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# Investment Link Fund Performance Report December 2021

## **General Advice Warning**

The information contained in this material is general information and intended for the use of professional advisers, researchers and trustees. It does not take into account the objectives, financial situation or needs of any person. These factors should be considered before acting on this information.

MCIS receives remuneration such as fees, charges or premiums for the products. Details of these payments including how they are calculated and when and how they are payable can be found in the relevant sales illustrations, or other disclosure document for each product.

## **Past performance is not a reliable indicator of future performance**

The information in this presentation should not be considered a personal recommendation on any of the securities or stocks mentioned.

## EXECUTIVE SUMMARY

The FBMKLCI Index closed the year of 2021 at 1,567.53 points with lower YTD performance by -3.7%, but strengthened by 3.5% MTD. Better MTD was due to window-dressing activities as well as positive reaction to the government's decision to extend the tax exemptions on foreign source income for another five years. The average daily value traded fell 31% MoM and 62% YoY in December 2021 to RM2.04bil.

Malaysia Government Securities ("MGS") yield were spiking up in the shorter-end of the curve, reflecting the market cautious on the potential rate hike over the next 12 months. Given the US crude oil inventory continued to fall for fourth consecutive week and OPEC+ oil production was below target level, Brent crude oil prices bumped higher to USD77.78/barrel in Dec'21 from USD70.57/barrel in a month ago. Meantime, the ringgit strengthened against the dollar to RM4.1665/USD from RM4.2040/USD.

On the local economic data, exports continued to expand by +32.4% YoY in Nov'21, supported by the broad expansion in manufacturing exports, agriculture exports and mining exports. Meanwhile, inflation continue to grow higher in Nov'21 to +3.3% YoY, mainly attributable to the higher food and non-alcoholic beverages and transport cost.

For equity market, in the short term, we expect the market to continue trading sideways before taking opportunity on CNY rally in early February. For the longer run, we believe the local equity market will improve supported by better domestic activities locally, especially in the second half of the year.

For fixed income, BNM is anticipated to tune monetary stance to slight hawkish in 2022 when the COVID-19 pandemic is near to the end. 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, Income Fund and Jati Fund managed to outperformed the respective benchmarks.

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 (%)	2.45%	3.33%	1.60%	1.93%	2.67%	3.54%	2.43%	3.54%	0.36%	5.11%	0.58%	0.32%	2.55%	1.11%	0.05%	2.51%
3 Months (%)	0.22%	0.52%	1.25%	1.17%	2.06%	1.93%	1.74%	1.93%	5.40%	7.05%	0.30%	0.33%	1.67%	-0.78%	6.54%	13.75%
6 Months (%)	-7.68%	-10.65%	2.38%	1.60%	4.40%	2.28%	3.55%	2.28%	7.64%	5.41%	1.50%	0.66%	2.87%	0.70%	12.67%	15.72%
12 Months (%)	-1.85%	-8.52%	1.04%	-2.40%	0.93%	-3.67%	0.98%	-3.67%	20.30%	16.01%	0.65%	-1.46%	-0.84%	-6.81%	28.45%	32.46%

Source: MCI Insurance Berhad

# AsiaPac Fund Monthly Report (December 2021)

## 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.

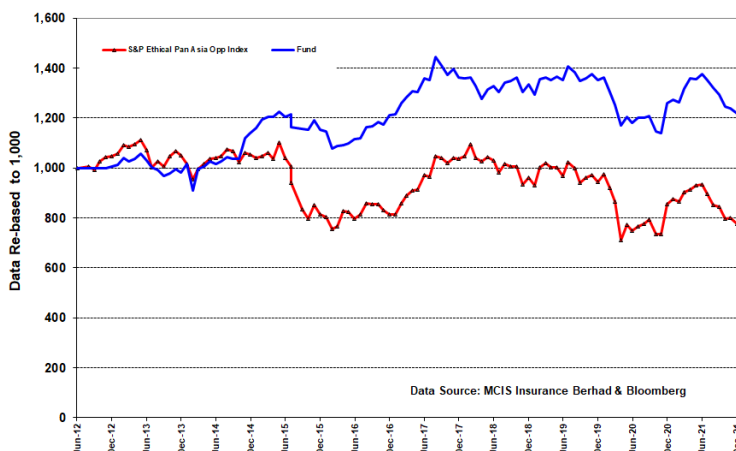
The following factors can potentially affect the value of the Fund; economic and political developments in related countries, foreign exchange fluctuation, illiquid and inefficient securities in the Emerging Markets, and the financial performance of the underlying companies.

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 December 2021, the fund had underperformed the benchmark by 88bps MoM (month-on-month). 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 (31.12.21)	RM0.6242
Fund Size	RM64.83 million
Inception Date	15-July-2012
Fund Management Fee	0.85% p.a.
Pricing	Daily
Price Quote	Major Newspaper, or <a href="http://www.mcis.my">http://www.mcis.my</a>
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%	94%
Cash	0%	20%	6%

## Performance Table

Period	Fund	Index*
1 month (%)	2.45%	3.33%
3 months (%)	0.22%	0.52%
6 months (%)	-7.68%	-10.65%
12 months (%)	-1.85%	-8.52%
2 years (% pa)	-4.24%	-9.45%
3 years (% pa)	-1.19%	-4.89%
5 years (% pa)	0.55%	-0.30%
Since Inception (% pa)	2.36%	-2.31%

**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 (December 2021)

## 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

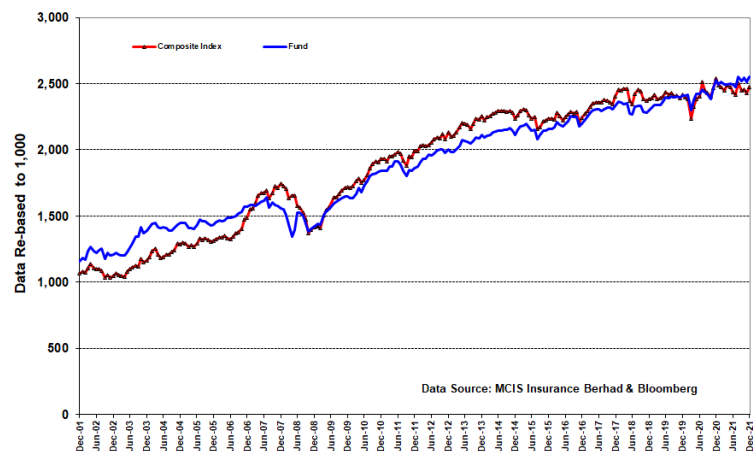
The Fund is considered medium risk given the mixed exposure of equity securities, fixed income and cash. The following factors can potentially affect the value of the Fund; consumer sentiment, financial performance of the underlying companies, industry and economy development, social and political factors, 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 December 2021, the fund had underperformed the benchmark by 33bps 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 (Equity)
- Malayan Banking Berhad (Bond)
- Northern Gateway Infrastructure Sdn Bhd (Bond)
- Sabah Development Bank Berhad (Bond)
- Projek Lebuhraya Utara-Selatan (Bond)
- Malaysia Building Society Berhad (Bond)
- Malayan Banking Berhad (Equity)
- Malaysia Steel Works (KL) Berhad (Bond)

## Fund Information

NAV (31.12.21)	RM1.2763
Fund Size	RM8.81 million
Inception Date	15-Oct-01
Fund Management Fee	1.25% p.a.
Pricing	Daily
Price Quote	Major Newspaper, or <a href="http://www.mcis.my">http://www.mcis.my</a>
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%	47%
Fixed Income	40%	60%	42%
Cash	0%	20%	11%

## Performance Table

Period	Fund	Index*
1 month (%)	1.60%	1.93%
3 months (%)	1.25%	1.17%
6 months (%)	2.38%	1.60%
12 months (%)	1.04%	-2.40%
2 years (% pa)	2.94%	1.31%
3 years (% pa)	3.58%	1.29%
5 years (% pa)	3.02%	2.05%
Since Inception (% pa)	4.74%	4.58%

**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 Market iBoxx ALBI Malaysia TR Index (Since June '16). 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 Market 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 (December 2021)

## 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

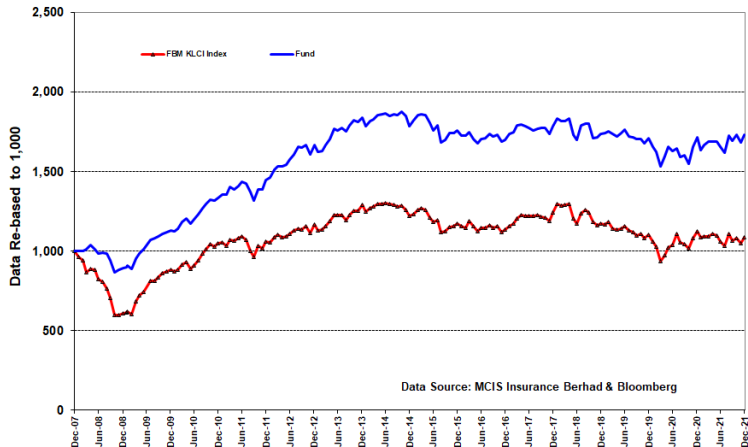
The Fund is considered high risk given the exposure to equity securities. The following factors can potentially affect the value of the Fund; consumer sentiment, financial performance of the underlying companies, the performance of the industry and economy, and the share market in general, social and 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 December 2021, the fund had underperformed the benchmark by 87bps 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

Public Bank Berhad  
Malayan Banking Berhad  
Petronas Gas Berhad  
Maxis Berhad  
CIMB Bank Berhad  
Petronas Chemicals Group Berhad  
DiGi.Com Berhad  
Tenaga Nasional Berhad  
Axiata Group Berhad  
IOI Corporation Berhad

## Fund Information

NAV (31.12.21)	RM0.8207
Fund Size	RM30.09 million
Inception Date	21-Jan-08
Fund Management Fee	1.5% p.a.
Pricing	Daily
Price Quote	Major Newspaper, or <a href="http://www.mcis.my">http://www.mcis.my</a>
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%	97%
Cash	0%	20%	3%

## Performance Table

Period	Fund	Index*
1 month (%)	2.67%	3.54%
3 months (%)	2.06%	1.93%
6 months (%)	4.40%	2.28%
12 months (%)	0.93%	-3.67%
2 years (% pa)	0.49%	-0.67%
3 years (% pa)	-0.10%	-2.49%
5 years (% pa)	0.33%	-0.92%
Since Inception (% pa)	3.98%	0.58%
Yield #	4.01%	4.54%

**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 (December 2021)

## 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

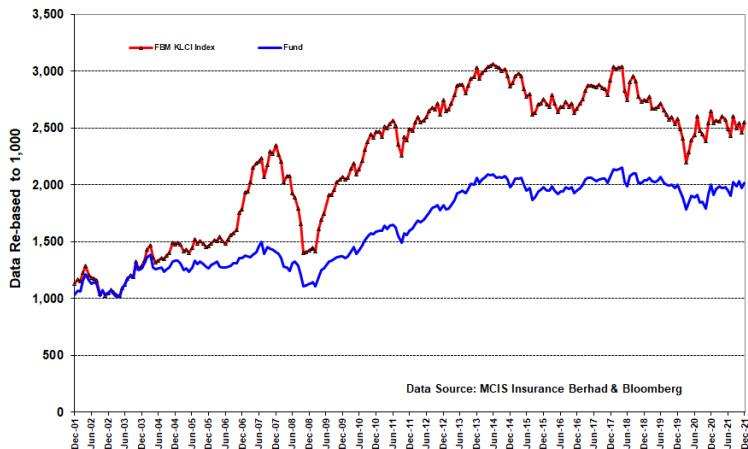
The Fund is considered high risk given the exposure to equity securities. The following factors can potentially affect the value of the Fund; consumer sentiment, financial performance of the underlying companies, the performance of the industry and economy, and the share market in general, social and 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 December 2021, the fund had underperformed the benchmark by 111bps 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

Malayan Banking Berhad  
CIMB Bank Berhad  
Public Bank Berhad  
Tenaga Nasional Berhad  
IOI Corporation Berhad  
Petronas Chemicals Group Berhad  
Maxis Berhad  
DiGi.Com Berhad  
Sime Darby Plantation Berhad  
Axiata Group Berhad

## Fund Information

NAV (31.12.21)	RM1.0087
Fund Size	RM10.05 million
Inception Date	15-Oct-01
Fund Management Fee	1.40% p.a.
Pricing	Daily
Price Quote	Major Newspaper, or <a href="http://www.mcis.my">http://www.mcis.my</a>
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%	95%
Cash	0%	20%	5%

## Performance Table

Period	Fund	Index*
1 month (%)	2.43%	3.54%
3 months (%)	1.74%	1.93%
6 months (%)	3.55%	2.28%
12 months (%)	0.98%	-3.67%
2 years (% pa)	0.31%	-0.67%
3 years (% pa)	-0.31%	-2.49%
5 years (% pa)	0.72%	-0.92%
Since Inception (% pa)	3.53%	4.73%
Yield #	3.94%	4.54%

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

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\* 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 (December 2021)

### 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 (ASWIEF) which managed by abrdn Islamic Malaysia Sdn Bhd (formerly known as Aberdeen Standard Investments (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.

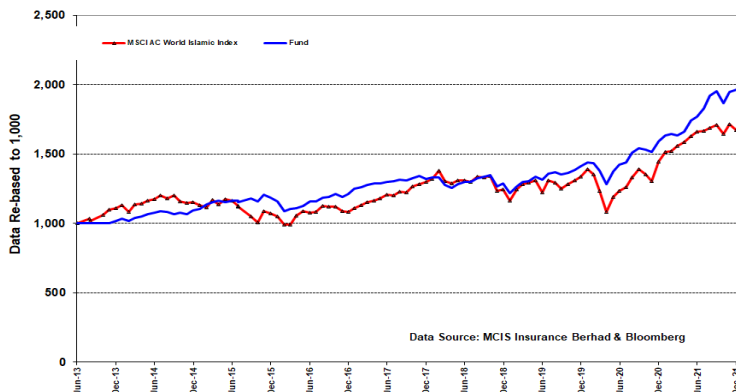
The following factors can potentially affect the value of the Fund; economic and political developments in related countries, foreign exchange fluctuation, illiquid and inefficient securities in the Emerging Markets, and the financial performance of the underlying companies.

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 December 2021, the fund had underperformed the benchmark by 475bps MoM (month-on-month). The underperformance was mainly due to underperforming of the underlying securities compared to the benchmark index.

Global Yakin Fund Performance Since Inception



### Top Ten Holdings

Aberdeen Standard Islamic World Equity Fund (ASWIEF)

### Fund Information

NAV (31.12.21)	RM0.9840
Fund Size	RM117.50 million
Inception Date	8-July-2013
Fund Management Fee	0.85% p.a.
Pricing	Daily
Price Quote	Major New newspaper, or <a href="http://www.mcis.my">http://www.mcis.my</a>
Fund Manager	MCIS Insurance Berhad (MCIS Life)
Exceptional Circumstances	Refer to your Policy Document

### Asset Allocation Ranges

Asset Class	Min	Max	Current Actual
ASWIEF	80%	100%	93%
Cash	0%	20%	7%

### Performance Table

Period	Fund	Index*
1 month (%)	0.36%	5.11%
3 months (%)	5.40%	7.05%
6 months (%)	7.64%	5.41%
12 months (%)	20.30%	16.01%
2 years (% pa)	16.91%	12.41%
3 years (% pa)	17.33%	14.78%
5 years (% pa)	9.54%	12.27%
Since Inception (% pa)	8.29%	6.86%

**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 (December 2021)

### 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 Markit iBoxx ALBI Malaysia TR 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.

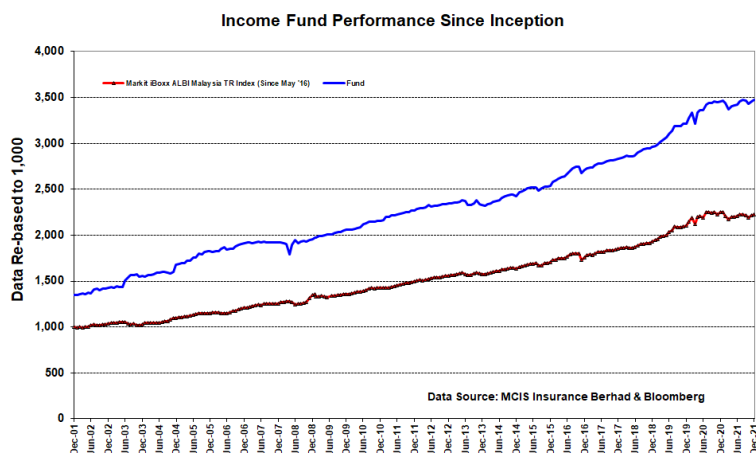
### Risks

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 December 2021, the fund had outperformed the benchmark by 26bps MoM (month-on-month). The outperformance was due to outperforming of the fixed income securities compared to the benchmark index.



### Top Ten Holdings

Malaysian Government Securities  
 Leader Energy Sdn Berhad  
 Cello Capital Berhad  
 Telekomang Hydro One Sdn Bhd  
 Sabah Development Bank Berhad  
 Edra Solar Sdn Bhd  
 UiTM Solar Power Sdn Berhad  
 Swirl Assets Berhad  
 SAJ Capital Sdn Bhd  
 Malaysia Steel Works (KL) Berhad

### Fund Information

NAV (31.12.21)	RM1.7384
Fund Size	RM44.14 million
Inception Date	15-Oct-01
Fund Management Fee	0.5% p.a.
Pricing	Daily
Price Quote	Major New paper, or <a href="http://www.mcis.my">http://www.mcis.my</a>
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%	93%
Cash	0%	25%	7%

### Performance Table

Period	Fund	Index*
1 month (%)	0.58%	0.32%
3 months (%)	0.30%	0.33%
6 months (%)	1.50%	0.66%
12 months (%)	0.65%	-1.46%
2 years (% pa)	3.93%	2.85%
3 years (% pa)	5.53%	4.84%
5 years (% pa)	5.10%	4.79%
Since Inception (% pa)	6.35%	4.02%

**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 June '16). 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 (December 2021)

### 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

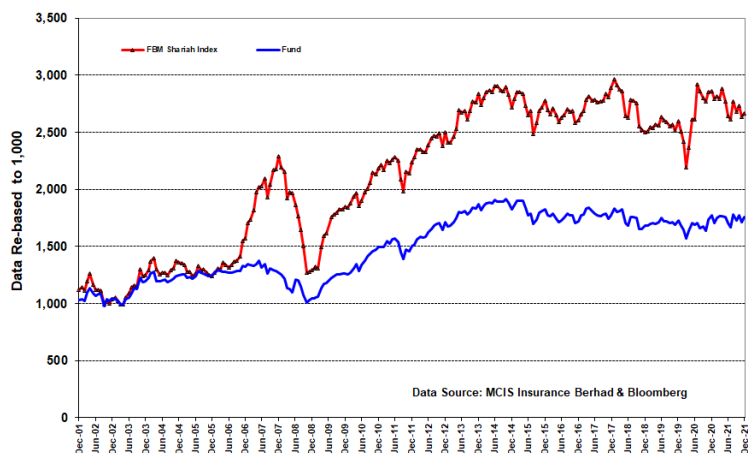
The Fund is considered high risk given the exposure to equity securities. The following factors can potentially affect the value of the Fund; consumer sentiment, financial performance of the underlying companies, the performance of the industry and economy, and the share market in general, social and 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 December 2021, the fund had outperformed the benchmark by 144bps MoM (month-on-month). The outperformance was mainly driven by higher exposure of outperforming securities in the portfolio compared to benchmark.

Jati Fund Performance Since Inception



### Top Ten Holdings

Axiata Group Berhad  
 Petronas Gas Berhad  
 Maxis Berhad  
 Sime Darby Plantation Berhad  
 Telekom Malaysia Berhad  
 Tenaga Nasional Berhad  
 IOI Corporation Berhad  
 Sime Darby Berhad  
 Dialog Group Berhad  
 MISC Berhad

### Fund Information

NAV (31.12.21)	RM0.8781
Fund Size	RM20.08 million
Inception Date	15-Oct-01
Fund Management Fee	1.35% p.a.
Pricing	Daily
Price Quote	Major Newspaper, or <a href="http://www.mcis.my">http://www.mcis.my</a>
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%	94%
Cash	0%	20%	6%

### Performance Table

Period	Fund	Index*
1 month (%)	2.55%	1.11%
3 months (%)	1.67%	-0.78%
6 months (%)	2.87%	0.70%
12 months (%)	-0.84%	-6.81%
2 years (% pa)	0.86%	1.31%
3 years (% pa)	1.47%	2.15%
5 years (% pa)	0.42%	0.41%
Since Inception (% pa)	2.82%	4.96%
Yield #	3.35%	3.86%

**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 (December 2021)

### Investment Objective

The Fund invests in MyETF Dow Jones U.S. Titans 50 ("MyETF-US50") 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.

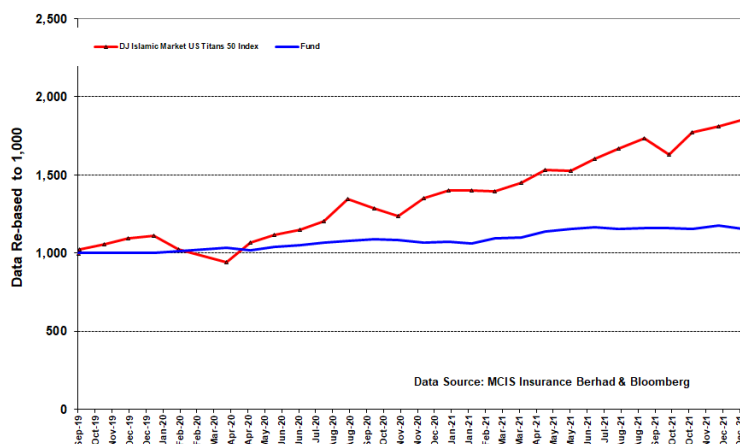
The following factors can potentially affect the value of the Fund; economic and political developments in related countries, foreign exchange fluctuation, illiquid and inefficient securities in the Emerging Markets, and the financial performance of the underlying companies.

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 December 2021, the fund had underperformed the benchmark by 246bps MoM (month-on-month).

Titan Fund Performance Since Inception



### Fund Information

NAV (31.12.21)	RM0.7568
Fund Size	RM100.09 million
Inception Date	17-Sept-2019
Fund Management Fee	0.85% p.a.
Pricing	Daily
Price Quote	Major Newspaper, or <a href="http://www.mcis.my">http://www.mcis.my</a>
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%	87%
Cash	0%	20%	13%

### Performance Table

Period	Fund	Index*
1 month (%)	0.05%	2.51%
3 months (%)	6.54%	13.75%
6 months (%)	12.67%	15.72%
12 months (%)	28.45%	32.46%
2 years (% pa)	23.13%	30.04%
3 years (% pa)	n/a	n/a
5 years (% pa)	n/a	n/a
Since Inception (% pa)	19.44%	30.27%

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

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\* Index Dow Jones Islamic Market U.S. Titans50 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.

### Top Ten Holdings

MyETF Dow Jones U.S. Titans 50 (MyETF-US50)

# Equity Market Review and Outlook

## Market Review

The FBMKLCI Index closed the year of 2021 at 1,567.53 points with lower YTD performance by -3.7%, but strengthened by 3.5% MTD. Better MTD was due to window-dressing activities as well as positive reaction to the government's decision to extend the tax exemptions on foreign source income for another five years. The average daily value traded fell 31% MoM and 62% YoY in December 2021 to RM2.04bil.

During the month, local retailers and local institutional were the net buyers for local equity market with the value of RM312.06mil and RM829.11mil respectively (from RM1.1bil and -RM1.3bil respectively in November). Meanwhile, foreign investors became net seller at RM1.14bil (from net buy of RM166.94mil in November). For the full year 2021, retailers were the only net buyers of our equity market to the tune of RM12.14 billion. Meanwhile, local institutions and foreign investors were net sellers to the tune of RM8.99 billion and RM3.15 billion respectively.

Globally, it was a positive month in December as the Fed gave certainty to expedite tapering and the FOMC also show the sign of a high chance of rate hikes in 2022 and 2023, which is also a good signal. In the US, Dow Jones Industrial index strengthened by 5.4% MoM (18.7% YoY) and the broader S&P 500 index closed lower by 4.4% MoM (26.9% YoY). It was also the same momentum in Europe, on hopes fresh curbs and restrictions may not be needed to fight the pandemic going into the new year. The pan-European benchmark, the Stoxx 600, has ended the year up 22%. In Asia, the performance was rather negative compared to the other part of the world. MSCI Asia-Pacific index dropped 3.4% YoY with foreigners recorded as net sellers of Asian equities in 2021. Regional stocks were hit by a strong dollar and a dip in business activity due to COVID-19-led curbs.

**Chart 1: FBMKLCI Weekly Chart**



Source: MCIS/Bloomberg

**Chart 2: FBMKLCI Monthly Chart**



Source: MCIS/Bloomberg

## Market Outlook & Strategy

Traditionally, FBMKLCI index's performance tends to be mixed in January, with an average MoM of -1%/1.4% over the past 10 years/43 years. We expect the market to be supportive by its attractive valuations at current levels of 1.50x as it is now below its 25-year historical average of P/B (1.85x) and 14.3x PER compared to the 25-year historical average of PER (17.1x). As at 2<sup>nd</sup> January 2022, 78.4% of Malaysia's population has been fully vaccinated. This has slightly lifted the market sentiment with more economic and social activities leniency were allowed by the government.

Technically, the FBMKLCI Index has been trading below all of its moving averages in December, before closed the gap and touched the 50-days moving average due to window-dressing activity on the final day of the year. It has putting the index back into a sideways trending mode. On the longer term, the index remains below the 200-week EMA, as well as the 1,618-1,625 critical resistance, indicating that the bulls have yet to gain control. Expect more sideways chop in the near term until a breakout above both the said resistances. The psychological level is seen at 1,500 points and may act as a support in the near term, followed by 1,483 and 1,452.

For short term, we expect the market will continue to trade sideways before taking opportunity on CNY rally in early February. For the longer run, we believe the local equity market will improve supported by better domestic activities locally, especially in the second half of the year.

## Fixed Income Review and Outlook

### Market Review

Malaysia Government Securities (“MGS”) yield were spiking up in the shorter-end of curve, reflecting the market cautious on the potential rate hike over the next 12 months. Given the US crude oil inventory continued to fall for fourth consecutive week and OPEC+ oil production was below target level, Brent crude oil prices bumped higher to USD77.78/barrel in Dec’21 from USD70.57/barrel in a month ago. Meantime, the ringgit strengthened against the dollar to RM4.1665/USD from RM4.2040/USD.

On the local economic data, exports continued to expand by +32.4% YoY in Nov’21 (Oct’21: +25.5% YoY), supported by the broad expansion in manufacturing exports, agriculture exports and mining exports. Strong commodity prices also boosted the commodity-related shipments, namely palm oil products, LNG products and refined petroleum products. Similarly, imports expand strongly by +38.0% YoY (Oct’21: +27.9% YoY), contributed by all segments – consumption goods (Nov’21: +22.8% YoY; Oct’21: +10.8% YoY), capital goods (Nov’21: +32.1% YoY; Oct’21: +15.0% YoY) and intermediate goods (Nov’21: +47.4% YoY; Oct’21: +34.9% YoY). After all, the trade balance tightened to +RM18.9 billion compared to +RM26.2 billion in a month earlier.

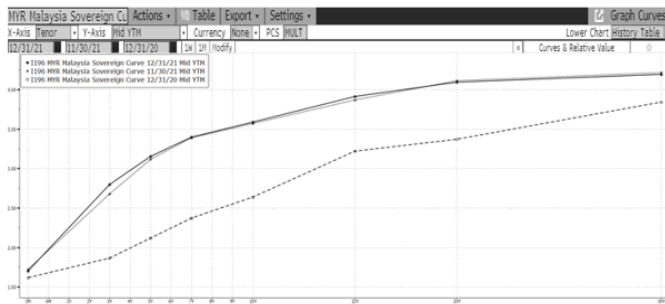
Inflation continue to grow higher in Nov’21 to +3.3% YoY (Oct’21: +2.9% YoY), mainly attributable to the higher food and non-alcoholic beverages and transport cost. Despite of the price control imposed on palm oil, the food and non-alcoholic beverages rose by +2.7% YoY (Oct’21: +1.9% YoY), due to the rising raw food prices in meat (Nov’21: +9.3% YoY; Oct’21: +6.8% YoY), oil & fats (Nov’21: +4.2% YoY; Oct’21: +3.7% YoY), fruits (Nov’21: +0.8% YoY; Oct’21: -0.3% YoY) and vegetables (Nov’21: +3.4% YoY; Oct’21: +0.6% YoY). Similarly, the transportation cost rose by +12.7% YoY (Oct’21: +11.3% YoY) despite of the price cap on RON95 and diesel fuel.

Malaysia external reserves rose slightly to USD116.9 billion as at end-Dec’21 (end-Nov’21: USD116.7 billion). The reserve is sufficient to cover 8 months of retained Imports and is 1.2 times short-term external debt.

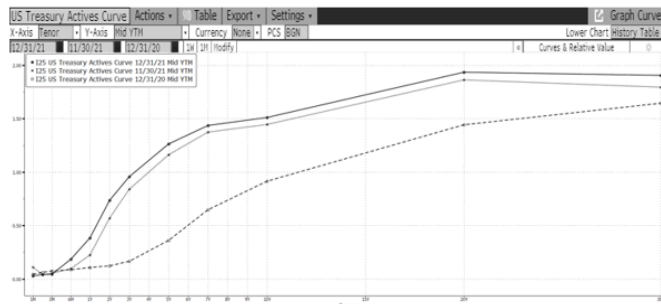
The auctions unveiled in December 2021 are as follow;

Government Auctions		Amount	Bid-cover	Avg Yield
Issue	Issue Date	(RM million)	(times)	(%)
7year Re-Issuance of GII(Mat 10/28)	07/12/2021	3,500.00	2.25	3.48
3year Re-Issuance of MGS(Mat 6/24)	16/12/2021	4,500.00	1.16	2.88

Source: Bank Negara Malaysia



Source: Bloomberg



Source: Bloomberg

The 10-year US Treasury yield ended the year at 1.51% (Nov’21: 1.45%) given the rising inflationary pressure. According to the latest FED minutes, the FED is expected to start hiking its benchmark interest rate as early as in Mar’22.

### Market Outlook & Strategy

BNM is anticipated to tune monetary stance to slight hawkish in 2022 when the COVID-19 pandemic is near to the end. 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.