

IMPORTANT/DISCLAIMER

THIS IS AN INVESTMENT ACCOUNT PRODUCT THAT IS TIED TO THE PERFORMANCE OF THE ALLOCATED ASSETS, AND IS NOT A DEPOSIT PRODUCT. NOT PROTECTED BY PIDM.

PRODUCT DISCLOSURE SHEET

Please read this Product Disclosure Sheet together with the Terms and Conditions before you apply and decide to accept the Waheed Investment Account (Wakalah) (WIA Wakalah).

**Waheed Investment Account (Wakalah)
(WIA Wakalah)**

October 2019

BRIEF INFORMATION ON THE PRODUCT

1. What is this product about?

Name of Product	Waheed Investment Account (Wakalah) (WIA Wakalah).
Applicable Shariah Contract	<p>Wakalah bil istithmar: A form of <i>wakalah</i> contract (or agency contract) entered into for the purpose of investment.</p> <p>“Wakalah” means a contract in which a party (<i>muwakkil</i>) authorises another party as his agent (<i>wakil</i>) to perform a particular task, in matters that may be delegated, either voluntarily or with imposition of fee.</p> <p>Under this WIA Wakalah, the investment account holder as the muwakkil or principal authorises the Bank as wakil or agent to undertake investment activities and in return the Bank will receive a fee for the services provided.</p>
Type of investment account	Unrestricted Investment Account: refers to a type of investment account where the investment account holder provides the Bank with the mandate to make the ultimate decision without specifying any particular restrictions or conditions.
Parties involved in the Investment activities and their roles and responsibilities	The parties involved will be the investment account holder as the investor and the Bank acting as the agent to undertake the investment activities on behalf of the investment account holder. The Bank will be responsible to manage the investment provided by the investment account holder. The investment account holder will not be involved in the investment activities.

PRODUCT SUITABILITY

2. Who is this product suitable for?

Types of investors	<ul style="list-style-type: none"> • Corporate Customers • Government Accounts • Government Agencies • Universities • Companies & Partnerships • SMEs • Other Business & Non-Business Entities
Return objectives	Able to generate moderate returns over an agreed period of the investment
Risk on investment principal	The principal amount of investment is not guaranteed
Period to hold the investment	Negotiable maturity date

Investment limit

No investment limit

KEY PRODUCT FEATURES

3. What am I investing in?

Investment objective, strategy and policy

Objective	Provide regular income over retail financial asset
Strategy	To ensure investment is within the investment objective of the Fund with its asset allocation safeguarding the investment portfolio
Policy	To manage the portfolio yield over the term in a manner that is consistent with the Bank's liquidity needs, asset strategy and safety of IAH's investment principal.

Risk assessment on the performance of the investment assets

Proactive management of the retail financial asset and periodical performance reports of the investment portfolio can be viewed via Bank Islam website.

Minimum Investment amount

RM500, 000.00 or its equivalent amount if the investment is denominated in foreign currency.

Investment Tenure

Minimum 1 day to a maximum of 10 years.

Profit payment method

- Profit payment frequency: At maturity.
- Expected profit rate: [TBD]* % p.a.
- Profit is calculated on daily basis and based on day end balance.
 - a) If the Actual Profit Rate is **above** (or **equal to**) the Expected Profit Rate;
 - the Bank will pay the Expected Profit Rate to the Customer and;
 - any excess will be retained by the Bank as a performance incentive
 - b) If the Actual Profit Rate is **below** the Expected Profit Rate
 - the Bank is obliged to pay the Actual Profit to the Customer.
 - Loss (if any) shall be borne by the Investor provided that such losses are not due to the Bank's misconduct, negligence or breach of specified terms.
- Profit proceeds calculation:

Profit proceeds: Principal Value x Profit rate x Tenure/365*

Where:

Principal Value = Initial proceeds from customer

Tenure = Number of days from placement date to maturity date

**Denominator = To follow the market's day-count convention*

Example:

Date of placement: 10/02/2015	Date of maturity: 18/02/2015
Investment amount: RM1,000,000	Investment tenure: 8 days
Expected Return: 3.50%	

Illustration 1 (Actual Return higher than Expected Return):

Actual return: 3.60%

Profit proceeds: $RM1,000,000 \times 3.50\% \times 8 / 365 = RM767.12$

Illustration 2 Actual Return lower than Expected Return):

Actual return: 3.40%

Profit proceeds: $RM1,000,000 \times 3.40\% \times 8 / 365 = RM745.21$

Key terms and conditions

- Redemption at maturity – you may receive the available principal amount payable at maturity;
- Early Redemption – you may receive a sum lesser than your initial investment if you redeem all or

- part of the investment before its maturity. The actual amount that you will be paid depends on the market value of the underlying asset of which your investment is linked to at the point of redemption.
- Redemption process –All redemption requests made before 12.00 pm will be treated as received on that business day and redeemed at the rate applicable for that business day. Any redemption request made after 12.00 pm will be treated as received on the following business day and redeemed at the rate applicable for the following business day.

Note: For premature redemption, Investors are advised to contact the Bank for consultation if they are considering premature redemption.

4. What are the possible outcomes of my investment?

The IAH may gain from the positive performance of the retail financial asset portfolio as a result of the increase in the accrual profit earned. However, the IAH may lose any part of or all of his/her investment in case of failure of the underlying investment portfolio to perform as expected.

	Return on Asset (ROA)	Return on Investment (ROI)	Fund Size as at RM'000
YTD Dec 2018	4.61%	3.65%	549
YTD Dec 2017	4.34%	3.64%	530
YTD Dec 2016	4.31%	3.97%	613
YTD Dec 2015	4.52%	3.99%	214,793
YTD Dec 2014	4.06%	NA	NA

Important Notice: Past performance of the investment is not an indication of its future performance.

KEY RISKS

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

The Bank will apply risk management controls over portfolio, legal and operational activities; including asset allocation, liquidity adherence to investment objective and parameters, valuation, monitoring performance and others as per guided in the BNM's Investment Account Policy. Notwithstanding the above, in times of adversity in the markets the Bank may manage its asset allocation to safeguard the investment portfolio provided that such investment is within the investment objectives of the Fund.

As such, You are advised to carefully consider all risk factors before making an investment decision. Investors will be exposed to the following risks:

- i. **Market risk** : refers to the potential impact of adverse price movements (e.g. profit rate, foreign exchange rates or equity prices, where applicable) on the economic value of an asset;
- ii. **Credit risk** : refers to the potential that the Bank fails to meet its obligations to IAH in accordance with agreed terms and conditions;
- iii. **Liquidity risk** : refers to the potential loss arising from the liquidity risk for investment account holder where there shall be lesser return and possible capital erosion;
- iv. **Operational risk**: refers to the potential loss resulting from inadequate or failed internal processes, people and systems or external events.
- v. **Legal risk** : Investors should ensure that, in entering into this investment it is not in breach of any laws, regulations, contractual or any other legal limitations that may apply to Investors. This investment is issued subject to all applicable laws, regulations and guidelines. In the event of change in such laws, regulations or guidelines, Bank Islam may be obliged to change some or all the terms and conditions of the investment, including the possibility of an early termination.
- vi. **Currency Risk**: currency risk is the risk applicable to investment account holder that denominate into a foreign currency Investment

Account. The currency fluctuations may potentially have indirect effects on the movements of the related market factors.

6. What are the fees and charges involved?

- No Agency Fee payable by the investment account holder upon application and acceptance of investment under WIA.
- No penalty charges will be imposed for any pre-mature withdrawals.

Note: The IAH agrees that the Bank shall be entitled to charge a fee for any of its services provided to the IAH at the rates imposed by the Bank (as approved by Bank Negara Malaysia) and as set out in the PDS and/or at the Bank's website.

7. Where valuations strategy and frequency are published?

Valuation will be carried out in line with the recognition and measurement criteria of the applicable Malaysian Financial Reporting Standards (MFRS). Investment account holders will be able to obtain information pertaining to the Investment account from Bank Islam website at <http://www.bankislam.com.my>

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

- If you have any queries or for internal dispute resolution, you may contact us at:

Bank Islam Malaysia Berhad
11th Floor, Treasury Division
Menara Bank Islam
22 Jalan Perak
50450 Kuala Lumpur
Tel: 603-2090 1710/11/12
Fax: 603-2088 8686
Email: treasury.mm.sales@bankislam.com.my ; or

- If you wish to make any queries or complaint on the products or services provided by us, you may contact us at:

Contact Centre & Customer Care

Bank Islam Malaysia Berhad

17th Floor, Menara Bank Islam
No 22, Jalan Perak,
50450 Kuala Lumpur
Tel: 03-26900900
Fax: 03-2782 1337
Email: contactcenter@bankislam.com.my or customercare@bankislam.com.my ; or

- If your query or complaints is not satisfactorily resolved by us, you may contact Bank Negara Malaysia LINK or TELELINK at:

- (a) via phone to: 1-300-88-5465 (1-300-88-LINK)
- (b) via fax to : 603-2174 1515
- (c) via email to: bnmtelelink@bnm.gov.my
- (d) via letter to: **Laman Informasi Nasihat dan Khidmat (LINK)**
Bank Negara Malaysia
P.O. Box 10922
50929 Kuala Lumpur

Note: Information contained herein is accurate as of the time of publishing and subject to change in accordance with applicable rules, regulations or guidelines issued by Bank Negara Malaysia from time to time.

WARNING

THE RETURNS ON THIS INVESTMENT ACCOUNT WILL BE AFFECTED BY THE PERFORMANCE OF THE ALLOCATED ASSETS. THE PRINCIPAL AND RETURNS ARE NOT GUARANTEED AND THE INVESTMENT ACCOUNT HOLDER RISKS EARNING NO RETURNS AT ALL OR LOSING PART OR THE ENTIRE PRINCIPAL SUM INVESTED. IF THE INVESTMENT IS REDEEMED EARLY, THE INVESTMENT ACCOUNT HOLDER MAY SUFFER LOSSES IN PART OR THE ENTIRE PRINCIPAL SUM INVESTED. NOT PROTECTED BY PIDM

The information provided in this disclosure sheet is valid as at October 2019.