB Connect.

*Basis of valuation of each Dana(s). For a detailed explanation please refer to this link: <https://www.hlbislamic.com.my/content/dam/hlisb-new/my/docs/extraction-of-salient/hldm-extraction-of-salient-info.pdf>*

**KEY PRODUCT FEATURES**

<b>Underlying Dana(s)</b>	<b>Details of Investment(s)</b>	<b>Valuation Method(s)</b>
<b>Dana Makmur</b>	Listed Equities	Based on market price (If market price is not reflective of fair value, the Investment Manager will compute the fair value.
	Unlisted Equities	The average of price is quoted by two (2) independent brokers if there is an active over the counter (OTC) market. If there is no active OTC market, it will be based on the latest transaction price.
<b>Dana Maa'rof</b>	Listed Equities	Based on closing market price (If market price is not reflective of fair value, the Investment Manager will compute the fair value.
	Unlisted Equities	Average of price is quoted by two (2) independent brokers if there is an active over the counter (OTC) market. If there is no active OTC market, it will be based on the latest transaction price.
	Listed Fixed Income Instrument	Based on closing market price.
	Unlisted Unlisted Fixed Income Instrument	The price is quoted by registered bond pricing agency or average of price quoted by three (3) Islamic Financial Institutions (IFIs).
<b>Dana Al-Izdihar</b>	Money market instruments	Price is determined on daily basis based on the principal sum and accrued profit of the instrument.

The Fund performance report will be made available via website.

**KEY PRODUCT FEATURES**
**KEY RISK**
**5. What are the key risks associated with this product?**

<b>a) Risk of Capital Loss</b>	<p>The product carries the risk of not recovering the full original investment. To moderate the risk, the Bank will invest in the Underlying Dana(s) that consist of three (3) unit trust funds that arrive in a blended medium risk category of investment. The three (3) Shariah Compliant unit trust funds managed by HLISAM are Dana Al-Izdihar, Dana Makmur and Dana Maa'rof come with specific allocation for each. The Bank will assess the performance of this Underlying Asset on a daily basis in anticipation of the expected profit rate by Investor(s). The Bank will perform portfolio rebalancing within the Investor(s)'s mandate to ensure the Underlying Asset consistently complies with the fund's strategies and objectives. Underlying Asset rebalancing will be done subsequent to assessments and reviews conducted along with HLISAM as and when the need arises.</p>
<b>b) Market Risk</b>	<p>Market risk is the possibility for Investor(s) to experience losses due to factors that affect the entire financial markets which may directly or indirectly impact the performance of the Underlying Dana(s). The Bank will monitor and manage market risk exposure using existing risk management controls. As an additional control, the Bank will assess the market risk volatility on a daily basis to ensure the Underlying Dana(s) performance is managed effectively within the Investor(s) mandate. HLISAM, after the consent from the Bank, may take a temporary defensive position in attempting to respond to certain conditions which include but are not limited to adverse market, economic and political conditions, insufficient funds to form an efficient portfolio and periods of high fund redemptions. In such situations, HLISAM with consent from the Bank may reduce its Shariah-compliant equity exposures below the mandated range by reallocating its investments into lower-risk Shariah compliant assets such as sukuk, Islamic money market instruments and/or Islamic deposits. Investor(s) consent to perform this defensive strategy will be obtained upfront during the customer on-boarding process.</p>
<b>c) Liquidity Risk</b>	<p>Liquidity risk is the risk that the Bank may be unable to meet short term redemption demands from customer(s). 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 customer(s) is that there may be lower return and possible capital loss.</p>
<b>d) Credit Risk</b>	<p>This risk may arise when a great amount of the fund's fixed income and money market instruments go into default. This shall 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>
<b>e) Investment Decision Risk</b>	<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 shall be applied by HLISB in the decision-making process. The Bank may instruct HLISAM to perform re-allocation of each Dana(s) exposure within the Investor(s) allocation mandate after relevant advice from the Joint Investment Committee. The performance of individual Dana will be assessed by the Joint Investment Committee Meeting which subsequently will be presented to the HLISB's Assets &amp; Liabilities Committee (ALCO) for approval.</p>
<b>f) Regulatory Non-Compliance Risk</b>	<p>Such a situation occurs when the investment fails to adhere to the investment parameters set by the relevant regulators. The risk shall be managed by the Bank in accordance with its overall policies and procedures. The Bank will continue to observe and adhere to any compliance requirements on a regular basis. PIA-i fund will run through periodic Restricted Compliance Self-Assurance (RCSA) exercise and be included into all Regulatory Horizon Scanning activities.</p>

### KEY PRODUCT FEATURES

<p><b>g) Shariah Non-Compliance Risk</b></p>	<p>This is a risk that arises from the Bank's failure to comply with the Shariah rules and principles determined by the Shariah Committee or regulatory councils. The Bank will continue to monitor, with guidance from the Bank's Shariah Committee, to ensure that the investment complies with the Shariah rules and principles. PIA-i fund will apply dual control measures at the Bank and HLISAM entities. One control is through the periodic review by the Bank's Shariah Review and Shariah Risk. All the three (3) Dana(s) being the Underlying Assets of PIA-i will also be periodically reviewed by HLISAM Shariah Advisor. Additionally, the three (3) Dana(s) has to comply with Securities Commission's SAC of Shariah-compliant Collective Investment Scheme which is observed by HLISAM.</p>
<p><b>h) Country Risk</b></p>	<p>Political and economic stability of the country may influence the growth and performance of the investment asset. The Bank will conduct periodic stress test as per the existing Bank's risk management controls. The Bank will also consult HLISAM's independent views/ opinions on this risk for a more collective measure.</p>
<p><b>i) Operational Risk</b></p>	<p>Operational Risk is the risk that occurs when the Bank encounters issues in managing end to end investment processes including the daily management reconciliation. This risk arises from inadequate or failed processes, human error, systems or from external sources. The Bank has established controls for all processes to avoid misinformation during data transit.</p>
<p><b>j) IT Risk</b></p>	<p>This is a risk that arises from the failure of IT system of the Bank as the on-boarding is only available via online i.e., HLB Connect. The Bank will ensure adherence to the IT policy by BNM and its own internal policies. Main IT risk derives from possible glitches in the form of network time-out in the HLB Connect system. However, the Bank has put in place necessary IT Infrastructure to ensure this product is supported sufficiently similar to other digital based Bank's products.</p>
<p><b>k) Anti-Money Laundering Risk</b></p>	<p>This is a risk that arises from customer(s) investing illegal money as defined in Anti-Money Laundering Act (AMLA) into the Fund. The Bank will monitor regularly on Anti-Money Laundering Activities within its organisation. All Investor(s) is required to own and open CASA-i (HLISB) / CASA (HLBB) to subscribe PIA-i. Subsequent to CASA-i (HLISB) / CASA (HLBB) opening, prospective Investor(s) is required to activate the HLB Connect Account. Hence, all mandatory on-boarding requirements including AML screening is done at CASA-i (HLISB) / CASA (HLBB) opening. The PIA-i may only be subscribed via debiting of Investor(s) own CASA-i (HLISB) / CASA (HLBB), of which any redemption will be credited back to the same CASA-i (HLISB) / CASA (HLBB).</p>

**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 or email us at [InvestmentAccountI@hlisb.hongleong.com.my](mailto:InvestmentAccountI@hlisb.hongleong.com.my)

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

- i. If you have enquiries, concerns or comments: - Please call, write, e-mail or fax us at:**  
**Service Recovery & Complaint Resolution - Customer Experience**  
 Hong Leong Bank Berhad, 13A Floor, Menara Hong Leong, No 6, Jalan Damanlela, Bukit Damansara, 50490 Kuala Lumpur.  
**Contact Center:** 03-7626 8899 **Facsimile:** 03-7946 8888 **E-mail:** [HLOnline@hlbb.hongleong.com.my](mailto:HLOnline@hlbb.hongleong.com.my)
- ii. If your query or complaint is not satisfactorily resolved by us, you may contact BNMLINK at:**  
 4<sup>th</sup> Floor, Podium Bangunan AICB, No 10, Jalan Dato' Onn, 50480 Kuala Lumpur. **Web:** [bnmlink.bnm.gov.my](http://bnmlink.bnm.gov.my)  
**Tel:** 1-300-88-5465 or 03-2174-1717 (for overseas calls)

**KEY PRODUCT FEATURES****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 PERBADANAN INSURANS DEPOSIT MALAYSIA.**

*The information provided in this disclosure sheet is valid as at 5 December 2023*