

Portfolio Investment Account-i

Quarterly Fund Performance Report for
Series 1 (July 2023 – September 2023)

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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

Nature of Investment Account

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

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% (Charged by HLISAM)
Upfront Fee	1% (Charged by the bank upfront upon placement by Investor during SP)
Incentive Fee	0% (No Incentive Fee was charged by the bank as the performance did not exceed the expected profit rate of 6% p.a.)

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 Product Disclosure Sheet (PDS) to achieve the Expected Profit Rate (EPR) while exercising appropriate defensive mechanisms to moderate market volatility.

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 PDS available on HLISB’s website.

Return Performance

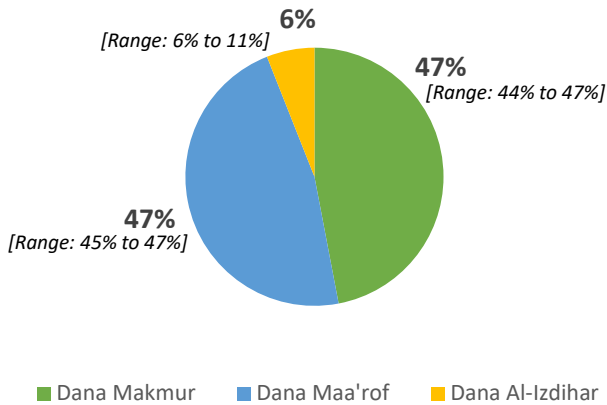
PDP	Period	Total Return since Inception (%)
PDP 3	6 Months (11 January 2023 - 11 July 2023)	-5.38%

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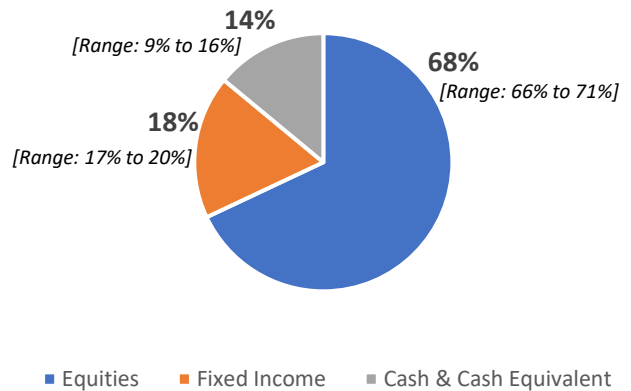
Investment Dana Allocation

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:

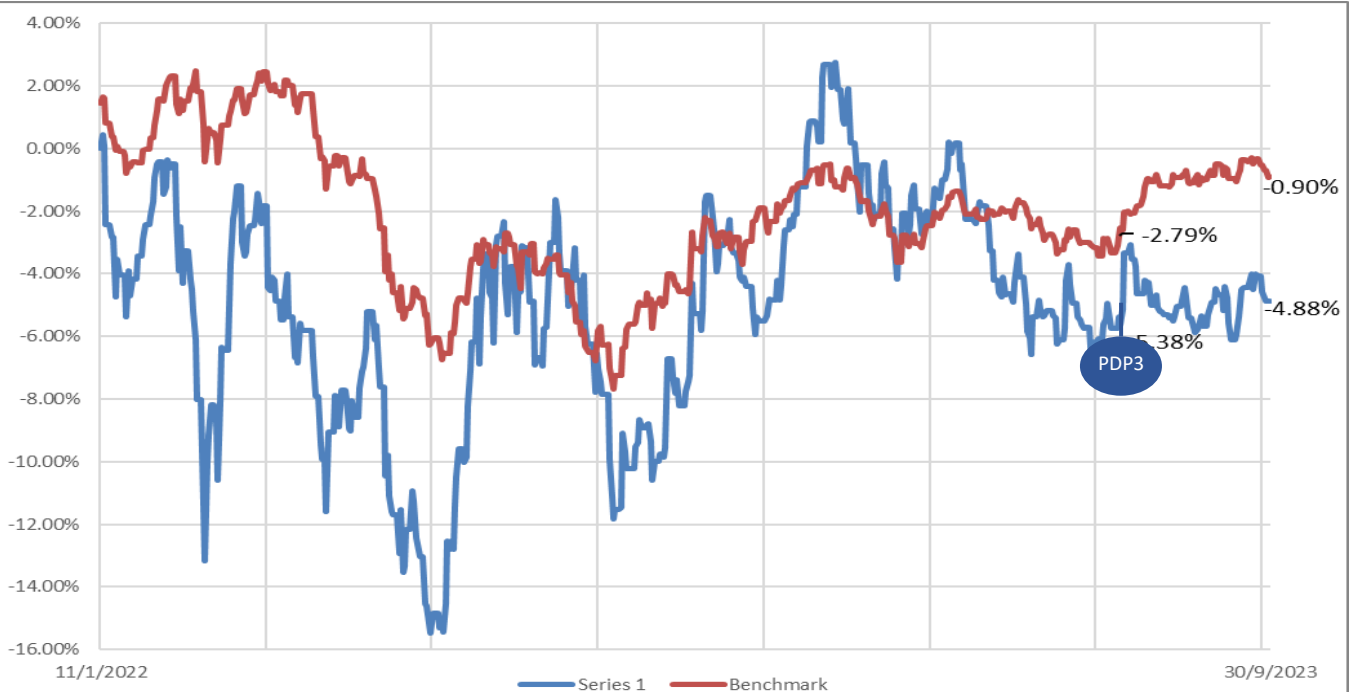
¹ Dana Al-Izdihar assets consist of Islamic deposits and Islamic money market instruments.

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.
- The PIA-i fund registered a loss of -5.38% in six months during the third PDP on 11th July 2023.
- Source: Bloomberg

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Fund Performance Review

Both stocks and bonds corrected during the period as global equities contracted while global bond yields rose. Commodities were the notable outperformer with energy gaining amid oil production cuts from Saudi Arabia and Russia.

Optimism on peaking interest rates were hampered in August as the prospect of a sustained restrictive monetary policy started to become clearer. This was after the US Federal Reserve revised higher its forecast for interest rates amid a robust economy and as inflation inched higher.

Cracks in the Chinese stock market started to spread as the reopening effects were more than offset by troubles in the property sector. Chinese and Hong Kong shares tumbled sharply lower during the period and subsequently spilled over to Korea and Taiwan.

While Series 1 were in the positive during the period, it underperformed due to some stocks exposure that did not rebound while the domestic market in general were in the positive. The stocks in the technology and industrial sectors were the underperformers despite the sectors' indices closed in green.

Overall, markets continued to remain data-driven and central banks reiterated their stances on bringing down inflation towards their targets. In addition, forward looking data pointed to slowing momentum in the global economy.

Reference: Hong Leong Islamic Asset Management

Market Outlook & Strategy

Domestic market rebounded during the period under review. While HLISAM think that the market should continue to be volatile in the near term, we are of the view that the worst is over back in 2022 and the market could stage a rebound going into 2024.

This is stemmed from;

- 1) the interest rates hike is already maxed out in July 2023,
- 2) the better corporate earnings result expected going forward as supply chain issues has somewhat resolved, and;
- 3) cheap valuation in terms of our domestic indices and across sectors.

While the possibility of a sideways market is still there, HLISAM would want to remain invested as not to play catch-up once the market starts to rebound going into 2024.

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: