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Investment Link Fund Performance Report October 2020

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EXECUTIVE SUMMARY

FBMKLCI fell for a third consecutive month due to profit-taking in the energy, banks and REIT sectors amid the drop in crude oil prices, Conditional Movement Control Order (CMCO) extension, and concerns over political uncertainty. This caused the local index to decline 38 points in October or -2.5% month-on-month (m-o-m), closing at 1,466.89 pts. The benchmark index had underperformed the FBM EMAS Index, which posted slightly lower losses of -2.0% m-o-m to close at 10,613.58 points.

Meanwhile, on the fixed income market, Malaysia Government Securities (“MGS”) yields edged higher in Sep’20 as BNM did not cut the Overnight Policy Rate (“OPR”) as per market expectation, keeping the rate at 1.75%. Ringgit strengthened further against the Dollar to MYR4.1565/USD (Aug’20: MYR4.1640/USD). Given the second wave of COVID-19 pandemic in the US and European region, Brent crude oil price moved lower to USD40.95/barrel compared to USD45.28/barrel in Aug’20.

On local economic data, headline inflation continued to stay in the negative territory at -1.4% YoY in Aug’20 (Jul’20: -1.3% YoY) on the back of low Transport cost (Aug’20: -9.9% YoY; Jul’20: -10.3% YoY) arising from the weak global oil prices. Apparently, RON95 fuel price of RM1.68 in Aug’20 is much lower as compared to RM2.08 in a year earlier.

Moving forward, we continue to remain cautious on the equity market. Concerns over the effects of the COVID-19 pandemic in Malaysia and globally, we expect the FBMKLCI to remain volatile. We will be selective on the stock picking, weighting on the defensive stocks amid uncertainty.

For fixed income, following the OPR cut by 125bps and SRR cut by 100bps in this year, BNM is expected to stay dovish monetary stance towards 1Q2020, in line with the weaker economic prospect arising from the COVID-19 outbreak globally. The external risk factors such as trade war between US and China and the fluctuation in crude oil prices will continue to weigh on the local market, but we believe corporate bond space still provides attractive yields. As such, we will keep looking to buy on dips of corporate bonds if the opportunity arises.

Based on table below, on monthly basis, most of the funds underperformed the respective benchmarks, except for IL-Global Yakin Fund and IL-Titan Fund.

Policyholders are encouraged to focus into regular premium given the current risk and volatile period of the economic and market condition. Risk adverse investors should focus into income fund due to its less volatile as compared to equity related funds.

Performance Table: Funds vs Benchmarks

	Asiapac Fund		Balanced Fund		Dividend Fund		Equity Fund		Global Yakin Fund		Income Fund		Jati Fund		Titan Fund	
	Fund	Benchmark	Fund	Benchmark	Fund	Benchmark	Fund	Benchmark	Fund	Benchmark	Fund	Benchmark	Fund	Benchmark	Fund	Benchmark
Monthly (%)	-0.53%	-0.07%	-1.51%	-1.04%	-3.12%	-2.52%	-3.05%	-2.52%	-1.04%	-3.64%	0.42%	0.43%	-2.58%	-1.23%	3.42%	-3.98%
3 Months (%)	-5.05%	-5.35%	-2.77%	-4.42%	-5.70%	-8.53%	-6.10%	-8.53%	0.64%	-1.99%	1.03%	-0.20%	-4.18%	-5.19%	1.33%	2.59%
6 Months (%)	-5.31%	-4.99%	0.24%	3.34%	-2.91%	4.20%	-2.71%	4.20%	10.50%	9.60%	3.76%	2.30%	-0.09%	17.00%	-2.30%	15.88%
12 Months (%)	-17.07%	-24.52%	-0.67%	-0.23%	-9.14%	-8.20%	-10.59%	-8.20%	9.46%	-0.76%	8.34%	7.96%	-4.67%	7.71%	13.69%	20.68%

Source: MCI/S Insurance Berhad

AsiaPac Fund Monthly Report (October 2020)

Investment Objective

To achieve steady income stream with potential growth in the Asia Pacific Region over medium to long term. The aim of the Fund is to outperform the S&P Ethical Pan Asia Select Dividend Opportunities Index over periods of five or more years.

Investment Strategy

To invest in Principal S&P Asia Pacific Ethical Dividend Exchange Traded Fund (ETF), managed by Principal Asset Management Berhad where the ETF is listed on the Singapore Stock Exchange.

The ETF focuses on top 40 ethical and high yielding stocks in the Asia Pacific Region excluding India, Taiwan, Japan, New Zealand and Philippines. The fund provides country diversification across the industry that is traded in US Dollar.

Risks

The Fund is considered low risk given the exposure to only one underlying securities with no attempt to select stocks individually or to take defensive positions in declining markets. Risk is managed at the management level, where the asset allocation of the fund to be reviewed on regular basis, and adjusted to commensurate with the Investment Team view on the relative attractiveness of each asset class.

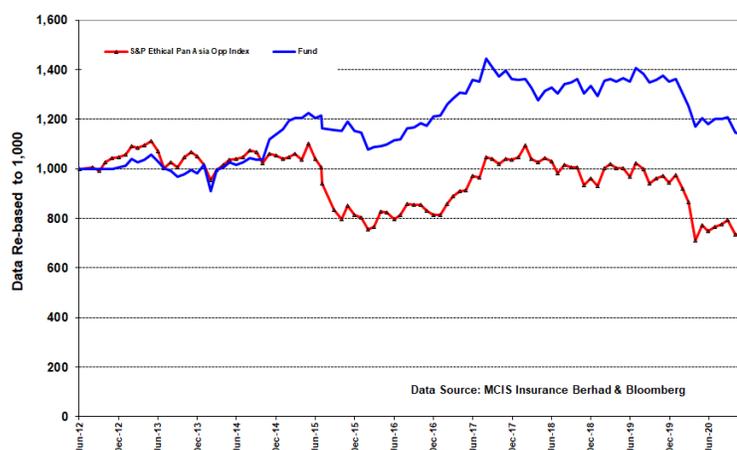
The following factors can potentially affect the value of the Fund; economic and political developments in related countries, foreign exchange fluctuation, illiquid and inefficient securities in the Emerging Markets, and the financial performance of the underlying companies.

The target market is for investors who are seeking regional exposure from investment and at the same time, seeking for medium to long term capital appreciation with moderate market risk.

Fund Performance

For the month ended October 2020, the fund had underperformed the benchmark by 46bps MoM (month on month). However, the fund had outperformed the benchmark since inception.

AsiaPac Fund Performance Since Inception



Top Ten Holdings

Principal S&P Asia Pacific Ethical Dividend Exchange Traded Fund (ETF)

Fund Information

NAV (30.10.20)	RM0.5701
Fund Size	RM50.71 million
Inception Date	15-July-2012
Fund Management Fee	0.85% p.a.
Pricing	Daily
Price Quote	Major Newspaper, or http://www.mcis.my
Fund Manager	MCIS Insurance Berhad (MCIS Life)
Exceptional Circumstances	Refer to your Policy Document

Asset Allocation Ranges

Asset Class	Min	Max	Current Actual
ETF	80%	100%	85%
Cash	0%	20%	15%

Performance Table

Period	Fund	Index*
1 month (%)	-0.53%	-0.07%
3 months (%)	-5.05%	-5.35%
6 months (%)	-5.31%	-4.99%
12 months (%)	-17.07%	-24.52%
2 years (% pa)	-6.55%	-11.41%
3 years (% pa)	-6.52%	-10.95%
5 years (% pa)	-0.88%	-2.95%
Since Inception (% pa)	1.59%	-3.64%

Notice: Past performance is not indicative of future performance, and the performance of the Fund is not guaranteed.

The Fund returns are calculated by MCIS Life and based on the value of the NAV and for periods greater than 12-months are annualised numbers. Actual returns of the Fund are on a net basis (gross of tax and net of fees) and based on the performance of the Fund, and not the returns earned on the actual premiums/ contributions paid for the product.

* Index is S&P Ethical Pan Asia Select Dividend Opportunities sourced from Bloomberg.

The NAV per unit of the Fund is the total market value of assets in the Fund divided by the total number of units of the Fund. Transaction costs, taxes and applicable fees are provided for in the net asset value.

Balanced Fund Monthly Report (October 2020)

Investment Objective

The objective of the Balanced Fund is to provide security and income, while maintaining and potentially increasing the value of capital over the medium to long-term, through exposure across a range of asset classes. The Fund aims to outperform the performance benchmark over periods of three or more years.

Investment Strategy

To invest in Malaysian equities and fixed income securities, including government bonds and corporate debt securities. The asset allocation is reviewed on a regular basis, and is adjusted commensurate with our view on the relative attractiveness of each asset class.

Risks

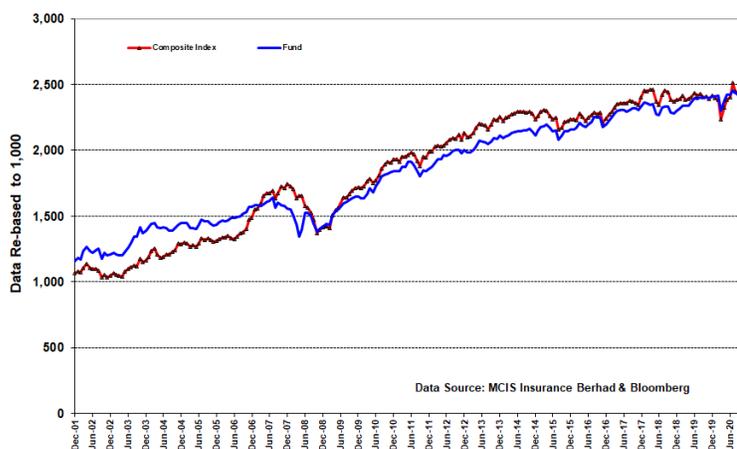
The Fund is considered medium risk given the mixed exposure of equity securities, fixed income and cash. The following factors can potentially affect the value of the Fund; consumer sentiment, financial performance of the underlying companies, industry and economy development, social and political factors, and the liquidity of the underlying assets. Additionally, levels of interest rates, and credit downgrades of defaults can affect the value of fixed income securities

The target market is clients wanting the surety of insurance protection, with an element of potential upside investment exposure.

Fund Performance

For the month ended October 2020, the fund had underperformed the benchmark by 47bps MoM (month on month). The underperformance was mainly driven by higher exposure of underperforming securities in the portfolio compared to benchmark.

Balanced Fund Performance Since Inception



Top Ten Holdings

Telekosang Hydro One Sdn Bhd (Bond)
Edra Solar Sdn Bhd (Bond)
CIMB Bank Berhad (Bond)
Northern Gateway Infrastructure Sdn Bhd (Bond)
Sabah Development Bank Berhad (Bond)
Projek Lebuh raya Utara-Selatan (Bond)
Malaysia Building Society Berhad (Bond)
Malaysia Steel Works (KL) Berhad (Bond)
Tenaga Nasional Berhad (Equity)
Malayan Banking Berhad (Equity)

Fund Information

NAV (30.10.20)	RM1.1930
Fund Size	RM8.15 million
Inception Date	15-Oct-01
Fund Management Fee	1.25% p.a.
Pricing	Daily
Price Quote	Major Newspaper, or http://www.mcis.my
Fund Manager	MCIS Insurance Berhad (MCIS Life)
Exceptional Circumstances	Refer to your Policy Document

Asset Allocation Ranges

Asset Class	Min	Max	Current Actual
Malaysian Equity	40%	60%	42%
Fixed Income	40%	60%	50%
Cash	0%	20%	8%

Performance Table

Period	Fund	Index*
1 month (%)	-1.51%	-1.04%
3 months (%)	-2.77%	-4.42%
6 months (%)	0.24%	3.34%
12 months (%)	-0.67%	-0.23%
2 years (% pa)	2.09%	0.42%
3 years (% pa)	0.97%	0.63%
5 years (% pa)	2.14%	1.67%
Since Inception (% pa)	4.66%	4.70%

Notice: Past performance is not indicative of future performance, and the performance of the Fund is not guaranteed.

The Fund returns are calculated by MCIS Life and based on the value of the NAV and for periods greater than 12-months are annualised numbers. Actual returns of the Fund are on a net basis (gross of tax and net of fees) and based on the performance of the Fund, and not the returns earned on the actual premiums/ contributions paid for the product.

* The benchmark index is a composite of 50% FBM KLCI Index and 50% of Markit iBoxx ALBI Malaysia TR Index (Since Dec '12). Prior to that, the index used was HSBC Malaysia All Bond Index for the fixed income portion. Benchmark return is calculated on re-based basis. The source is from the subscription of Markit Indices.

The NAV per unit of the Fund is the total market value of assets in the Fund divided by the total number of units of the Fund. Transaction costs, taxes and applicable fees are provided for in the net asset value.

Dividend Fund Monthly Report (October 2020)

Investment Objective

To achieve steady income stream with potential for capital growth over medium to long term by focusing mostly on high dividend yielding stocks and money market instruments. The aim of the Fund is to outperform the FBM KLCI Index over periods of five or more years.

Investment Strategy

To invest in a broad selection of companies listed on the Malaysian Stock Exchange. Using a relative value methodology, the fund focuses on undervalued stocks relative to fundamental value, with the aim of achieving an income stream, together with some degree of long-term capital gains.

Risks

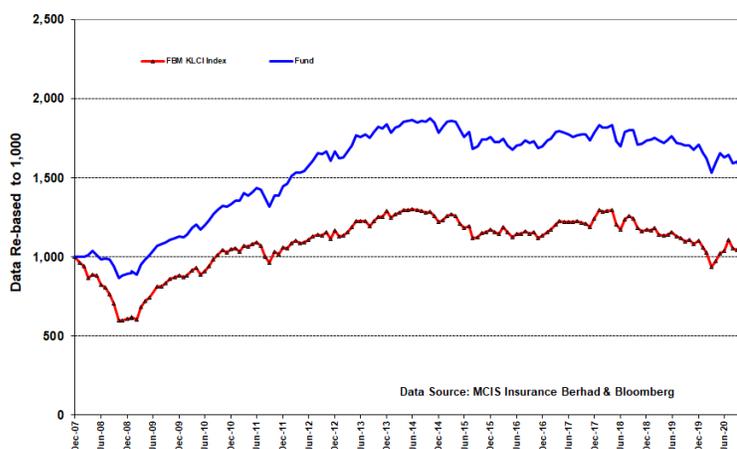
The Fund is considered high risk given the exposure to equity securities. The following factors can potentially affect the value of the Fund; consumer sentiment, financial performance of the underlying companies, the performance of the industry and economy, and the share market in general, social and political factors, and the liquidity of the underlying assets.

The target market is clients wanting the surety of insurance protection, with an element of potential upside investment exposure.

Fund Performance

For the month ended October 2020, the fund had underperformed the benchmark by 60bps MoM (month on month). The underperformance was mainly driven by higher exposure of underperforming securities in the portfolio compared to benchmark.

Dividend Fund Performance Since Inception



Top Ten Holdings

Petronas Gas Berhad
Maxis Berhad
Petronas Chemicals Group Berhad
MyETF Dow Jones
IOI Corporation Berhad
DiGi.Com Berhad
Sime Darby Plantation Berhad
Public Bank Berhad
Malayan Banking Berhad
Tenaga Nasional Berhad

Fund Information

NAV (30.10.20)	RM0.7361
Fund Size	RM27.35 million
Inception Date	21-Jan-08
Fund Management Fee	1.5% p.a.
Pricing	Daily
Price Quote	Major Newspaper, or http://www.mcis.my
Fund Manager	MCIS Insurance Berhad (MCIS Life)
Exceptional Circumstances	Refer to your Policy Document

Asset Allocation Ranges

Asset Class	Min	Max	Current Actual
Malaysian Equity	80%	100%	88%
Cash	0%	20%	12%

Performance Table

Period	Fund	Index*
1 month (%)	-3.12%	-2.52%
3 months (%)	-5.70%	-8.53%
6 months (%)	-2.91%	4.20%
12 months (%)	-9.14%	-8.20%
2 years (% pa)	-4.70%	-7.36%
3 years (% pa)	-4.41%	-5.68%
5 years (% pa)	-2.28%	-2.51%
Since Inception (% pa)	3.47%	0.12%
Yield #	3.45%	3.34%

Notice: Past performance is not indicative of future performance, and the performance of the Fund is not guaranteed.

The Fund returns are calculated by MCIS Life and based on the value of the NAV and for periods greater than 12-months are annualised numbers. Actual returns of the Fund are on a net basis (gross of tax and net of fees) and based on the performance of the Fund, and not the returns earned on the actual premiums/ contributions paid for the product.

* Index is FBM KLCI sourced from Bloomberg.

Yield data is sourced from Bloomberg, and MCIS Life.

The NAV per unit of the Fund is the total market value of assets in the Fund divided by the total number of units of the Fund. Transaction costs, taxes and applicable fees are provided for in the net asset value.

Equity Fund

Monthly Report (October 2020)

Investment Objective

The objective of the Equity Fund is to achieve capital growth over the medium to long term by focusing on high quality equities listed on the FBM KLCI Index. The aim of the Equity Fund is to outperform the Index over periods of five or more years.

Investment Strategy

To invest in a broad selection of companies listed on the Malaysian Stock Exchange. Using a relative value methodology, the fund focuses on the stocks whose shares appear undervalued relative to fundamental value, with the aim of achieving long term growth in capital value.

Risks

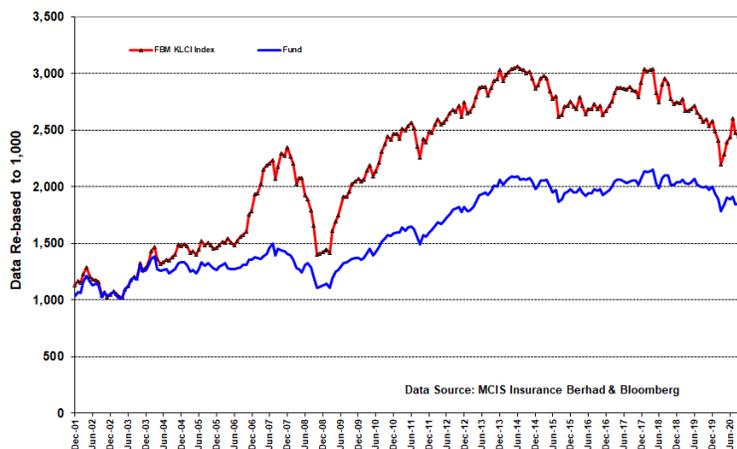
The Fund is considered high risk given the exposure to equity securities. The following factors can potentially affect the value of the Fund; consumer sentiment, financial performance of the underlying companies, the performance of the industry and economy, and the share market in general, social and political factors, and the liquidity of the underlying assets.

The target market is clients wanting the surety of insurance protection, with an element of potential upside investment exposure.

Fund Performance

For the month ended October 2020, the fund had underperformed the benchmark by 53bps MoM (month on month). The underperformance was mainly driven by higher exposure of underperforming securities in the portfolio compared to benchmark.

Equity Fund Performance Since Inception



Top Ten Holdings

IOI Corporation Berhad
 Tenaga Nasional Berhad
 Malayan Banking Berhad
 Public Bank Berhad
 Sime Darby Plantation Berhad
 Petronas Chemicals Group Berhad
 Petronas Gas Berhad
 Telekom Malaysia Berhad
 Maxis Berhad
 Petronas Dagangan Berhad

Fund Information

NAV (30.10.20)	RM0.8957
Fund Size	RM8.58 million
Inception Date	15-Oct-01
Fund Management Fee	1.40% p.a.
Pricing	Daily
Price Quote	Major Newspaper, or http://www.mcis.my
Fund Manager	MCIS Insurance Berhad (MCIS Life)
Exceptional Circumstances	Refer to your Policy Document

Asset Allocation Ranges

Asset Class	Min	Max	Current Actual
Malaysian Equity	80%	100%	82%
Cash	0%	20%	18%

Performance Table

Period	Fund	Index*
1 month (%)	-3.05%	-2.52%
3 months (%)	-6.10%	-8.53%
6 months (%)	-2.71%	4.20%
12 months (%)	-10.59%	-8.20%
2 years (% pa)	-5.74%	-7.36%
3 years (% pa)	-4.44%	-5.68%
5 years (% pa)	-1.58%	-2.51%
Since Inception (% pa)	3.10%	4.66%
Yield #	3.28%	3.34%

Notice: Past performance is not indicative of future performance, and the performance of the Fund is not guaranteed.

The Fund returns are calculated by MCIS Life and based on the value of the NAV and for periods greater than 12-months are annualised numbers. Actual returns of the Fund are on a net basis (gross of tax and net of fees) and based on the performance of the Fund, and not the returns earned on the actual premiums/ contributions paid for the product.

* Index is FBM KLCI sourced from Bloomberg.

Yield data is sourced from Bloomberg, and MCIS Life.

The NAV per unit of the Fund is the total market value of assets in the Fund divided by the total number of units of the Fund. Transaction costs, taxes and applicable fees are provided for in the net asset value.

Global Yakin Fund

Monthly Report (October 2020)

Investment Objective

The fund aims for capital appreciation in the long term by investing in an international portfolio of Shariah-compliant equities and equity-related securities of companies with good growth potential.

Investment Strategy

The Fund is to feed into Aberdeen Standard Islamic World Equity Fund (ASIWEF) which managed by Aberdeen Standard Islamic Investment (Malaysia) Sdn Bhd. The Fund invests in shariah approved securities across the globe.

The Fund seeks to achieve its objective by investing in an international portfolio of Shariah-compliant equities and equity-related securities of companies with good growth potential. The countries that the Fund will invest in will include, but not limited to Canada, United States of America, United Kingdom, France, Germany, Italy, Netherlands, Sweden, Switzerland, Japan, Australia, China, Hong Kong, Korea, Singapore, Taiwan, Brazil and Mexico.

Risks

The Fund is considered low risk given the exposure to only one underlying securities with no attempt to select stocks individually or to take defensive positions in declining markets. Risk is managed at the management level, where the asset allocation of the fund to be reviewed on regular basis, and adjusted to commensurate with the Investment Team view on the relative attractiveness of each asset class.

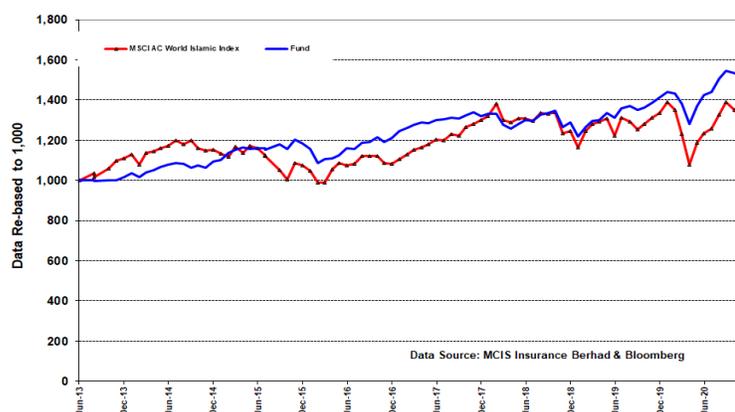
The following factors can potentially affect the value of the Fund; economic and political developments in related countries, foreign exchange fluctuation, illiquid and inefficient securities in the Emerging Markets, and the financial performance of the underlying companies.

The Fund is suitable for investors who seek capital appreciation over a long term investment horizon and who are willing to accept high level of risk.

Fund Performance

For the month ended October 2020, the fund had outperformed the benchmark by 260bps MoM (month on month). The outperformance was mainly due to outperforming of the underlying securities compared to the benchmark index.

Global Yakin Fund Performance Since Inception



Top Ten Holdings

Aberdeen Standard Islamic World Equity Fund (ASIWEF)

Fund Information

NAV (30.10.20)	RM0.7583
Fund Size	RM63.78 million
Inception Date	8-July-2013
Fund Management Fee	0.85% p.a.
Pricing	Daily
Price Quote	Major Newspaper, or http://www.mcis.my
Fund Manager	MCIS Insurance Berhad (MCIS Life)
Exceptional Circumstances	Refer to your Policy Document

Asset Allocation Ranges

Asset Class	Min	Max	Current Actual
ASIWEF	80%	100%	87%
Cash	0%	20%	13%

Performance Table

Period	Fund	Index*
1 month (%)	-1.04%	-3.64%
3 months (%)	0.64%	-1.99%
6 months (%)	10.50%	9.60%
12 months (%)	9.46%	-0.76%
2 years (% pa)	9.45%	2.74%
3 years (% pa)	4.19%	0.52%
5 years (% pa)	4.71%	4.61%
Since Inception (% pa)	5.84%	3.66%

Notice: Past performance is not indicative of future performance, and the performance of the Fund is not guaranteed.

The Fund returns are calculated by MCIS Life and based on the value of the NAV and for periods greater than 12-months are annualised numbers. Actual returns of the Fund are on a net basis (gross of tax and net of fees) and based on the performance of the Fund, and not the returns earned on the actual premiums/ contributions paid for the product.

* Index is MSCI AC World Islamic sourced from Bloomberg.

The NAV per unit of the Fund is the total market value of assets in the Fund divided by the total number of units of the Fund. Transaction costs, taxes and applicable fees are provided for in the net asset value.

Income Fund

Monthly Report (October 2020)

Investment Objective

The objective of the Income Fund is to provide investors with security of income by investing in a mix of fixed income and fixed deposit securities. The aim of the Fund is to outperform the HSBC Malaysia Local Currency All Bond Total Return Index.

Investment Strategy

To invest into underlying asset classes as per the Asset Allocation Ranges. The asset allocation is reviewed on a regular basis, and is adjusted commensurate with our view on the relative attractiveness of each asset class. The Fund invests in cash and fixed income securities including government bonds and corporate debt securities.

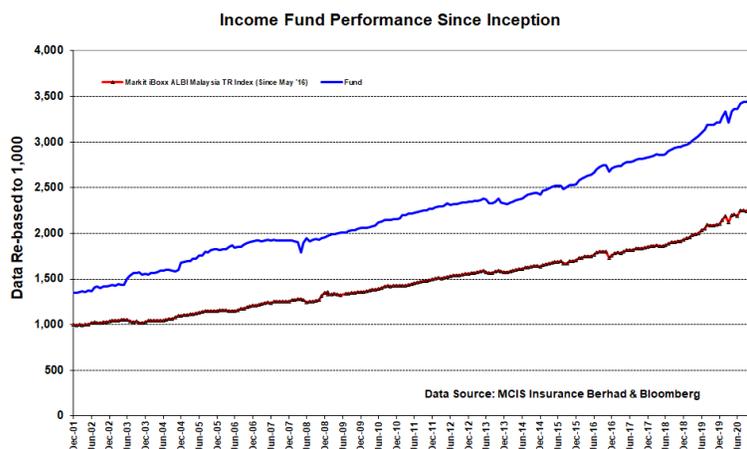
Risks

The Fund is considered lower risk given the exposure to cash and fixed income securities. The following factors can potentially affect the value of the Fund; consumer sentiment, financial performance of the underlying companies, the performance of the industry and economy, and the share market in general, social and political factors, and the liquidity of the underlying assets. Additionally, levels of interest rates, and credit downgrades or defaults can affect the value of fixed income securities.

The target market is clients wanting the surety of insurance protection, with an element of potential upside investment exposure.

Fund Performance

For the month ended October 2020, the fund had slightly underperformed the benchmark by 1bps MoM (month on month). The underperformance was due to underperforming of the fixed income securities compared to the benchmark index.



Top Ten Holdings

Leader Energy Sdn Berhad
 Sabah Development Bank Berhad
 Telekomang Hydro One Sdn Bhd
 Edra Solar Sdn Bhd
 Northern Gateway Infrastructure Sdn Bhd
 UiTM Solar Power Sdn Berhad
 Swirl Assets Berhad
 CIMB Bank Berhad
 SAJ Capital Sdn Bhd
 Malaysia Steel Works (KL) Berhad

Fund Information

NAV (30.10.20)	RM1.7291
Fund Size	RM40.96 million
Inception Date	15-Oct-01
Fund Management Fee	0.5% p.a.
Pricing	Daily
Price Quote	Major Newspaper, or http://www.mcis.my
Fund Manager	MCIS Insurance Berhad (MCIS Life)
Exceptional Circumstances	Refer to your Policy Document

Asset Allocation Ranges

Asset Class	Min	Max	Current Actual
Fixed Income	75%	100%	88%
Cash	0%	25%	12%

Performance Table

Period	Fund	Index*
1 month (%)	0.42%	0.43%
3 months (%)	1.03%	-0.20%
6 months (%)	3.76%	2.30%
12 months (%)	8.34%	7.96%
2 years (% pa)	8.43%	8.53%
3 years (% pa)	7.12%	7.02%
5 years (% pa)	6.45%	5.79%
Since Inception (% pa)	6.72%	4.34%

Notice: Past performance is not indicative of future performance, and the performance of the Fund is not guaranteed.

The Fund returns are calculated by MCIS Life and based on the value of the NAV and for periods greater than 12-months are annualised numbers. Actual returns of the Fund are on a net basis (gross of tax and net of fees) and based on the performance of the Fund, and not the returns earned on the actual premiums/ contributions paid for the product.

* The benchmark index is Markit iBoxx ALBI Malaysia TR Index (Since Dec '12). Prior to that, the index used was HSBC Malaysia All Bond Index. Benchmark return is calculated on re-based basis. The source is from the subscription of Markit Indices.

The NAV per unit of the Fund is the total market value of assets in the Fund divided by the total number of units of the Fund. Transaction costs, taxes and applicable fees are provided for in the net asset value.

Jati Fund

Monthly Report (October 2020)

Investment Objective

The Jati Fund is invested in accordance with Shariah principles in Shariah sanctioned equities, money market instruments, and fixed income investments. The aim is to provide security and income, while maintaining and potentially increasing the value of capital over the medium to long-term. The Jati Fund is not a takaful product.

Investment Strategy

To invest in a broad selection of Shariah approved securities listed on the Malaysian Stock Exchange. Using a relative value methodology it looks to buy stocks whose shares appear undervalued relative to fundamental value, with the aim of achieving an income stream, together with some degree of long-term capital gains.

Risks

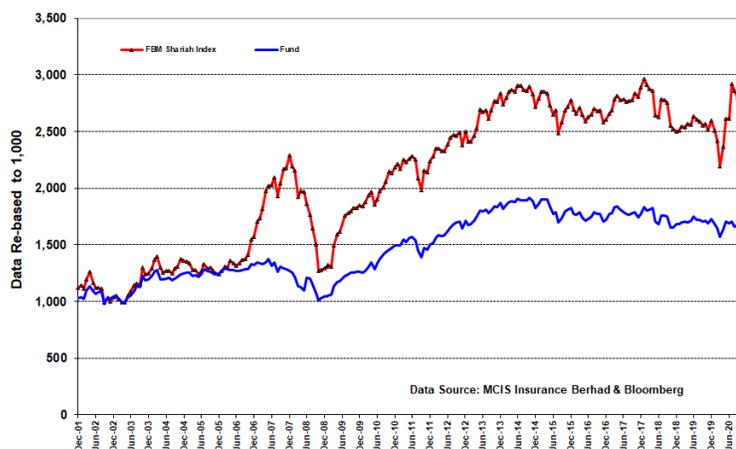
The Fund is considered high risk given the exposure to equity securities. The following factors can potentially affect the value of the Fund; consumer sentiment, financial performance of the underlying companies, the performance of the industry and economy, and the share market in general, social and political factors, and the liquidity of the underlying assets.

The target market is clients wanting the surety of insurance protection, with an element of potential upside investment exposure.

Fund Performance

For the month ended October 2020, the fund had underperformed the benchmark by 135bps MoM (month on month). The underperformance was mainly driven by higher exposure of underperforming securities in the portfolio compared to benchmark.

Jati Fund Performance Since Inception



Top Ten Holdings

Telekom Malaysia Berhad
 Tenaga Nasional Berhad
 IOI Corporation Berhad
 Sime Darby Berhad
 Petronas Gas Berhad
 Petronas Chemicals Group Berhad
 Sime Darby Plantation Berhad
 Perlis Plantation Berhad
 Maxis Berhad
 Axiata Group Berhad

Fund Information

NAV (30.10.20)	RM0.8178
Fund Size	RM16.17 million
Inception Date	15-Oct-01
Fund Management Fee	1.35% p.a.
Pricing	Daily
Price Quote	Major Newspaper, or http://www.mcis.my
Fund Manager	MCIS Insurance Berhad (MCIS Life)
Exceptional Circumstances	Refer to your Policy Document

Asset Allocation Ranges

Asset Class	Min	Max	Current Actual
Malaysian Equity	80%	100%	81%
Cash	0%	20%	19%

Performance Table

Period	Fund	Index*
1 month (%)	-2.58%	-1.23%
3 months (%)	-4.18%	-5.19%
6 months (%)	-0.09%	17.00%
12 months (%)	-4.67%	7.71%
2 years (% pa)	-0.61%	4.04%
3 years (% pa)	-2.98%	-0.88%
5 years (% pa)	-1.85%	0.56%
Since Inception (% pa)	2.61%	5.48%
Yield #	2.82%	2.52%

Notice: Past performance is not indicative of future performance, and the performance of the Fund is not guaranteed.

The Fund returns are calculated by MCIS Life and based on the value of the NAV and for periods greater than 12-months are annualised numbers. Actual returns of the Fund are on a net basis (gross of tax and net of fees) and based on the performance of the Fund, and not the returns earned on the actual premiums/ contributions paid for the product.

* Index is FBMS Index sourced from Bloomberg.
 # Yield data is sourced from Bloomberg, and MCIS Life.

The NAV per unit of the Fund is the total market value of assets in the Fund divided by the total number of units of the Fund. Transaction costs, taxes and applicable fees are provided for in the net asset value.

Titan Fund

Monthly Report (October 2020)

Investment Objective

The Fund invests in MyETF Dow Jones U.S. Titans 50 ("MyETFDJ50") which aims to provide investment results that closely correspond to the performance of the Dow Jones Islamic Market U.S. Titans 50 Index.

Investment Strategy

MyETFDJ50 is managed by i-VCAP Management Sdn Bhd and it invests into 50 largest Shariah compliant companies listed in the U.S. MyETFDJ50 is a passively managed fund.

Risks

The Fund is considered low risk given the exposure to only one underlying securities with no attempt to select stocks individually or to take defensive positions in declining markets. Risk is managed at the management level, where the asset allocation of the fund to be reviewed on regular basis, and adjusted to commensurate with the Investment Team view on the relative attractiveness of each asset class.

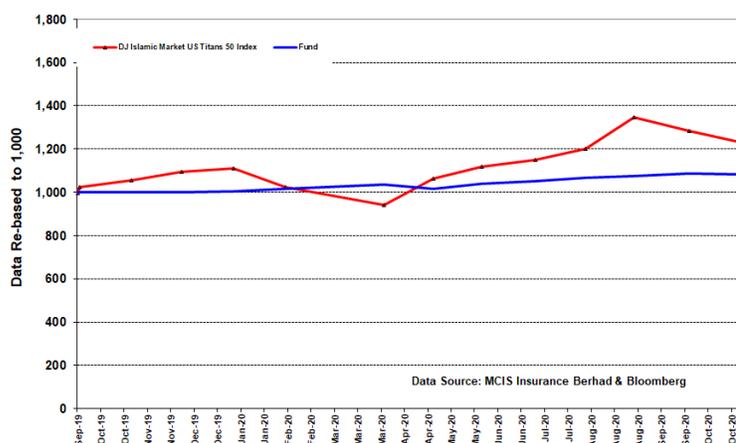
The following factors can potentially affect the value of the Fund; economic and political developments in related countries, foreign exchange fluctuation, illiquid and inefficient securities in the Emerging Markets, and the financial performance of the underlying companies.

The Fund is suitable for investors who are seeking for diversification and investment opportunities in Shariah-compliant equities in the U.S. market and seeking liquid financial instruments with an index tracking feature.

Fund Performance

For the month ended October 2020, the fund had outperformed the benchmark by 740bps MoM (month on month).

Titan Fund Performance Since Inception



Top Ten Holdings

MyETFDJ50

Fund Information

NAV (30.10.20)	RM0.5691
Fund Size	RM11.34 million
Inception Date	17-Sept-2019
Fund Management Fee	0.85% p.a.
Pricing	Daily
Price Quote	Major Newspaper, or http://www.mcis.my
Fund Manager	MCIS Insurance Berhad (MCIS Life)
Exceptional Circumstances	Refer to your Policy Document

Asset Allocation Ranges

Asset Class	Min	Max	Current Actual
MyETFDJ50	80%	100%	54%
Cash	0%	20%	46%

Performance Table

Period	Fund	Index*
1 month (%)	3.42%	-3.98%
3 months (%)	1.33%	2.59%
6 months (%)	-2.30%	15.88%
12 months (%)	13.69%	20.68%
2 years (% pa)	n/a	n/a
3 years (% pa)	n/a	n/a
5 years (% pa)	n/a	n/a
Since Inception (% pa)	11.73%	19.77%

Notice: Past performance is not indicative of future performance, and the performance of the Fund is not guaranteed.

The Fund returns are calculated by MCIS Life and based on the value of the NAV and for periods greater than 12-months are annualised numbers. Actual returns of the Fund are on a net basis (gross of tax and net of fees) and based on the performance of the Fund, and not the returns earned on the actual premiums/ contributions paid for the product.

* Index Dow Jones Islamic Market U.S. Titans 50 Index sourced from Bloomberg.

The NAV per unit of the Fund is the total market value of assets in the Fund divided by the total number of units of the Fund. Transaction costs, taxes and applicable fees are provided for in the net asset value.

Equity Market Review and Outlook

Market Review

FBMKLCI fell for a third consecutive month due to profit-taking in the energy, banks and REIT sectors amid the drop in crude oil prices, Conditional Movement Control Order (CMCO) extension, and concerns over political uncertainty. This caused the local index to decline 38 points in October or -2.5% month-on-month (m-o-m), closing at 1,466.89 pts. The benchmark index had underperformed the FBM EMAS Index, which posted slightly lower losses of -2.0% m-o-m to close at 10,613.58 points.

The average daily value traded on the Malaysian equity market fell 9% m-o-m to RM4.4bil in October as daily trading value fell towards the end of the month due to concern over political uncertainty. However, the average daily trading value in October was still 129% higher y-o-y, and 103% higher than 2019's average of RM2.15bil. Foreign investors sold RM668mil worth of Malaysian equities during the month, 66% below the RM1.97bil net sell in September 2020. This brought 10M20 net foreign outflow to RM22.9bil, 108% higher than the RM11bil outflow registered in 2019. Retailers net bought RM455mil worth of equities in October and RM12bil for 10M20 (vs. RM1.4bil net buy in September), more than double local institutions' net buy of RM213mil and RM10.9bil for 10M20 (vs. RM530mil in September).

Globally, equity market also closed negatively in the month of October on the concern of the US presidential election and rising COVID-19 cases in many countries, notably across Europe. In the US, Dow Jones and S&P 500 Index closed -4.6% and -2.8% on m-o-m. Meanwhile, Bloomberg European 500 index closed negatively by -4.7% m-o-m. On the other hand, MSCI Asia APEX 50 ex-Japan closed higher by 4.2% m-o-m and average Asian markets gained 0.5% m-o-m.

Chart 1: FBMKLCI Weekly Chart



Source: CIMB Research

Chart 2: FBMKLCI Monthly Chart



Source: MCIS/Bloomberg

Market Outlook & Strategy

Technically, the market traded in a sideways consolidation towards the end of the month. It was a weak close for the index after ending the month at its low, its third consecutive month of decline, suggesting that the current consolidation is likely to continue in the near term. As long as the retail participants continue to 'hold up' the market, the current consolidation has room to the downside. Support to be seen at 1,330-1,385 level and on the upside, we see resistances at the 1,500 and 1,526 levels.

Based on historical data, we note that the FBMKLCI's performance tends to be negative in November, having registered an average monthly negative return of -1.6% over the past 10 years. Historically, equity market may have corrected in November due possibly to profit-taking post Budget announcement in October and disappointing results season. The key difference for November this year are Budget announcement which being held in early November, CMCO in most of the states in Malaysia due to the recent spikes in new COVID-19 cases and continuous political uncertainty.

Moving forward, we continue to remain cautious on the equity market. Concerns over the effects of the COVID-19 pandemic in Malaysia and globally, we expect the FBMKLCI to remain volatile. We will be selective on the stock picking, weighting on the defensive stocks amid uncertainty.

Fixed Income Review and Outlook

Market Review

Malaysia Government Securities (“MGS”) yields edged higher in Sep’20 as BNM did not cut the Overnight Policy Rate (“OPR”) as per market expectation, keeping the rate at 1.75%. Ringgit strengthened further against the Dollar to MYR4.1565/USD (Aug’20: MYR4.1640/USD). Given the second wave of COVID-19 pandemic in the US and European region, Brent crude oil price moved lower to USD40.95/barrel compared to USD45.28/barrel in Aug’20.

Headline inflation continued to stay in the negative territory at -1.4% YoY in Aug’20 (Jul’20: -1.3% YoY) on the back of low Transport cost (Aug’20: -9.9% YoY; Jul’20: -10.3% YoY) arising from the weak global oil prices. Apparently, RON95 fuel price of RM1.68 in Aug’20 is much lower as compared to RM2.08 in a year earlier.

Malaysia trade recovery was obstructed, after 2 months of consecutive recovery. Exports in Aug’20 dropped to -2.9% YoY (Jul’20: +3.1% YoY), mainly dragged by the Manufacturing (Aug’20: -0.1% YoY; Jul’20: +4.7% YoY) and Agriculture (Aug’20: -4.5% YoY; Jul’20: +30.4% YoY). Imports fell further by -6.5% YoY in Aug’20 (Jul’20: -8.7% YoY) due to the contraction in imports of intermediate goods (Aug’20: -5.6% YoY; Jul’20: -17.3% YoY) and capital goods (Aug’20: -15.5% YoY; Jul’20: -19.8% YoY). All in all, the trade balance came in lower at +MYR13.2bil in Aug’20 compared to +MYR25.1bil in a month earlier.

External reserves continued to trend higher to USD105.0bil at end-Sep’20 (end-Aug’20: USD104.4bil) despite the net capital outflows of MYR1.5bil was seen in Sep’20. As of year-to-date, the foreign investors have sold MYR22.4bil in equities but continued to support local bonds with a net purchase of MYR4.8bil. The reserve is sufficient to cover 8.4 months of retained imports and 1.1x short-term external debt, and is above the minimum requirement of USD90.2bil IMF Reserve Adequacy.

Malaysia Government Securities (“MGS”) yields moved lower, especially on the shorter-end of the curve as investors were pricing-in another rate cut in November. Ringgit on the other hand remained largely unchanged at MYR4.1558/USD as compared to a month earlier at MYR4.1565/USD. Given the second wave of COVID-19 pandemic in the US and European region, Brent crude oil prices moved lower to USD37.46/barrel as compared to USD40.95/barrel in a month ago.

Headline inflation continued to stay in the negative territory at -1.4% YoY in Sep’20 (Aug’20: -1.4% YoY) on the back of low Transport cost (Sep’20: -9.9% YoY; Aug’20: -9.9% YoY) arising from the weak global oil prices. RON95 fuel prices recorded lower at MYR1.68 in Sep’20, compared to a year earlier at MYR2.08.

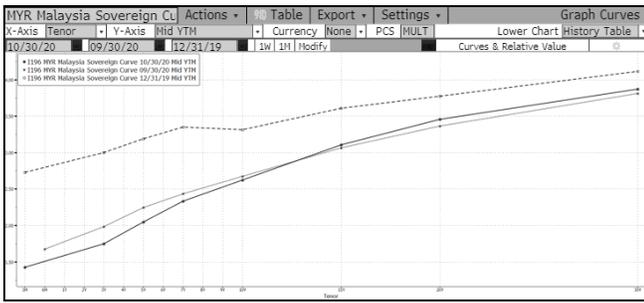
Malaysia exports rebounded in Sep’20 at +13.6% YoY (Aug’20: -2.9% YoY), while the imports remained contracted at -3.6% YoY (Aug’20: -6.5% YoY). The exports growth was mainly supported by manufacturing export recovery, which saw an increment by +16.3% YoY (Aug’20: -0.1% YoY), especially from E&E Products and Rubber Products. Imports data continued to stay in the negative territory for 7 straight months on the back of lower imports from intermediate goods (Sep’20: -17.8% YoY; Aug’20: -5.6% YoY) and capital goods (Sep’20: -1.8% YoY; Aug’20: -15.6% YoY). All in all, the trade balance came in higher at +MYR22.0bil in Sep’20 (Aug’20: +MYR13.2bil).

Malaysia external reserves dropped slightly to USD104.6bil as at end-Oct’20 (end-Sep’20: USD105.0bil), after increasing for 6 straight months. The reserve is sufficient to cover 8.4 months of retained imports and 1.0x short-term external debt and is above the minimum requirement of USD90.2bil IMF Reserve Adequacy.

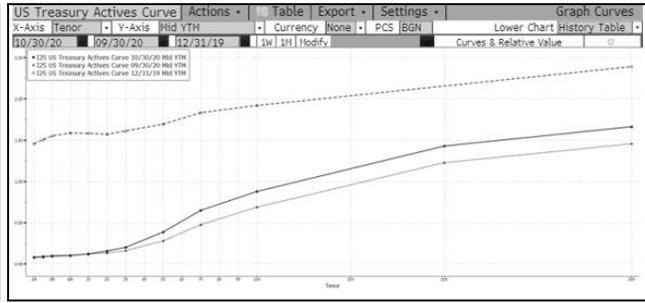
The auctions unveiled in October 2020 are as follows;

Government Auctions Issue	Issue Date	Amount (RM million)	Bid-cover (times)	Avg Yield (%)
3year Re-Issuance of GII (Mat 05/23)	7/10/2020	4,500.00	3.09	1.98
10year Re-Issuance of MGS (Mat 04/31)	15/10/2020	5,000.00	1.99	2.63
5year Re-Issuance of GII (Mat 03/26)	28/10/2020	5,000.00	2.00	2.20

Source: Bank Negara Malaysia



Source: Bloomberg



Source: Bloomberg

The 10-year US Treasury (“UST”) yield surged higher by +19bps to 0.88% as at end-Oct’20 (end-Sep’20: 0.69%), as the Congress failed to conclude another round of stimulus package before the US Presidential Election.

Market Outlook & Strategy

Following the OPR cut by 125bps and SRR cut by 100bps in this year, BNM is expected to stay dovish monetary stance towards 1Q2020, in line with the weaker economic prospect arising from the COVID-19 outbreak globally. The external risk factors such as trade war between US and China and the fluctuation in crude oil prices will continue to weigh on the local market, but we believe corporate bond space still provides attractive yields. As such, we will keep looking to buy on dips of corporate bonds if the opportunity arises.