

Portfolio Investment Account-i

Quarterly Fund Performance Report for
Series 1 (April 2022 – June 2022)

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Fund Information

Product Name Portfolio Investment Account-i (“PIA-i”)

Shariah Contract *Wakalah bi Al-Istithmar - An agency contract where the Investor (Muwakkil) authorizes Hong Leong Islamic Bank Berhad (HLISB) as Agent (Wakil) to perform a particular task for the purpose of investment.*

Investment Account Type **Restricted Investment Account** - Investor(s) provides the Bank with a specific investment mandate such as purpose, asset class, economic sector and/or period of investment.

Fund Inception 21 December 2021

Investment Objective

The fund aims for capital growth and regular income through medium risk investment.

Investor Profile

- Category of Investor(s):
 - Individual(s)
 - Sole-Proprietorship(s)
- Investor(s) with medium risk tolerance

Note:

Investor(s) are advised to understand the risk(s) related to PIA-i before making an investment decision. Further explanation of each risk is in the Product Disclosure Sheet (PDS) available on HLISB’s website.

Nature of Investment Account

An investment fund with semi-annual Profit Distribution Period (PDP).

Fund Investment Strategies

The fund will be invested into three (3) Shariah Compliant Unit Trust funds managed by Hong Leong Islamic Asset Management (HLISAM) which are known as Dana Al-Izdihar (Money Market), Dana Maa’rof (Balanced) and Dana Makmur (Equity). The investment into the three (3) Dana mentioned above will be based on respective asset allocations within the allowable threshold as specified in the PDS to achieve the Expected Profit Rate (EPR) while exercising appropriate defensive mechanisms to moderate market volatility.

Profit Payment Policy

Profit (if any) payment will be credited into Investor’s CASA-i (HLISB)/CASA (HLBB) within four (4) Business Days after PDP.

Fees & Charges

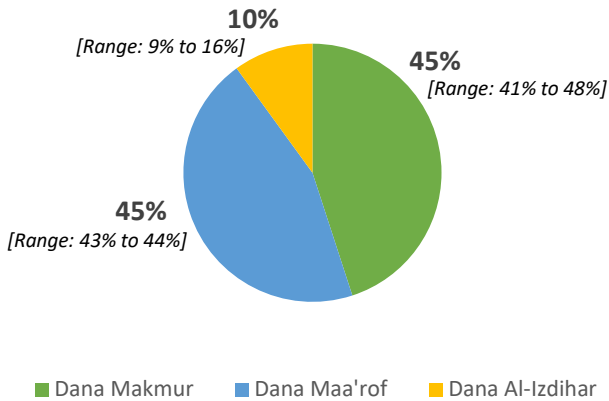
Fee Type	Fee Amount
Management Fee	Dana Al - Izdihar: 0.10% Dana Maa’rof: 1.50% Dana Makmur: 1.50% <i>(Charged by HLISAM at Individual Dana Level)</i>
Upfront Fee	1% <i>(Charged by the bank upfront upon placement by Investor during SP)</i>
Incentive Fee	0% <i>(No Incentive Fee was charged by the bank as the performance did not exceed the expected profit rate of 6% p.a.)</i>

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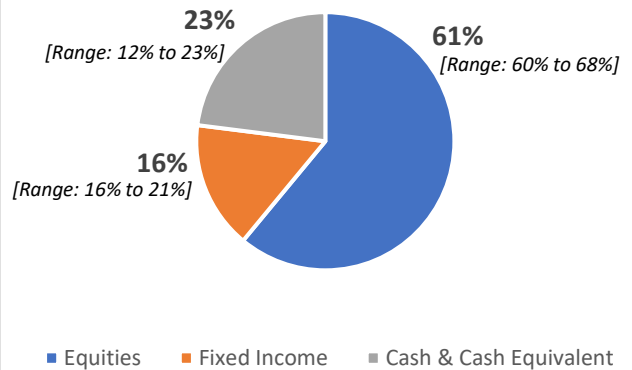
Investment Dana Allocation

The fund is invested in a portfolio that consist of Dana Al-Izdihar¹, Dana Maa'rof² and Dana Makmur³ as per chart below (with the allocation range throughout the investment period).



Investment Asset Class Allocation

Dana Al-Izdihar, Dana Maa'rof and Dana Makmur are invested in a portfolio of Equities, Fixed Income, and Cash & Cash Equivalent as per chart below (with the allocation range throughout the investment period).



Note:

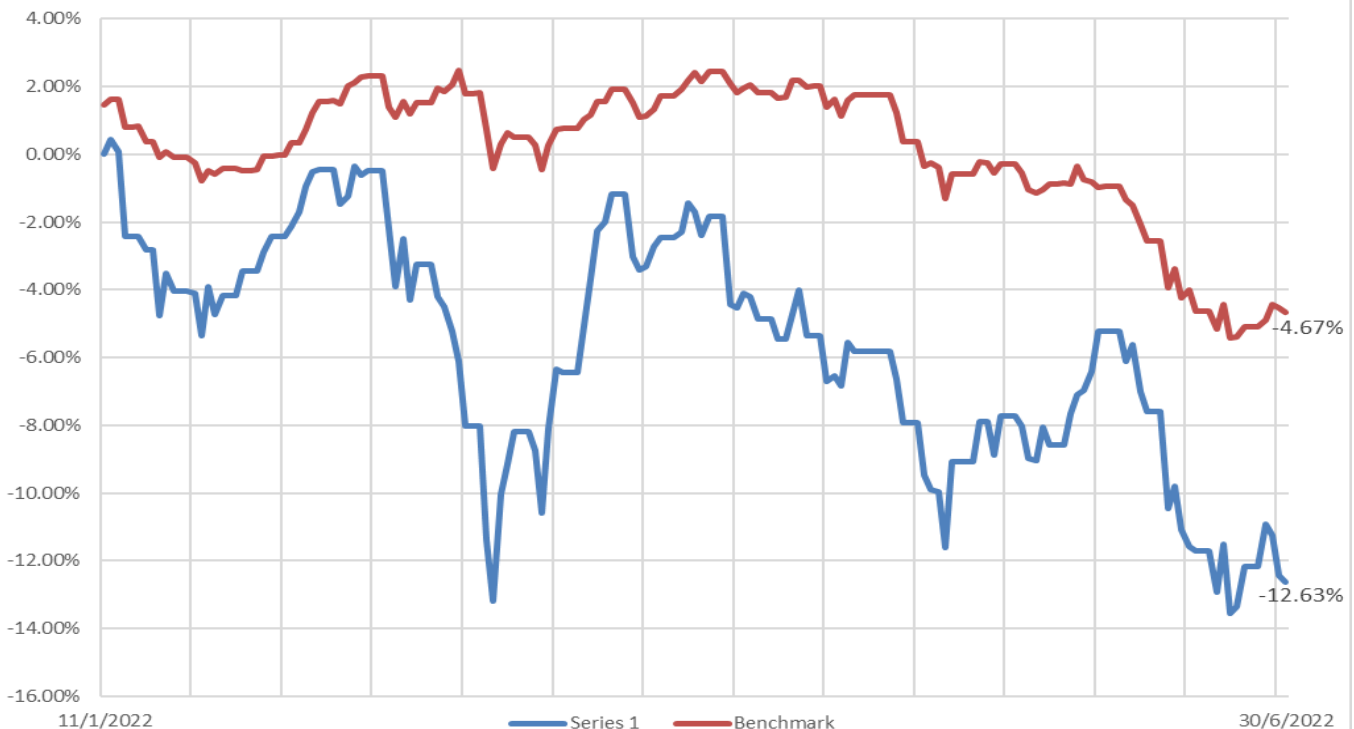
¹ Dana Al-Izdihar assets consist of Islamic deposits and Islamic money market instruments.

² Dana Maa'rof assets consist of Shariah-compliant equities, Islamic money market instruments and sukuk.

³ Dana Makmur assets consist of Shariah-compliant equities, Islamic money market instruments and sukuk.

[Range]: The range mentioned above indicates the percentage of the asset and dana breakdown and movements during the investment period.

Fund Performance



Note:

- Benchmark = 50% FTSE Bursa Malaysia EMAS Sharia return + 30% 3-months KLIBOR + 20% BNM Islamic Interbank Rate.
- Source: Bloomberg

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Fund Performance Review

During the period under review, equities market in general experienced a steep sell down due to the interest rate hikes globally and the fear of recession. This was caused by the more than expected inflation numbers globally, stemmed from the supply-chain issues from the lockdown in China and the higher commodities' prices due to the Russia-Ukraine war.

The underperformance for Series 1 during the period was mainly due to the overweight exposure in the Technology sector in our equities and balanced portfolio (Dana Makmur and Dana Maa'rof). Malaysia technology sector (KLTEC) was down by 19% during the period under review, following weakness in the US technology sector. Industrial sector (KLPRO) was also hit with a retracement of 11% during the period.

Domestic equities market in general performed negatively during the period under review. Both FBMKLCI and FBMS were down by 9% and 12% respectively in the 3-month period. However, Malaysia is not the only market that performed negatively as most of the regional markets also experienced a sharp sell down. With the exception of commodities prices, most sector were in the negative for the period.

As the market is in general forward-looking, the fear of recession in the US and other market was translated in the performance of equities market. Higher inflation and interest rates could spell a slowdown in economy, slowing investment activities and inabilities for corporates to serve their finance cost.

Reference: Hong Leong Islamic Asset Management

Market Outlook & Strategy

Going forward, HLISAM remain cautious on the market volatility both in the equities and fixed income space. Given the possibilities of more rate hikes coming in globally, HLISAM think that the market would be volatile in the near to mid-term.

However, in HLISAM view, the downside of the domestic equities market should be limited as the our domestic corporates' fundamental remain intact. While the supply chain issues and higher commodities prices could be prevalent in the near term, HLISAM is of the view that equities market has somewhat priced in these risks. Valuations of our index are at a low, and barring any specific economic meltdown in the near term, the market should find its bottom in the near to mid term and market could rebound from there.

Reference: Hong Leong Islamic Asset Management

Statement of Any Changes

There have been no changes in the Investment Objectives, Strategies, restrictions and limitations during the investment period.

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Prepared by: