

Portfolio Investment Account-i

Quarterly Fund Performance Report for
Series 2 (February 2023 – April 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 20 April 2022

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

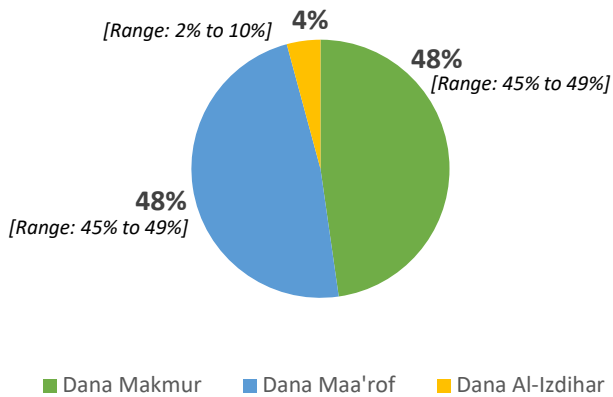
Fee Type	Fee Amount
Management Fee	Dana Al - Izdihar: 0.10% Dana Maa’rof: 1.50% Dana Makmur: 1.50% (Charged by HLISAM)
Upfront Fee	1% (Charged by the bank upfront upon placement by Investor during SP)
Incentive Fee	0% (No Incentive Fee was charged by the bank as the performance did not exceed the expected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

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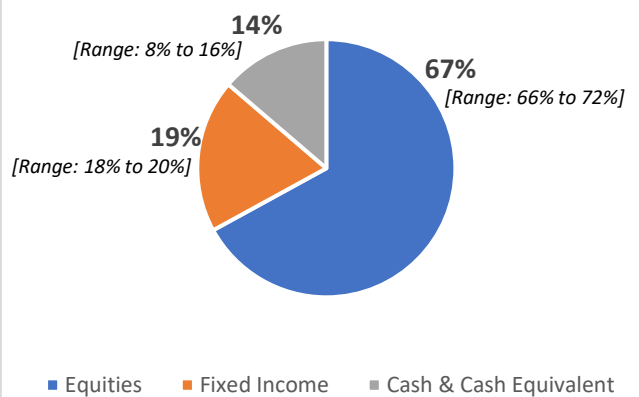
Investment Dana Allocation

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:

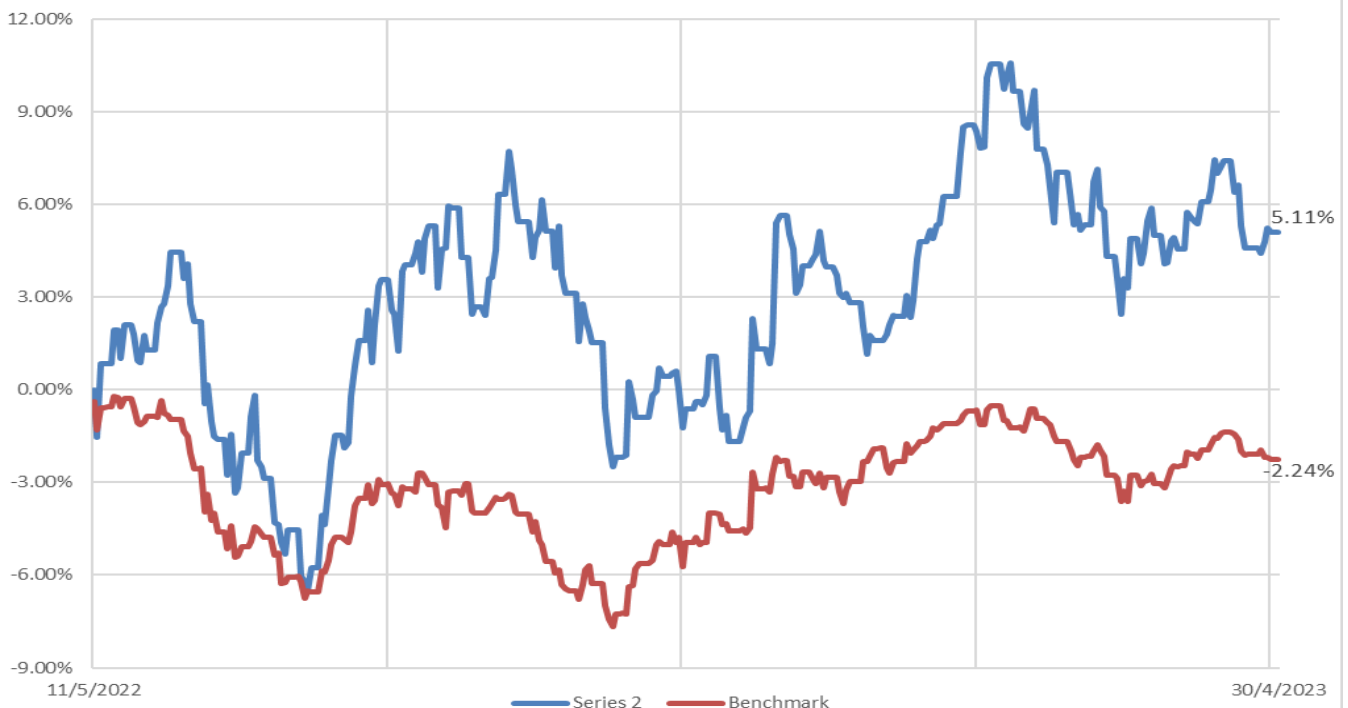
¹ Dana Al-Izdihar assets consist of Islamic deposits and Islamic money market instruments.

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

Global equities were marginally up during the period underpinned by subsiding recession fears in developed markets couple with optimisms surrounding China relaxing its Covid-19 control measures.

Despite positive movements in risk assets with growth stocks outperforming, volatilities remained elevated following the collapse of several banks in the US. Furthermore, markets were spooked by developments emanating out of troubled lender Credit Suisse. This had caused a sharp dip in March before recovering to finish the period marginally stronger.

Series 2 underperformed during the period attributed by the fund's overweight exposure in the Technology sector in our equities and balanced portfolio (Dana Makmur and Dana Maa'rof). The Malaysia technology sector (KLTEC) was down by 9% and FBMKLCI down by 5% during the period under review.

Having said that, Chinese shares were under pressure despite economic growth advancing at a quicker rate than expected during the period under review. Stresses in the real estate sector coupled with ongoing tensions with the US over Taiwan had weakened investors' sentiment towards the country. This had caused ripple effects throughout Emerging Markets during the period.

Reference: Hong Leong Islamic Asset Management

Market Outlook & Strategy

While the consensus were right on the June 2022 peak inflation, the subsequent inflation data suggested that the high inflation situation remain sticky. This has somewhat lowering the expectation of an interest rates cut anytime soon. The troubled global banks that made the news sparked a fresh fear that the economy could lead into a recession.

Despite the above, HLISAM is still maintaining our invested position. This is stemmed from the confidence that the market has already bottom and recession fear is somewhat unwarranted, given the upcoming China reopening and better corporate results for the 4th quarter of 2022. HLISAM is of the view that while the market could remain volatile, the worst should be over in 2022 and downside is limited at this current juncture. The market could remain sideways or rebound in 2023.

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: