

# Portfolio Investment Account-i

Quarterly Fund Performance Report for  
Series 1 (April 2024 – June 2024)

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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

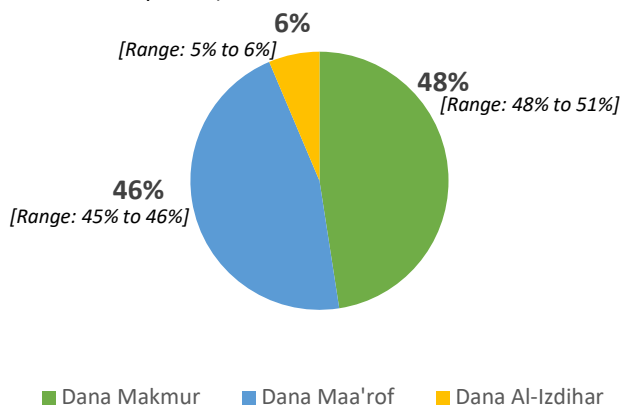
Fee Type	Fee Amount
Management Fee	Dana Al - Izdihar: 0.10% Dana Maa'rof: 1.50% Dana Makmur: 1.50%  <i>(Charged by HLISAM at Individual Dana Level)</i>
Upfront Fee	1%  <i>(Charged by the bank upfront upon placement by Investor during SP)</i>
Incentive Fee	0%  (No Incentive Fee was charged by the bank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

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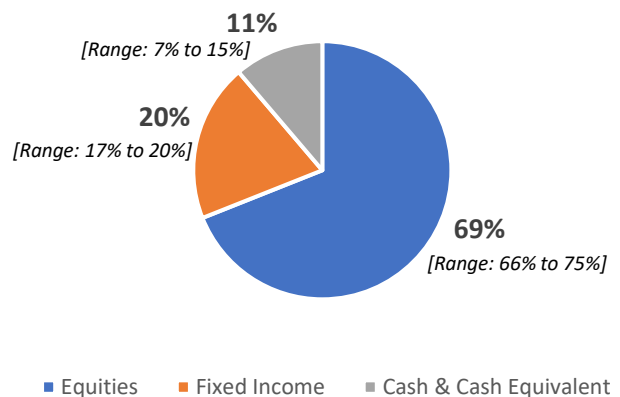
### Investment Dana Allocation

The fund is invested in a portfolio that consist of Dana Al-Izdihar<sup>1</sup>, Dana Maa'rof<sup>2</sup> and Dana Makmur<sup>3</sup> 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:

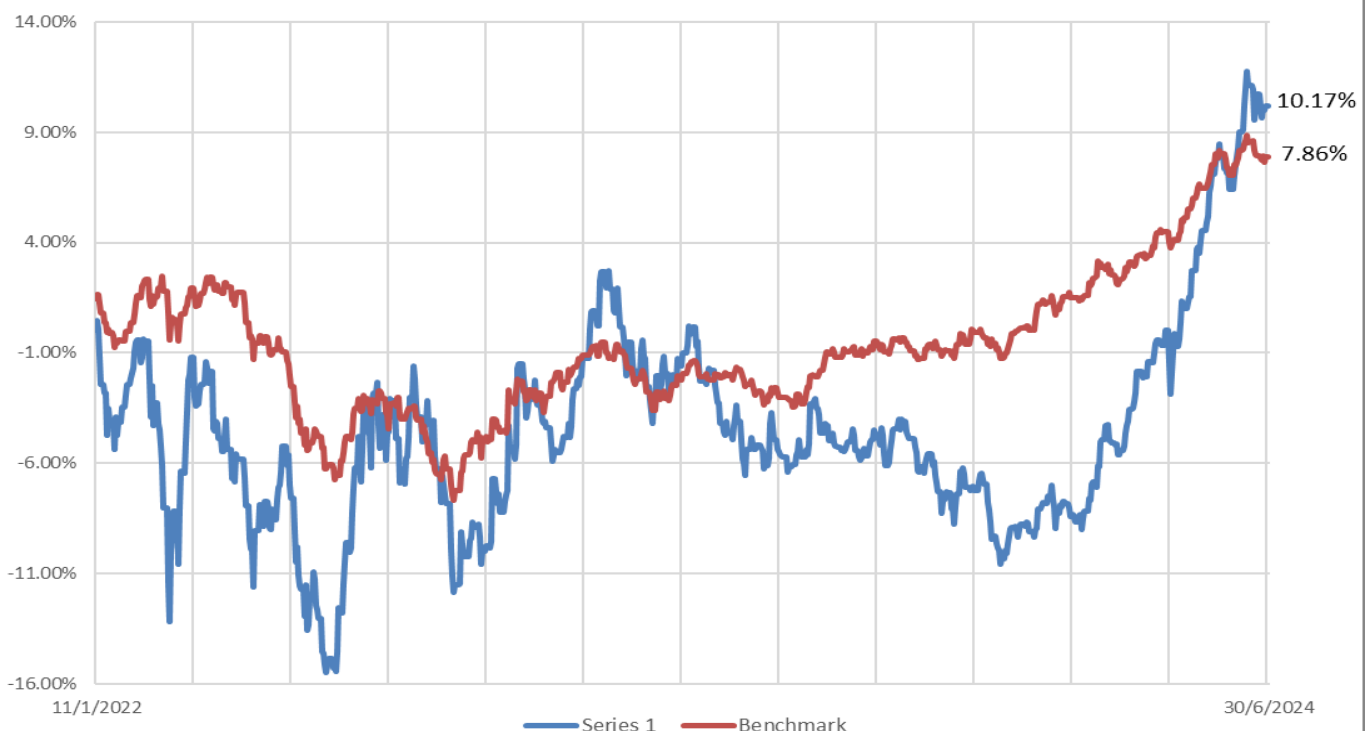
<sup>1</sup> Dana Al-Izdihar assets consist of Islamic deposits and Islamic money market instruments.

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

<sup>3</sup> 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

The FBMKLCI and FBMS were up by 3.5% and 5.6% respectively during the period under review, ending June 2024 at 1,591 pts and 12,216 pts respectively. Foreign investors were marginal net sellers of Malaysia equities in June 2024 at RM61 million after a sizeable net buy flow of RM1.5 billion in May 2024. This brought 2024 YTD foreign net sell to RM0.8 billion vs. RM2.3 billion net sell in 2023. Meanwhile, local institutional investors turned net buyers in June 2024 with net buy flows of RM0.2 billion, compared to net sell flows of RM0.9 billion in May 2024. Local retail investors remained net sellers for the twelfth month in a row, with their net sell flows of RM248.3 million in June 2024.

On the corporate front, Frontken Corp Bhd recorded a 27.4% jump year-on-year in its net profit for 1QFY2024 to RM30.05 million from RM23.58 million last year, mainly due to improved revenue and better profit margin. Frontken attributed the improved revenue to higher contributions from its subsidiaries in Taiwan, Malaysia and Singapore. Aurelius Technologies Bhd planned to invest RM450 million over the next five years to build a new manufacturing hub on an industrial land spanning 571,908 sq ft in the Kulim Hi-Tech Park, Kedah. The first phase of the development will involve a manufacturing plant, dubbed P5, that will include advanced manufacturing and research and development space with clean room facilities. The plant is slated for completion by the end of 2024.

Series 1 outperformed against the benchmark return of 1.5% during the period with a return of 11.7%, mainly attributed by the fund's overweight exposure in the Utilities and Industrial Products and Services sector in our equities and balanced portfolio (Dana Makmur and Dana Maa'rof). The Malaysia Utilities sector (KLUTL) was up by 15.3% while Industrial sector (KLPRO) was up by 9.0%.

**Reference: Hong Leong Islamic Asset Management**

### Market Outlook & Strategy

While short-term remains a challenge for the domestic equity market, we are of the view that in a mid to longer term, Malaysia could outperform its regional peers due to the reasons below:

- i. Decent valuation with good corporate earnings growth.
- ii. Possible investors rotation into the emerging market once the US Federal Reserve pause/reverse the interest rate trajectory.
- iii. Commodity prices strengthening could mean better revenue for Malaysia and better earnings for the corporates related to oil and gas and crude palm oil industries.
- iv. Tourist arrival (from China in particular) could boost the tourism industry and spillover effects could be experienced by other sectors.

**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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### IMPORTANT/DISCLAIMER

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Prepared by: