

Portfolio Investment Account-i

Quarterly Fund Performance Report for
Series 1 (October 2024 – December 2024)

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Fund Information

Product Name	Portfolio Investment Account-i ("PIA-i")
Shariah Contract	<i>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.</i>
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 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 Profit Distribution Period (PDP).

Fees & Charges

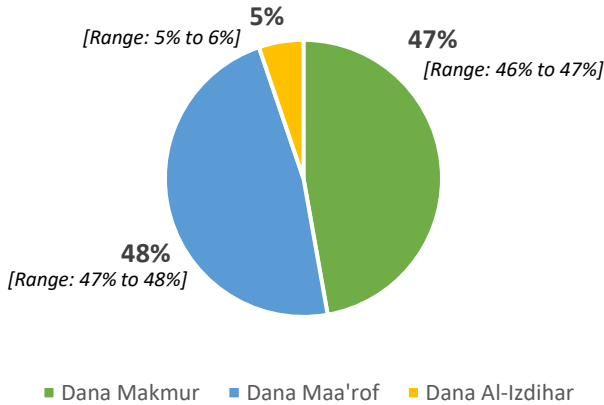
Fee Type	Fee Amount
Management Fee	Dana Al- Izdihar: 0.10% Dana Ma'rof: 1.50% Dana Makmur: 1.50% (Charged by HLISAM)
Upfront Fee	1% (Charged by the bank upfront upon placement by Investor during SP)
Incentive Fee	0% (No Incentive Fee was charged by the bank as the performance did not exceed the expected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

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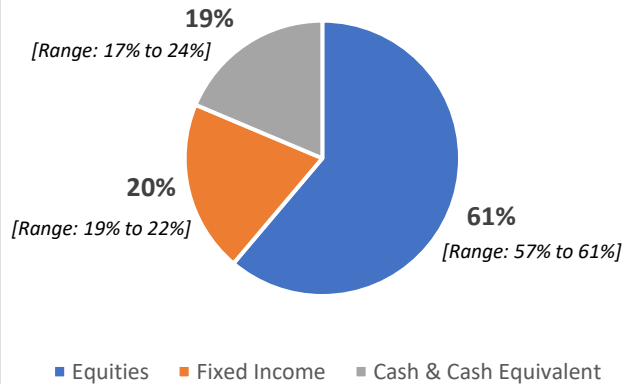
Investment Dana Allocation

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:

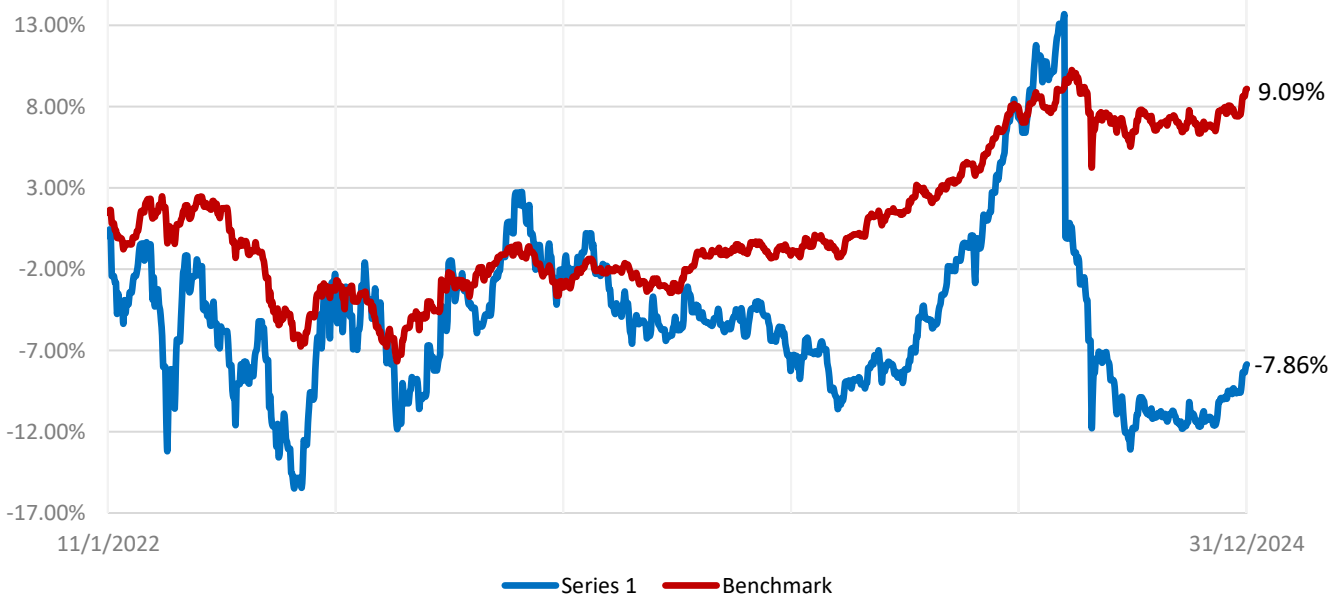
¹ Dana Al-Izdihar assets consist of Islamic deposits and Islamic money market instruments.

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

In December 2024, both FBMKLCI and FBMS performed exceptionally well, rising 3.0% and 4.6% respectively to end the month at 1,642 points and 12,590 points respectively. FBMKLCI was the top performer among the major Southeast Asian markets (Malaysia, Indonesia, Singapore, and Thailand) and it even surpassed global indices like the MSCI Emerging Market Index (-0.3% mom) and the MSCI All Country Asia ex-Japan Index (+0.1% mom). For the entire year of 2024, FBMKLCI saw a remarkable 12.9% gain, its best annual performance since 2010. Despite the strong market performance, foreign investors continued to sell off Malaysian stocks for the third straight month with net outflows of RM2.9 billion. This pushed the total net foreign outflow for the year to RM4.2 billion, the highest since 2020. However, local institutional investors stepped in by buying RM4.0 billion in equities, marking the eleventh consecutive month of their flows contradicting those of foreign investors. Nearly all of Bursa Malaysia's 13 sectors posted gains in December. The best-performing sectors were Technology (+11.1%), Healthcare (+10.5%), and Utilities (+8.6%).

On the corporate front, VS Industry Bhd's latest quarterly net profit dropped 37.53%, mainly due to lower sales orders from existing customers, unfavourable foreign exchange rates and higher labour costs as a result of an increase in headcount. Net profit for 1QFY2025 stood at RM30.6 million compared with RM48.98 million in the same period a year earlier. Revenue slipped 2.58% to RM1.11 billion from RM1.14 billion in 1QFY2024. Press Metal Aluminium Holdings Bhd's net profit was flying due to higher aluminium prices during 3QFY2024, coupled with higher contributions from its associated companies. However, the sharp depreciation of the US dollar which resulted in notable foreign exchange losses on trade receivables and cash assets, softened the jump, said its group executive chairman Tan Sri Paul Koon.

Series 1 outperformed against the benchmark return of 1.5% during the period with a return of 3.7%, mainly attributed by the fund's increased exposure in the Healthcare and Technology sector in our portfolio (Dana Makmur and Dana Maa'rof). The Malaysia Healthcare index (KLHEAL) was up by 18.6% while the Malaysia Technology index (KLTEC) was up by 10.8% during the period under review.

Reference: Hong Leong Islamic Asset Management Sdn Bhd

Market Outlook & Strategy

Outlook

Going into 2025, investors are preparing for new policies out of the US, with Trump inauguration set for 20th January 2025. Slower interest rate cuts could be expected with Trump being President and the market could be volatile for the first few months of 2025 given the possibility of new tariff wars between the US and the rest of the world. On the fixed income side, as we are expecting the fiscal budget deficit to hit 3.8% of GDP in 2025, we are of the view that there will be a lower supply pipeline in MGS and MGII next year which could be positive for the bond market.

Strategy

We will continue to identify companies that are potential winners in growing industries helmed by capable management. As for fixed income, we will continue to overweight high credit quality corporate sukuk over government and government guaranteed papers for yield pickup. We will selectively participate in primary issuances and shall look for trading opportunities on both government and corporate sukuk.

Reference: Hong Leong Islamic Asset Management Sdn Bhd

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: