

# Portfolio Investment Account-i

Quarterly Fund Performance Report for  
Series 2 (November 2024 – January 2025)



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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 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

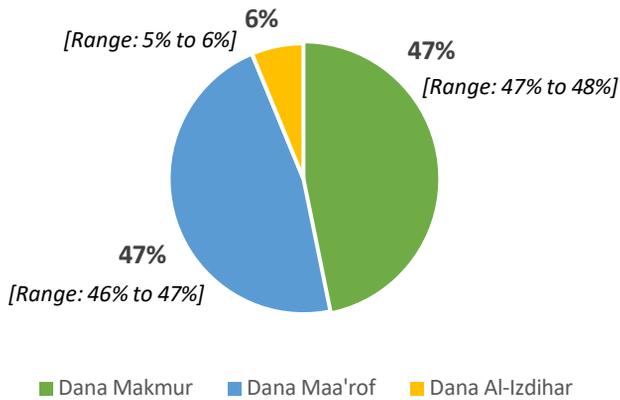
Fee Type	Fee Amount
Management Fee	Dana Al- Izdihar: 0.10% Dana Ma'rof: 1.50% Dana Makmur: 1.50%  (Charged by HLISAM)
Upfront Fee	1%  (Charged by the bank upfront upon placement by Investor during SP)
Incentive Fee	0%  (No Incentive Fee was charged by the bank as the performance did not exceed the expected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

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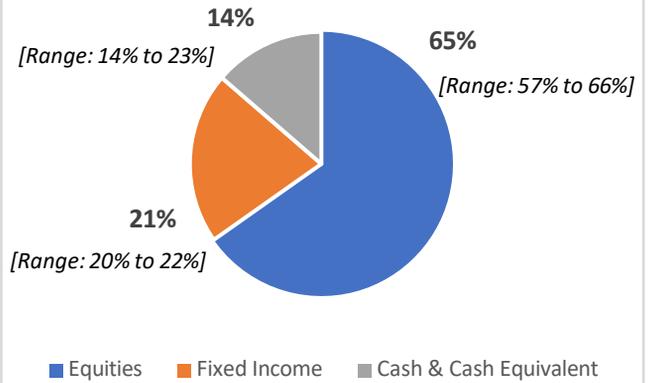
## Investment Dana Allocation

The fund is invested in a portfolio that consist of Dana Al-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:**

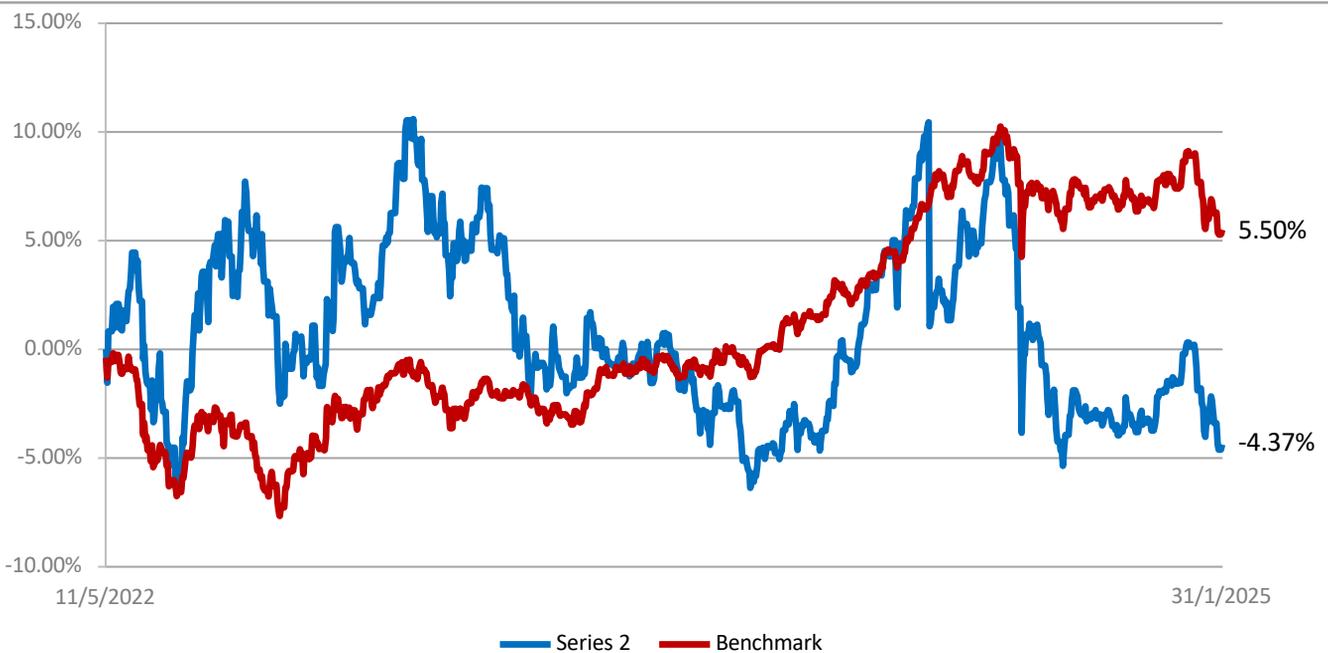
<sup>1</sup> Dana Al-Izdihar assets consist of Islamic deposits and Islamic money market instruments.

<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.
- The PIA-i fund registered a loss of -3.56% in six months during the fifth PDP on 14<sup>th</sup> November 2024.
- Source: Bloomberg

## Portfolio Investment Account-i

Fund Performance Report for Series 2 (November 2024 – January 2025)

### Fund Performance Review

In January 2025, FBMKLCI dropped significantly by 5.2% to 1,557 points while FBMS dropped by 6.8% to 11,737 points. This underperformance was notable when compared to global benchmarks like the MSCI Emerging Market Index (+1.7%) and the MSCI All Country Asia ex-Japan Index (+0.6%). Among the major Southeast Asian markets, FBMKLCI's decline was the second worst, only slightly better than Thailand's SET, which fell 6.1%. FBMKLCI's drop marked its worst start to a calendar year since 1995. Foreign investors sold Malaysian stocks, with net outflows increasing to RM3.1 billion. On the other hand, local institutional investors continued to be net buyers with net buy flows falling to RM1.1 billion. Sector performance was overwhelmingly negative, with only the REIT sector managing to post a gain. The worst-performing sectors were Construction (-13.5%), Technology (-10.5%), and Utilities (-9.9%). The declines in the Construction and Technology sectors were largely attributed to concerns over the U.S. announcement of new controls on advanced chip exports, which impacted stocks related to data centres and artificial intelligence.

On the corporate front, Hiap Teck Venture Bhd has reported a net profit of RM34.7 million for its 1QFY2025, compared to a net loss of RM9.43 million a year earlier. This was due to a profit contribution of RM41.98 million from its joint venture entity, compared to a loss of RM16.61 million previously. Improvement was due to higher sales volume and favourable foreign exchange movements. Dialog Group Bhd has won a contract with Petroliam Nasional Bhd (Petronas) to assume 100% participating interest and the role of operator in the RAJA Cluster small field asset production sharing contract (PSC). Its wholly owned subsidiary Dialog Resources Sdn Bhd has entered the agreement with Malaysia Petroleum Management (MPM) that would include the pre-development study, development and production of discovered resources over the full life of the RAJA Cluster SFA PSC followed by abandonment upon its expiry.

Series 2 underperformed against the benchmark return of 1.0% during the period with a return of -0.3%, mainly attributed by the fund's increased exposure in the Construction sector in our portfolio (Dana Makmur and Dana Maa'rof). The Malaysia Construction index (KLCON) was down by 7.6% during the period under review.

**Reference: Hong Leong Islamic Asset Management Sdn Bhd**

### Market Outlook & Strategy

#### Outlook

With President Trump already in office, January proved to be a volatile month given the threat of tariff wars between the US and other countries. Global markets were jittery and this showed in the lacklustre returns for the equities market. Investors would probably stay in the side-line in the short term given the geopolitical risks. However, we are positive for Malaysia in the medium to long term given the ongoing efforts on structural reforms, country and state-driven investment activities and stable government.

#### 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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### IMPORTANT/DISCLAIMER

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Prepared by: