

IMPORTANT/ DISCLAIMER

THIS IS AN INVESTMENT ACCOUNT PRODUCT THAT IS TIED TO THE PERFORMANCE OF THE UNDERLYING ASSETS, AND IS NOT A DEPOSIT PRODUCT.

PRODUCT DISCLOSURE SHEET

Kindly read and understand this Product Disclosure Sheet before you apply and decide to accept the Mudarabah Investment Account. Be sure to also read the general terms and conditions.

**PRODUCT NAME:
 MUDARABAH INVESTMENT ACCOUNT (TERM FUND-i)
 (EFFECTIVE : 01.11.2018)**

BRIEF INFORMATION ON THE PRODUCT
What is this product about?
Applicable Shariah Contract

- Mudarabah. This is a contract between the capital provider (rabbul mal) and an entrepreneur (mudarib) under which the rabbul mal provides capital to be invested in a Mudarabah venture that is managed by the mudarib. Any profit generated from the venture is shared between the rabbul mal and the mudarib according to a mutually agreed Profit Sharing Ratio (“PSR”) whilst financial losses are borne by the rabbul mal provided that such losses are not due to the mudarib’s misconduct (ta’adi), negligence (taqsir) or breach of specific terms (mukhalafah al-shurut).

Type of Product

- This is an unrestricted investment account known as Mudarabah Investment Account under the Term Fund-i, where the customers provide the Bank with the mandate to invest in the Bank’s selected portfolio of Shariah compliant assets, which may potentially provide customers with higher returns.
- Applicable Mudarabah Investment Account that will invest in this fund is General Investment Account-i.

Parties Involved In The Investment Activities, Roles and Responsibilities

- Parties involved in this investment are the customer as the Investment Account Holder (“IAH”) (rabbul mal) and the Bank as the entrepreneur (mudarib), where:
- The customers will invest their money in Term Fund-i (“the Fund”).
 - The Fund is then invested by the Bank into a portfolio of the Bank’s assets.
 - The profits generated from the investment are to be distributed to the customers and the Bank based on an agreed Profit Sharing Ratio (“PSR”). Please refer to the “Profit Distribution Frequency” section below for details.
 - This investment is tied to the performance of the underlying assets, and the principal and returns are not guaranteed by the Bank.
 - The financial losses associated with the investment (if any) are to be borne by the customers whilst the Bank may suffer losses in term of costs and time.

PRODUCT SUITABILITY
Who is this product suitable for?
Type of Customer

- All segments, individuals and non-individuals.

Return Objectives

- The Fund’s objective is to preserve capital while providing stable returns through low to moderate risk investments.

Premature Withdrawal	Date of Placement or Renewal	Date of Premature Withdrawal	Profit Payment							
	Prior to 1 November 2018	Prior to 1 January 2019	From 1 January 2019	The existing premature withdrawal rule is applicable :- a. no profit shall be paid on any 1, 2 or 3 months investment tenure that has not completed its respective full tenure period; b. for Mudarabah Investment Account with tenures exceeding 3 months, no profit shall be paid if the Mudarabah Investment Account is uplifted before the completion of the first 3 months period; c. Other than in the circumstances mentioned in (a) and (b) above, only 50% of the accrued profit will be paid based on actual number of placement days.						
From 1 January 2019										
From 1 November 2018	Prior to 1 January 2019	From 1 January 2019	The new premature withdrawal rule is applicable :- <table border="1" data-bbox="630 757 1544 1227"> <thead> <tr> <th>Premature Options</th> <th>Details</th> </tr> </thead> <tbody> <tr> <td>Immediate Premature Withdrawal (Without Prior Written Notice)</td> <td>No profit shall be paid. The Customer shall waive their right to receive the profit from the Bank on the entire contracted profit.</td> </tr> <tr> <td>Premature Withdrawal (With 31 days' Prior Written Notice)</td> <td>The Bank shall pay 50% of profit computed based on actual number of placement days upon tendering 31 days' notice period. The Customer shall waive their right to receive the profit from the Bank on the uncompleted tenure. The Customer is not allowed to uplift the placement until the due date of the notice.</td> </tr> </tbody> </table>		Premature Options	Details	Immediate Premature Withdrawal (Without Prior Written Notice)	No profit shall be paid. The Customer shall waive their right to receive the profit from the Bank on the entire contracted profit.	Premature Withdrawal (With 31 days' Prior Written Notice)	The Bank shall pay 50% of profit computed based on actual number of placement days upon tendering 31 days' notice period. The Customer shall waive their right to receive the profit from the Bank on the uncompleted tenure. The Customer is not allowed to uplift the placement until the due date of the notice.
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From 1 November 2018	From 1 January 2019									

Note: The above conditions does not apply for 1 month placement. Customers may withdraw their Fund at any time and will receive the accrued profit (if any) based on the number of days of the investment.

KEY PRODUCT FEATURES

What am I investing in?	
Investment Strategy	<ul style="list-style-type: none"> The Fund will be invested in a blended portfolio of the Bank's assets. This is a low to moderate risk investment to achieve capital preservation and steady returns.
Operational Features	<ul style="list-style-type: none"> Similar operational features with term deposit accounts whereby customers will be able to withdraw anytime via over-the-counter and internet banking with the option to renew and extend the placement.
Eligibility	<ul style="list-style-type: none"> Individuals / Joint/ Partnerships / Sole Proprietor Companies / Clubs / Societies / Associations
Minimum initial placement	<ul style="list-style-type: none"> Subject to tenure, ranging from RM1,000 to RM5,000
Tenure	<ul style="list-style-type: none"> 1 month up to 60 months.
Profit Distribution Frequency	<ul style="list-style-type: none"> Monthly.
Indicative Profit Rate	<ul style="list-style-type: none"> To be declared on a monthly basis and to be published on the website and at all branches.
Profit Sharing Ratio ("PSR")	<ul style="list-style-type: none"> As published on the website and branches.

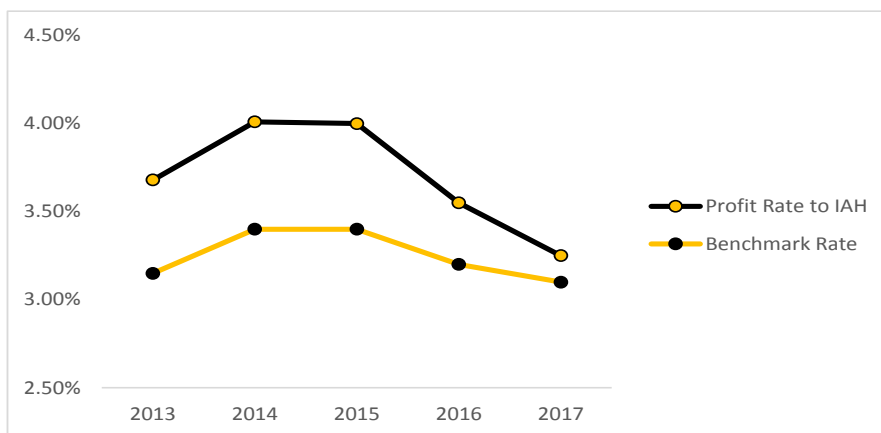
Sample Profit Calculation	Sample of daily profit calculation is as per the table below <i>(Numbers are for illustration purpose only)</i>			
	Date of placement	01/07/2015	Profit Sharing Ratio	IAH:Bank 80:20
	Investment amount (Principal)	RM20,000	Profit Rate to IAH	4.00%
	Date of maturity	01/08/2015		
	Investment Tenure	1 month		
<p>Note: Net Yield = Gross Yield - Attributable Expenses and Allowances Profit Rate to IAH = Profit Sharing Ratio x Net Yield</p> <p>Profit Calculation: Principal x Profit Rate to IAH x No. of Days/365 Profit Payable to the IAH: RM20,000 x 4.00% x 31/365 = RM67.95</p>				
Opening of Account	<ul style="list-style-type: none"> Over-the-counter (OTC) & Maybank2u 			
Closing of Account / withdrawal	<ul style="list-style-type: none"> Customer may withdraw their funds and close their accounts at any time. For premature withdrawals, the conditions stated above under the section "Premature Withdrawal" shall be applicable. The closing and withdrawal of funds can be made via various channels such as through over-the-counter and through internet banking. 			
Coverage by PIDM	<ul style="list-style-type: none"> This product will not be covered by Perbadanan Insurans Deposit Malaysia (PIDM). 			

What are the possible outcomes of my investment?

- Customer may potentially receive higher returns compared to a term deposit.
- The principal and returns of the investment are not guaranteed in the event the Fund incurs losses or does not perform as expected.

a) Fund Performance

Term Fund-i Investment Account :
Returns vs Benchmark



Calendar Year Performance

	2013	2014	2015	2016	2017
Profit Rate to IAH	3.68%	4.01%	4.00%	3.55%	3.25%
Benchmark Rate	3.15%	3.40%	3.40%	3.20%	3.10%

- Performance data represents the net profit rate (after applying PSR) of 12 months tenure, based on net yield generated by the Fund.
- Benchmark rate is based on the Bank's historical Term Deposits rate of returns.
- Past performance is not reflective of future performance.

b) Possible future gains and losses

Table 1: Best Market Simulation			Table 2: Worst Market Simulation		
Date	OPR	Profit Rate to IAH	Date	OPR	Profit Rate to IAH
Apr 2006	3.50%	3.65%	Aug 2005	2.70%	3.00%

*Numbers are for illustration purposes only.

Note: The Best Market and Worst Market scenarios are based on the last 13 years' data on 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 the transfer of OPR increase/decrease to portfolio returns.

RISKS DISCLOSURE STATEMENT

What are the key risks associated with this fund?

Notwithstanding that the Bank shall emphasise on safe and minimal risk investment strategy to ensure preservation of capital and optimisation of profit, customers should be aware of the various risk factors associated with Mudarabah Investment Accounts as follows:

1. Risk of capital loss - any investment carries the risk of reduction in the value of purchasing power. Hence, the Bank will only invest the Fund in diversified assets with low risk attributes and apply sound investment management standards.
2. Market Risk - Invested assets are subjected to fluctuations in market rates, which may impact the overall income performance of the Fund. This risk shall be managed by the Bank in accordance with its overall hedging strategy.
3. Liquidity Risk- Such risk occurs when withdrawals/redemptions exceed total investments. The risk shall be managed by the Bank in accordance with its overall liquidity management strategy.
4. Credit Risk - This risk may arise when substantial amount of assets for the Fund goes into default. This shall be managed by the Bank by prudent selection of diversified asset portfolios and close monitoring of the performance of the selected assets.
5. Investment Decision Risk - This risk applies in the event the allocation of assets to be invested is not aligned with the market movement. Hence, careful selection and strict governance shall be applied by the Bank in the decision making process.
6. Regulatory Non-Compliance Risk - Such situation occurs when the investment fails to adhere to the investment parameters set forth by the relevant regulators. The risk shall be managed by the Bank in accordance with its overall policies and procedures.
7. Shariah Non-Compliance Risk - Failure to comply with the Shariah rulings of Shariah Advisory Council of BNM may result in a breach. Such occurrence shall be closely supervised by the Shariah Committee of the Bank.
8. Country Risk - Political and economic stability of the country may influence the growth and performance of the investment asset.
9. Industry/Sector Risk - Every industry/sector is exposed to various risk elements. As such, diversification and careful selection of such industry/sector are critical to the Bank in managing such risk.

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

FEES AND CHARGES**What are the fee and charges involved?**

- The fees and charges imposed for this product are available at the Bank's website and as displayed at branches.

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 Fund performance report will be made available alongside the quarterly financial statements at all branches and published via website accessible at www.maybank.com.my/islamic

CONTACT INFORMATION**What do I need to do if there are changes to my contact details?**

- It is important that you inform us of any change in your contact details to ensure that all correspondences reach you in a timely manner.

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

- a. Maybank Group Customer Care,
Lot 12, Jalan Astaka U8/84,
Section U8, Bukit Jelutong,
40150 Shah Alam,
Selangor.
Tel : 1-300-88-6688/03-78443696
Website : www.maybank.com.my/islamic
- b. If you are dissatisfied with the outcome of the internal dispute resolution process, please refer your dispute to the BNM TELELINK
 - i. Via phone to : 1-300-88-5465 (1-300-88-LINK)
 - ii. Via fax to : +603-2174-1515
 - iii. Via email to : bnmtelelink@bnm.gov.my
 - iv. Via letter to : Laman Informasi Nasihat dan Khidmat (LINK)
Bank Negara Malaysia
P.O. Box 10922
50929 Kuala Lumpur

WARNING

THE RETURNS 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. THIS INVESTMENT ACCOUNT IS NOT PROTECTED BY PERBADANAN INSURANS DEPOSIT MALAYSIA ("PIDM").

The information provided in this disclosure sheet is valid effective 1 November 2018