

**IMPORTANT/DISCLAIMER**  
**THIS IS AN INVESTMENT ACCOUNT PRODUCT THAT IS TIED TO THE PERFORMANCE OF UNDERLYING ASSETS, AND NOT A DEPOSIT PRODUCT**

**PRODUCT DISCLOSURE SHEET**

Please read and understand this Product Disclosure Sheet together with the Terms and Conditions before you apply and decide to accept the PrimeInvest Investment Account-i

**PrimeInvest Investment Account-i**

This product is not protected by PIDM

Date: \_\_\_\_\_

**BRIEF INFORMATION ON THE PRODUCT**

**1. What is this product about**

<b>Applicable Shariah Contract</b>	The Shariah concept applicable for this product is <b>wakalah bi al-istithmar</b> whereby it refers to a form of <i>wakalah</i> contract (or agency contract) entered into for the purpose of investment.  “ <b>Wakalah</b> ” means a contract in which a party being the principal ( <i>muwakkil</i> ) authorises another party as its agent ( <i>wakil</i> ) to perform a particular task, in matters that may be delegated, either voluntarily or with imposition of fee.  Under this product, the Investment Account Holder (IAH) as the <i>muwakkil</i> or principal or investor authorises the Bank as <i>wakil</i> or agent to undertake investment activities and in return the Bank shall be entitled to performance incentive for the services provided, subject to the performance of the underlying investment assets.
<b>Type of Investment Account</b>	<b>Unrestricted Investment Account:</b> Refers to a type of investment account where the IAH provides the Bank with the mandate to make the ultimate decision without specifying any particular restrictions or conditions.
<b>Parties Involved in the Investment Activities and Their Roles and Responsibilities</b>	The parties involved will be the IAH as the investor and the Bank acting as the agent to undertake the investment activities on behalf of the IAH. The Bank will be responsible to manage the investment provided by the IAH.

**PRODUCT SUITABILITY**

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

<b>Type of Investor</b>	<ul style="list-style-type: none"> <li>▪ Business entities such as Corporations, Commercials, SMEs</li> <li>▪ Government bodies.</li> <li>▪ All legitimate entities registered with Registrar of Business / Registrar of Companies / Registrar of Societies/ Companies Commission of Malaysia.</li> <li>▪ Local financial institutions</li> <li>▪ Foreign financial institutions that are permitted</li> </ul>
<b>Return Objectives</b>	Preserve capital whilst providing steady return over the agreed investment period

**KEY PRODUCT FEATURES**

**3. What are we investing in?**

<b>Investment Objective</b>	Generate attractive and steady return while taking into account the capital preservation factor.
<b>Investment Strategy</b>	The fund will be invested in the Bank’s portfolio of assets with competitive pricing and with a conservative risk profile.
<b>Underlying Assets</b>	The fund will be invested in the Bank’s Personal Financing portfolio.
<b>Risk Assessment on the performance of the investment assets</b>	IAH will be provided with information on the past performances of the underlying asset through the Product Disclosure Sheet (“PDS”). And in addition, periodical performance will also be available at the Bank’s website for IAH investment decision.
<b>Minimum Investment</b>	RM500,000.00 (Ringgit Malaysia Five Hundred Thousand)
<b>Currency</b>	Malaysian Ringgit only
<b>Investment Tenure</b>	Minimum 1 day to a maximum of 60 months (5 years)

<b>Profit Payment Method</b>	Profit is distributed upon maturity or on periodical basis.	
	<ul style="list-style-type: none"> <li>i. If the Actual Profit Rate is <b>higher</b> (or <b>equal to</b>) than Expected Profit Rate; <ul style="list-style-type: none"> <li>▪ The Bank will pay the Expected Profit Rate to the IAH; and</li> <li>▪ Any excess will be retained by the Bank as a performance incentive.</li> </ul> </li> <li>ii. If the Actual Profit Rate is <b>lower</b> than Expected Profit Rate; <ul style="list-style-type: none"> <li>▪ The Bank is obliged to pay the Actual Profit to the IAH;</li> <li>▪ The Bank is not entitled for performance incentive.</li> <li>▪ 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.</li> </ul> </li> </ul> <p>The Investment returns are calculated as follows;</p> <p><b>Investment Return = Investment Amount x Expected / Actual Profit Rate x Tenure/365 or 366</b></p> <p><b>Illustration</b>  Investment Amount = RM500,000  Investment Tenure = 3 months (91 days)  Expected Profit Rate = 3.05%</p> <p><b>Scenario 1: Actual Profit Rate is <u>above</u> the Expected Profit Rate</b>  Actual Profit Rate = 3.30%  Investment Return = RM500,000 x 3.05% x 91/365 = RM3,802.05</p> <p><b>Scenario 2: Actual Profit Rate is <u>lower</u> than the Expected Profit Rate</b>  Actual Profit Rate = 2.90%  Investment Return = RM500,000 x 2.90% x 91/365 = RM3,615.07</p> <p>The tenure of the investment for any placement using cheque will commence upon cheque clearance.</p>	
<b>Redemption Method</b>	<b>Upon Maturity</b>	The IAH may receive all available principal amount with profit payable.
	<b>Early Redemption</b>	<p>Early redemption is allowed subject to the following conditions:</p> <ul style="list-style-type: none"> <li>▪ With 31 days' notice – only 50% of the profit will be paid to the IAH;</li> <li>▪ Without 31 days' notice – No profit will be paid to the IAH. The IAH shall waive their rights to receive any profit from the Bank.</li> </ul> <p>The above conditions do not apply for 1 month placement and below. IAH may withdraw the investment amount at any time and will receive 50% of the accrued profit (if any) based on the number of days of the investment.</p>
	<b>Partial Redemption</b>	Partial redemption is not allowed.
<b>Renewal of Investment</b>	<p>Unless otherwise specified by the IAH, the Bank shall automatically renew the account upon the expiry of the prevailing placement period.</p> <p>Any changes to the profit rate of the renewed accounts will be as per the Bank's prevailing board Expected Profit Rates. The changes to the profit rate will only take effect upon expiry of the existing placement tenure.</p>	

#### 4. What are the possible outcomes of our investment?

(a) The returns to IAH depend on the performances of the underlying asset as illustrated below:

Illustration	Overnight Policy Rate (OPR)	Gross Return on Asset (ROA)	Expected Profit Rate (EPR)	Returns to IAH (based on 12 months tenure)
Best market	2.25%	3.25%	3.05%	<b>3.05%</b>
Worst market	1.75%	2.75%	3.05%	<b>2.75%</b>

(Numbers above are for illustration purposes only)

**Important Notice:**

- The best market and worst market illustrations are based on Overnight Policy Rate (OPR) movement of +/- 25bps from the current OPR rate of 2.00%. OPR levels are assumed to directly impact returns through full transfer of OPR increase / decrease to portfolio and with all other factors remaining unchanged.
- The outcomes reflected under possible best and worst market illustrations shall not be construed as the actual outcome.

(b) Below are the historical performance of the Bank's underlying asset (Personal Financing-i) portfolio for five (5) years:

Financial Year as at 31 December	Gross Return on Asset (ROA) <sup>2</sup>	Returns to IAH
2019	5.79%	Based on the Expected / Actual Profit Rate agreed upon placement of the fund.
2018	6.90%	
2017 <sup>1</sup>	4.68%	
2016 <sup>1</sup>	5.61%	
2015 <sup>1</sup>	4.88%	

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

**Note:**

- <sup>1</sup> Prior to year of 2018, the Personal Financing-i was an asset to Malaysia Building Society Berhad (“MBSB”), the financial holding company of the Bank. During the year of 2018, following the acquisition of the Bank (formerly known as Asian Finance Bank), MBSB then transferred the Shariah compliant assets and liabilities (including all Personal Financing-i assets) to the Bank via Member’s Scheme Arrangement.
- <sup>2</sup> ROA is based on past performances.

## 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 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.

The IAH should be aware of the various risks associated with the IA-i, the key risks that the IAH may be exposed to are as follows:

<b>Market Risk</b>	Market risk refers to the possibility for an investor to experience lower or losses due to changes in market factors which will impact the overall performance on the underlying assets. This will be managed by the Bank in accordance and within the approved risk framework imposed.
<b>Risk of Capital Loss</b>	This refers to the risk of decline in the value of the original investment value. This will be managed by the Bank through portfolio rebalancing, a process of selecting the applicable assets that comply with the investment strategies and objectives.
<b>Liquidity Risk</b>	Liquidity risk refers to risk that the Bank may be unable to meet short term financial demands i.e. withdrawals from IAH. The Bank will manage the liquidity risk in accordance with both its internal and external risk frameworks.
<b>Credit Risk</b>	This risk that arises when the underlying assets for the funds goes into default. The Bank will manage this through selection of qualified assets and close monitoring to ensure that it is within the investment strategies and objectives.
<b>Investment Concentration Risk</b>	Investment concentration risk can materialise from excessive exposure to a particular type of asset, a single counterparty, a single geographical location or others. The underlying assets are diversified based on the type of market segment that the assets are financed to. Additionally, the Bank will ensure the investment is in accordance with both internal and external policies.

**“You are advised to carefully consider all risk factors before making an investment decision”**

## FEES AND CHARGES

### 6. What are the fees and charges involved?

There are no fees and charges for this product. The Bank currently waives the *wakalah* Fee.

## VALUATIONS

The Bank will perform valuation of the underlying assets of the fund in accordance with the Malaysian Financial Reporting Standards (“MFRS”) which will be carried out on a monthly basis.

The IAH will be able to obtain information pertaining to the investment account i.e. Fund performance report, from the Bank’s website at [www.mbsbbank.com](http://www.mbsbbank.com).

## CONTACT INFORMATION

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

If you wish to complain on the products or services provided by us, you may contact us at :	If your query or complaint is not satisfactorily resolved by us, you may contact:
Customer Experience Management 25th Floor, Menara MBSB Bank, PJ Sentral Lot 12, Persiaran Barat, Section 52 462000 Petaling Jaya, Selangor Tel. No. : 03 - 2096 3000 Email : <a href="mailto:complaint@mbsbbank.com">complaint@mbsbbank.com</a> / <a href="mailto:enquiry@mbsbbank.com">enquiry@mbsbbank.com</a>	Bank Negara Malaysia LINK or TELELINK Block D, Bank Negara Malaysia, Jalan Dato’ Onn, 50480 Kuala Lumpur. Phone : 1-300-88-5465 Fax : +603-2174 1515 Email : <a href="mailto:bnmtelelink@bnm.gov.my">bnmtelelink@bnm.gov.my</a>

