

Portfolio Investment Account-i

Quarterly Fund Performance Report for
Series 2 (November 2022 – January 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

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 Product Disclosure Sheet (PDS) available on HLISB’s website.

Return Performance

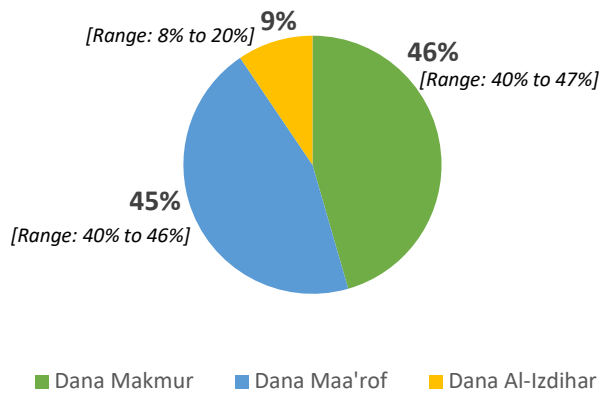
PDP	Period	Total Return since Inception (%)
PDP 1	6 Months (11 May 2022 - 11 November 2022)	1.09%

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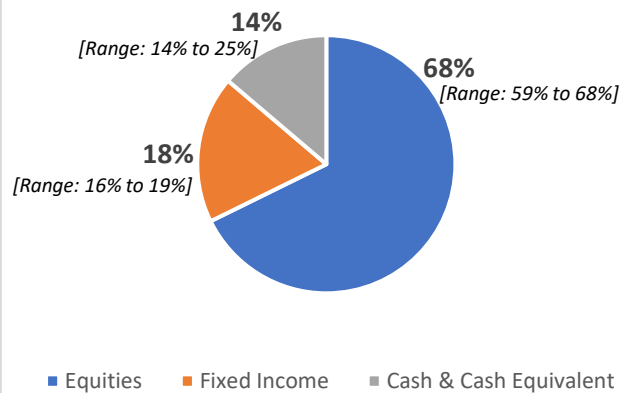
Investment Dana Allocation

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:

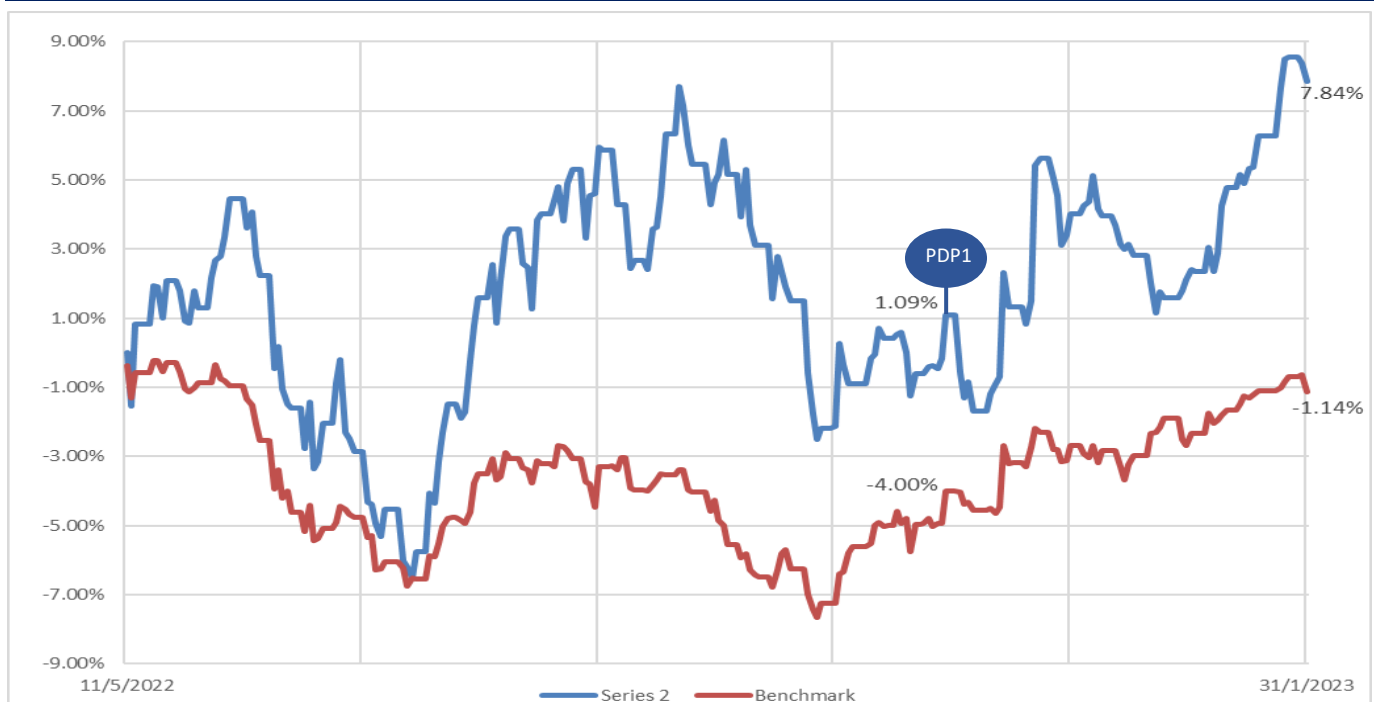
¹ Dana Al-Izdihar assets consist of Islamic deposits and Islamic money market instruments.

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 profit of 1.09% in six months during the first PDP on 11th November 2022.
- Source: Bloomberg

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Fund Performance Review

Stocks advanced strongly during the period underpinned by optimism surrounding China's relaxation of its zero-Covid policy. In addition, inflation is showing signs of easing in several major regions also had supported sentiments. As a result, bond yields fell while commodities saw negative returns during the period.

Equity gains were supported by hopes that inflation may be peaking globally. In addition, GDP continued to chart sturdy growths in advanced economies albeit forward-looking indicators such as PMI continued to point towards a contraction. This had raised hopes that central banks could have successfully engineered a soft landing while steering down inflation.

Series 2 outperformed the market during the period 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) rebounded by 15% during the period under review while FBM Emas Shariah recorded a gain of 7%.

Recovery is especially pronounced in Hong Kong and Chinese share prices after Beijing loosened its pandemic restrictions that have constrained China's economic growth since early 2020. Furthermore, this had also spilled over to emerging market equities, helped by a weaker US Dollar.

Overall, markets ended the period with a positive note as equities and bonds advanced. The reversal in sentiment was broad based, with almost all sectors closed the period stronger. Strongest gains were linked to tech or consumer discretionary spending.

Reference: Hong Leong Islamic Asset Management

Market Outlook & Strategy

While the market in general was positive especially in the Tech sector, HLISAM remain cautious in the near-mid term as we think that volatility in the market could persist.

Over the longer-run, HLISAM think that the market could stage a rebound as we are of the view that the inflation has already peaked in June 2022. While the market still expects rate hikes to continue, market should be supported by the better earnings from corporates, expectation of China reopening that could help the supply chain issues and the cheap valuations of the domestic and regional market. HLISAM would want to remain invested as the short term volatility does not change our long term view.

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: