

Portfolio Investment Account-i

Quarterly Fund Performance Report for
Series 2 (May 2024 – July 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 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 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

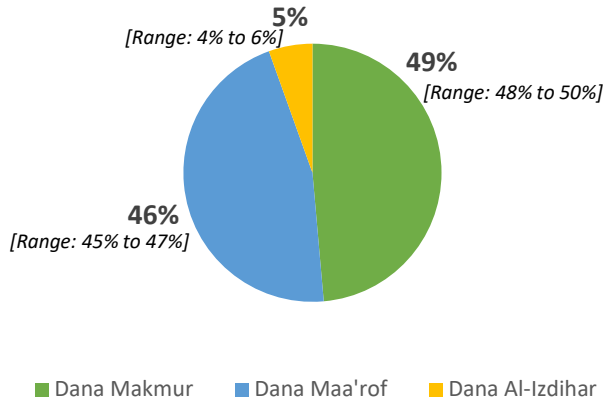
PDP	Period	Total Return since Inception (%)
PDP 4	6 Months (14 Nov 2023 - 14 May 2024)	10.44%

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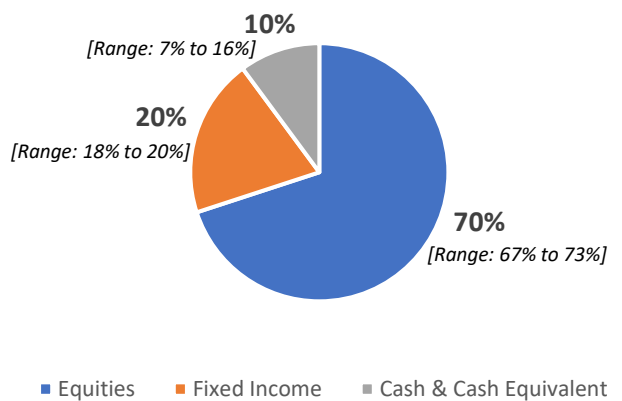
Investment Dana Allocation

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:

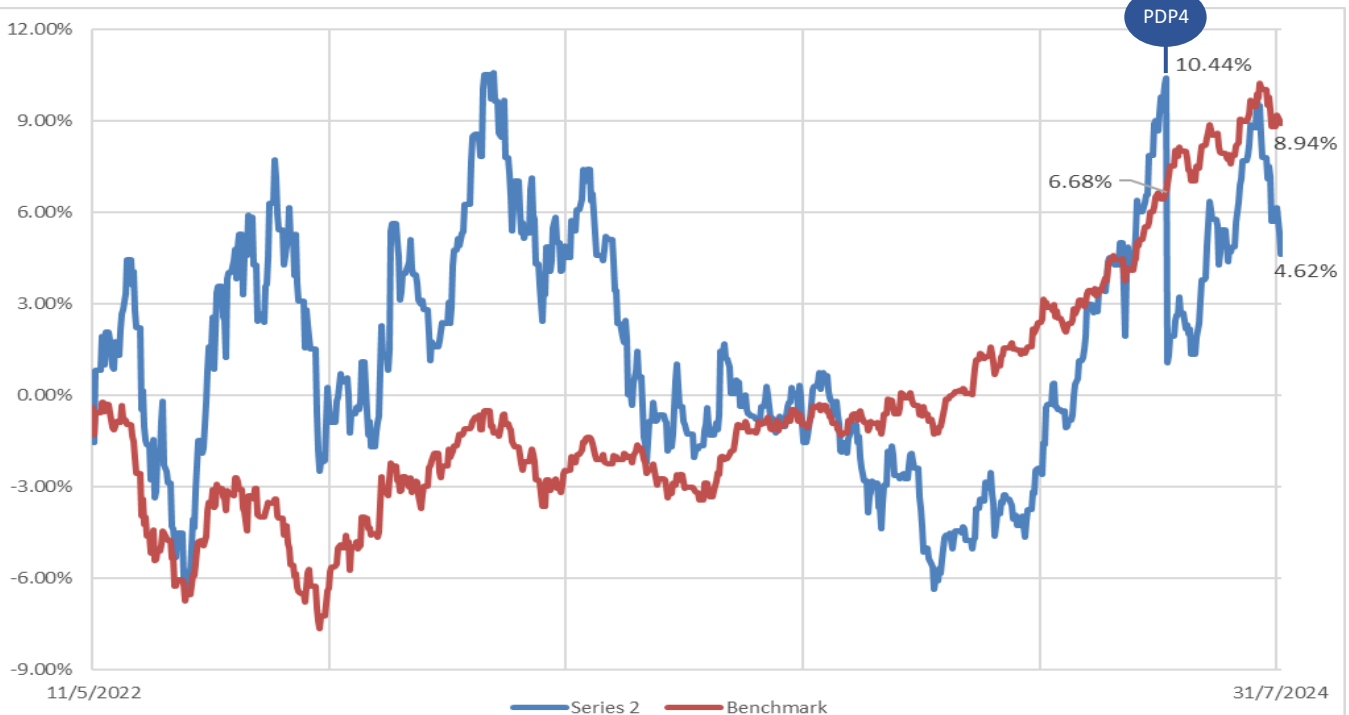
¹ Dana Al-Izdihar assets consist of Islamic deposits and Islamic money market instruments.

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 1.83% in six months during the second PDP on 11th May 2023.
- Source: Bloomberg

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Fund Performance Review

The FBMKLCI and FBMS were up by 3.2% and 5.4% respectively during the period under review, ending July 2024 at 1,626 pts and 12,517 pts respectively. This is the first time FBMKLCI close the month above key resistance 1,600 pts since February 2022 signifying return of investor confidence in the Malaysian equity market. Foreign investors returned to being net buyers, with net buy flows substantially higher at RM1.3 billion compared to net sell flows of RM61 million in June 2024. As a result, the YTD cumulative net foreign flow turned positive with inflows of RM0.5 billion as of 7M24. Meanwhile, local institutional investors turned net sellers with net sell flows of RM0.7 billion, compared to net buy flows of RM0.2 billion in June 2024. Local retail investors remained net sellers for the thirteenth month in a row, with their net sell flows of RM574.0 million in July 2024.

On the corporate front, Guan Chong Bhd's net profit for 1QFY2024 jumped almost four-fold year-on-year to RM92.04 million from RM23.76 million a year ago, thanks to higher selling price for cocoa butter and increased sales volume for cocoa solids. Revenue grew by nearly 70% to RM1.87 billion for 1QFY2024, from RM1.1 billion in 1QFY2023. IHH Healthcare Bhd's net profit shrank 45% in 1QFY2024, as earnings in the preceding year's corresponding quarter were boosted by disposal gains. Net profit for the current quarter was RM767.97 million compared to RM1.39 billion over the same period last year. In 1QFY2023, the company booked gains of RM981.42 million from the sale of IMU Health Sdn Bhd and Gleneagles Chengdu Hospital.

Series 2 outperformed against the benchmark return of 1.3% during the period with a return of 12.0%, mainly attributed by the fund's overweight exposure in the Utilities and Technology sector in our equities and balanced portfolio (Dana Makmur and Dana Maa'rof). The Malaysia Utilities sector (KLUTL) was up by 9.9% while Technology sector (KLTEC) was up by 14.5%.

Reference: Hong Leong Islamic Asset Management

Market Outlook & Strategy

While short term remains a challenge for 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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Prepared by: