



member of  Sanlam group

# Investment-Linked Fund Performance Report May 2023

## **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.

MCIS Life has received on behalf of the funds, soft commissions from our investment fund bankers/brokers, in the form of research materials and investment-related publications which are incidental to the investment management of the funds. This report, among others, incorporate consolidated contents for the benefit of MCIS Life's policyholders.

## **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

FBMKLCI Index weakened by -2.0% MoM in the month of May 2023 and closed to 1,387.12 points. The decline was in-line with the weak global performances. Foreign investors exited Malaysian equities for the 9<sup>th</sup> consecutive month in May 2023, at MYR728.3mil, brought their cumulative net sell for 2023 YTD to MYR2.84bil. Domestic institutions bought MYR709.1mil (YTD MYR2.70bil) and retail investors also bought MYR19.1mil in May (YTD MYR148mil).

Malaysia Government Securities (“MGS”) yields rose in the shorter-end of curve, taking cue from the 25bps OPR hike by BNM in the month. Brent crude oil prices were lowered to USD72.66/barrel due to the slower demand and weaker China recovery expectation. Meanwhile, ringgit weakened further against the dollar to MYR4.6130/USD.

On the local economic data, 1Q’23 GDP came in moderated to +5.6% YoY (4Q’22 +7.1% YoY). Inflation continued to moderate to +3.3% YoY in Apr’23. Malaysia exports and imports widened the contraction in Apr’23 to -17.4% YoY and -11.1% YoY respectively.

For equity market, we expect global economy to slow into the year 2023, after showing strong recovery in 2022. US Federal Reserve will continue to raise its fund rate in the 1H2023 to fight against inflation. Locally, post OPR rate hike to 3.00% in May 2023, we would expect BNM to maintain the OPR unchanged for the remaining of 2023. The OPR rate hike will be negatively impact to the local equity market for short term period. However, for longer term, we expect there will be recovery in the 2H2023 when the inflation started to inch lower. Historical analysis is suggesting that lower interest rates due to lower inflation will be positive for the equity market.

Meanwhile for fixed income, after a series of recent OPR hikes to pre-pandemic level, BNM is anticipated to keep its monetary policy unchanged in 2H2023, aiming to balance the economic growth and inflationary pressure in the country. The external risk factors such as Russia-Ukraine geopolitical tension 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, our fixed income strategy will remain defensive to shelter from the market volatilities in the near term.

Based on table below, on monthly basis, most funds managed to outperformed the benchmarks, except for Jati 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 (%)	-1.31%	-6.43%	-0.54%	-0.87%	-1.91%	-2.04%	-1.86%	-2.04%	1.15%	-1.70%	0.79%	0.29%	-1.40%	-1.21%	8.35%	4.78%
3 Months (%)	-0.72%	-3.34%	-0.19%	-1.24%	-1.49%	-4.61%	-2.43%	-4.61%	6.50%	4.02%	2.27%	2.21%	-0.62%	-1.77%	11.44%	15.90%
6 Months (%)	3.38%	-0.59%	-0.01%	-0.83%	-3.23%	-6.83%	-4.20%	-6.83%	8.24%	2.00%	4.49%	5.48%	-1.99%	-1.64%	17.11%	12.87%
12 Months (%)	-5.16%	-16.05%	-0.35%	-2.24%	-4.64%	-11.65%	-5.95%	-11.65%	7.88%	-1.59%	6.40%	7.82%	-4.68%	-7.85%	5.23%	7.67%

Source: MCIS Insurance Berhad

# AsiaPac Fund Monthly Report (May 2023)

## 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.

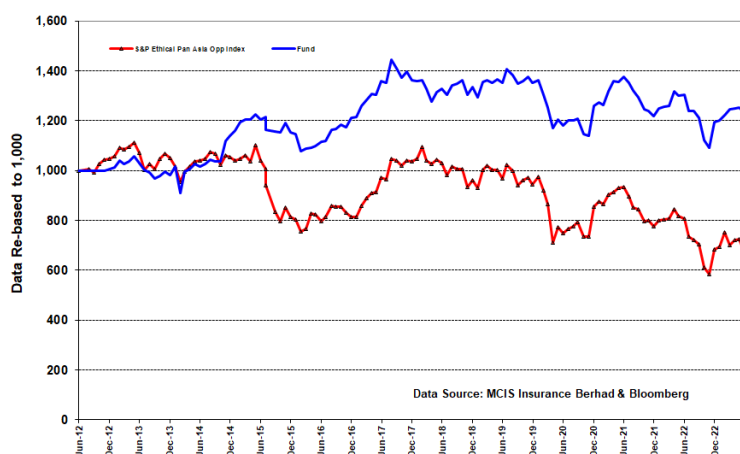
The following factors can potentially affect the value of the Fund; economic and political developments in related countries, foreign exchange fluctuation, illiquid and inefficient securities in the Emerging Markets, and the financial performance of the underlying companies.

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 May 2023, the fund had outperformed the benchmark by 512bps 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 (31.05.23)	RM0.6181
Fund Size	RM77.68 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%	93%
Cash	0%	20%	7%

## Performance Table

Period	Fund	Index*
1 month (%)	-1.31%	-6.43%
3 months (%)	-0.72%	-3.34%
6 months (%)	3.38%	-0.59%
12 months (%)	-5.16%	-16.05%
2 years (% pa)	-5.26%	-14.75%
3 years (% pa)	1.57%	-3.20%
5 years (% pa)	-1.44%	-8.02%
Since Inception (% pa)	1.96%	-3.49%

**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 (May 2023)

### 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

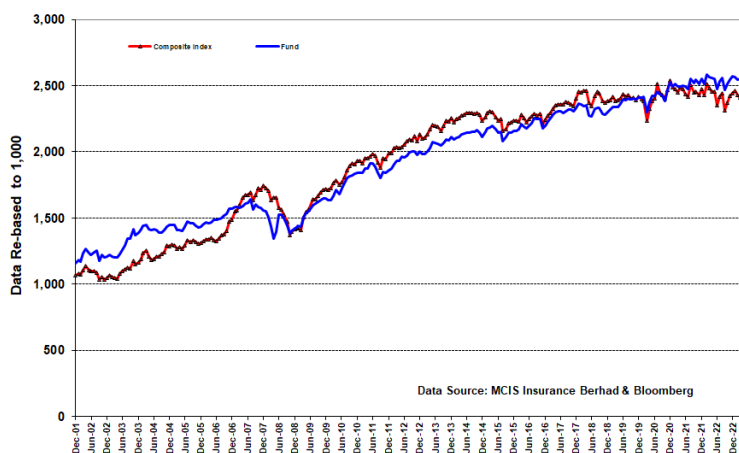
The Fund is considered medium risk given the mixed exposure of equity securities, fixed income and cash. The following factors can potentially affect the value of the Fund; consumer sentiment, financial performance of the underlying companies, industry and economy development, social and political factors, 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 May 2023, the fund had outperformed the benchmark by 33bps MoM (month-on-month). The outperformance was mainly driven by higher exposure of outperforming securities in the portfolio compared to benchmark.

Balanced Fund Performance Since Inception



### Top Ten Holdings

Malayan Banking Berhad (Equity)  
Public Bank Berhad (Equity)  
Edotco Malaysia Sdn Berhad (Bond)  
Cello Capital Berhad (Bond)  
CIMB Bank Berhad (Equity)  
Solarpack Suria Sungai Petani Sdn Bhd (Bond)  
Point Zone (M) Sdn Berhad (Bond)  
Sabah Development Bank Berhad (Bond)  
Telekosang Hydro One Sdn Bhd (Bond)  
Edra Solar Sdn Bhd

### Fund Information

NAV (31.05.23)	RM1.2717
Fund Size	RM12.14 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%	42%
Fixed Income	40%	60%	47%
Cash	0%	20%	11%

### Performance Table

Period	Fund	Index*
1 month (%)	-0.54%	-0.87%
3 months (%)	-0.19%	-1.24%
6 months (%)	-0.01%	-0.83%
12 months (%)	-0.35%	-2.24%
2 years (% pa)	0.91%	-1.48%
3 years (% pa)	1.61%	0.23%
5 years (% pa)	2.24%	0.23%
Since Inception (% pa)	4.40%	4.12%

**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% FBMKLCI Index and 50% of Markit 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 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 (May 2023)

### 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 FBMKLCI 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

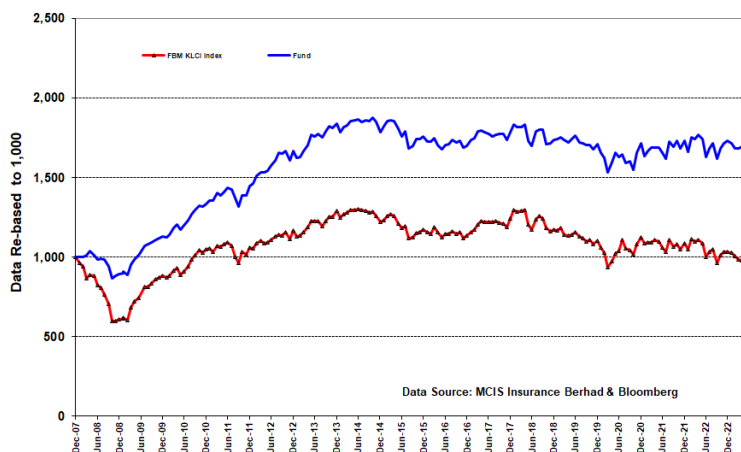
The Fund is considered high risk given the exposure to equity securities. The following factors can potentially affect the value of the Fund; consumer sentiment, financial performance of the underlying companies, the performance of the industry and economy, and the share market in general, social and 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 May 2023, the fund had outperformed the benchmark by 13bps MoM (month-on-month). The outperformance was mainly driven by higher exposure of outperforming securities in the portfolio compared to benchmark.

Dividend Fund Performance Since Inception



### Top Ten Holdings

Malayan Banking Berhad  
Public Bank Berhad  
Petronas Gas Berhad  
CIMB Bank Berhad  
Maxis Berhad  
Tenaga Nasional Berhad  
CelcomDigi Berhad  
Sime Darby Plantation Berhad  
IOI Corporation Berhad  
Petronas Dagangan Berhad

### Fund Information

NAV (31.05.23)	RM0.7878
Fund Size	RM28.19 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%	96%
Cash	0%	20%	4%

### Performance Table

Period	Fund	Index*
1 month (%)	-1.91%	-2.04%
3 months (%)	-1.49%	-4.61%
6 months (%)	-3.23%	-6.83%
12 months (%)	-4.64%	-11.65%
2 years (% pa)	-0.88%	-6.41%
3 years (% pa)	0.10%	-1.99%
5 years (% pa)	-0.85%	-4.44%
Since Inception (% pa)	3.34%	-0.26%
Yield #	3.60%	4.43%

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\* Index is FBMKLCI 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 (May 2023)

### 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 FBMKLCI 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

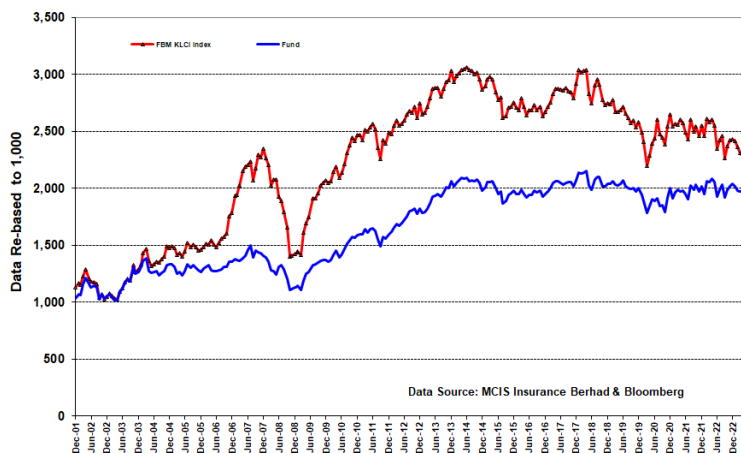
The Fund is considered high risk given the exposure to equity securities. The following factors can potentially affect the value of the Fund; consumer sentiment, financial performance of the underlying companies, the performance of the industry and economy, and the share market in general, social and 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 May 2023, the fund had outperformed the benchmark by 18bps MoM (month-on-month). The outperformance was mainly driven by higher exposure of outperforming securities in the portfolio compared to benchmark.

Equity Fund Performance Since Inception



### Top Ten Holdings

Malayan Banking Berhad  
 Public Bank Berhad  
 CIMB Bank Berhad  
 Tenaga Nasional Berhad  
 Petronas Chemicals Group Berhad  
 IOI Corporation Berhad  
 CelcomDigi Berhad  
 Sime Darby Plantation Berhad  
 IHH Healthcare Berhad  
 Telekom Malaysia Berhad

### Fund Information

NAV (31.05.23)	RM0.9662
Fund Size	RM13.17 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%	94%
Cash	0%	20%	6%

### Performance Table

Period	Fund	Index*
1 month (%)	-1.86%	-2.04%
3 months (%)	-2.43%	-4.61%
6 months (%)	-4.20%	-6.83%
12 months (%)	-5.95%	-11.65%
2 years (% pa)	-1.22%	-6.41%
3 years (% pa)	0.54%	-1.99%
5 years (% pa)	-0.93%	-4.44%
Since Inception (% pa)	3.09%	3.82%
Yield #	4.13%	4.43%

**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 FBMKLCI 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 (May 2023)

### 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. The Fund is not a Shariah-compliant product.

### Investment Strategy

The Fund is to feed into abrdn Islamic World Equity Fund ("AIWEF") (formerly known as Aberdeen Standard Islamic World Equity Fund) 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.

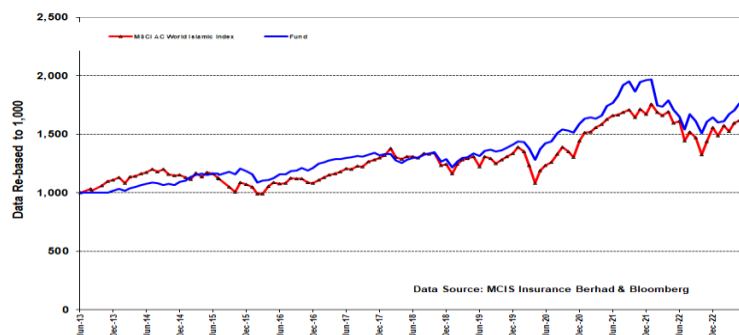
The following factors can potentially affect the value of the Fund; economic and political developments in related countries, foreign exchange fluctuation, illiquid and inefficient securities in the Emerging Markets, and the financial performance of the underlying companies.

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 May 2023, the fund had outperformed the benchmark by 285bps 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

abrdn Islamic World Equity Fund (AIWEF)

### Fund Information

NAV (31.05.23)	RM0.8910
Fund Size	RM117.69 million
Inception Date	8-July-2013
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
AIWEF	80%	100%	91%
Cash	0%	20%	9%

### Performance Table

Period	Fund	Index*
1 month (%)	1.15%	-1.70%
3 months (%)	6.50%	4.02%
6 months (%)	8.24%	2.00%
12 months (%)	7.88%	-1.59%
2 years (% pa)	0.43%	-2.21%
3 years (% pa)	7.77%	8.80%
5 years (% pa)	6.50%	4.96%
Since Inception (% pa)	6.00%	4.78%

**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 (May 2023)

### 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.

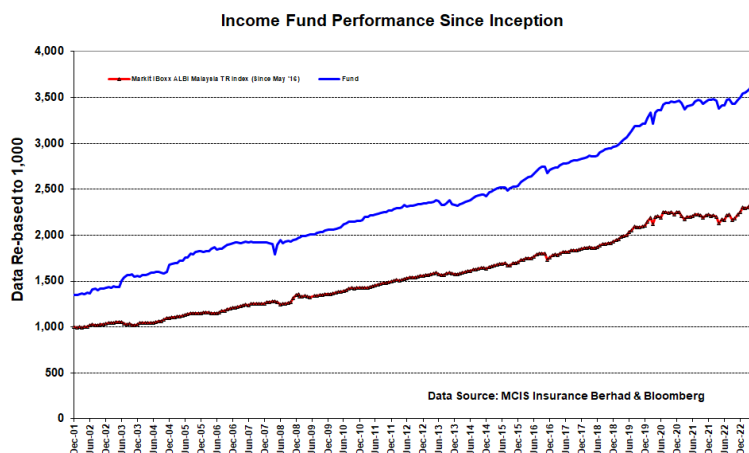
### Risks

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 May 2023, the fund had outperformed the benchmark by 50bps MoM (month-on-month). The outperformance was due to outperforming of the fixed income securities compared to the benchmark index.



### Top Ten Holdings

Solarpack Suria Sungai Petani Sdn Bhd  
 Leader Energy Sdn Berhad  
 Cello Capital Berhad  
 Telekom Hydro One Sdn Bhd  
 Edra Solar Sdn Bhd  
 Sabah Development Bank Berhad  
 Swirl Assets Berhad  
 UiTM Solar Power Sdn Berhad  
 Malayan Banking Berhad  
 SAJ Capital Sdn Bhd

### Fund Information

NAV (31.05.23)	RM1.8170
Fund Size	RM50.48 million
Inception Date	15-Oct-01
Fund Management Fee	0.5% 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
Fixed Income	75%	100%	88%
Cash	0%	25%	12%

### Performance Table

Period	Fund	Index*
1 month (%)	0.79%	0.29%
3 months (%)	2.27%	2.21%
6 months (%)	4.49%	5.48%
12 months (%)	6.40%	7.82%
2 years (% pa)	3.22%	3.28%
3 years (% pa)	2.63%	2.10%
5 years (% pa)	4.94%	4.74%
Since Inception (% pa)	6.14%	4.01%

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

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\* 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 (May 2023)

### 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 Fund is not a Shariah-compliant 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

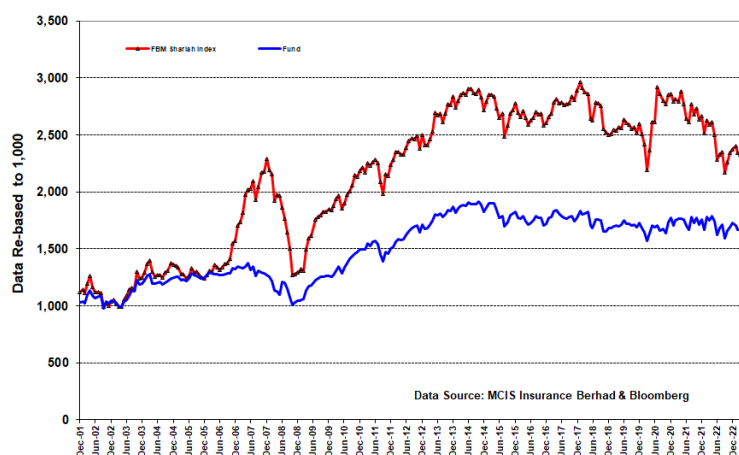
The Fund is considered high risk given the exposure to equity securities. The following factors can potentially affect the value of the Fund; consumer sentiment, financial performance of the underlying companies, the performance of the industry and economy, and the share market in general, social and 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 May 2023, the fund had underperformed the benchmark by 19bps 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  
Sime Darby Plantation Berhad  
Petronas Gas Berhad  
Tenaga Nasional Berhad  
Maxis Berhad  
Inari Amertron Berhad  
IOI Corporation Berhad  
MISC Berhad  
CelcomDigi Berhad  
Axiata Group Berhad

### Fund Information

NAV (31.05.23)	RM0.8298
Fund Size	RM19.46 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 (%)	-1.40%	-1.21%
3 months (%)	-0.62%	-1.77%
6 months (%)	-1.99%	-1.64%
12 months (%)	-4.68%	-7.85%
2 years (% pa)	-2.83%	-8.87%
3 years (% pa)	-0.87%	-4.10%
5 years (% pa)	-0.58%	-2.72%
Since Inception (% pa)	2.37%	3.93%
Yield #	3.68%	3.83%

**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 (May 2023)

### 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. The Fund is not a Shariah-compliant product.

### 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.

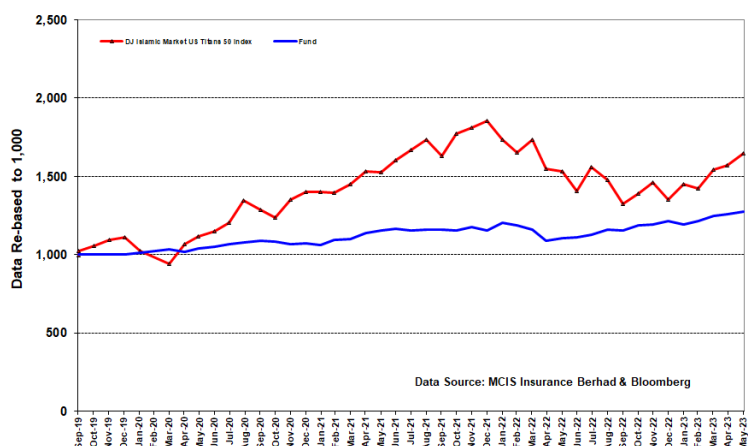
The following factors can potentially affect the value of the Fund; economic and political developments in related countries, foreign exchange fluctuation, illiquid and inefficient securities in the Emerging Markets, and the financial performance of the underlying companies.

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 May 2023, the fund had outperformed the benchmark by 357bps MoM (month-on-month).

Titan Fund Performance Since Inception



### Fund Information

NAV (31.05.23)	RM0.7469
Fund Size	RM122.44 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%	99%
Cash	0%	20%	1%

### Performance Table

Period	Fund	Index*
1 month (%)	8.35%	4.78%
3 months (%)	11.44%	15.90%
6 months (%)	17.11%	12.87%
12 months (%)	5.23%	7.67%
2 years (% pa)	7.44%	3.91%
3 years (% pa)	16.25%	13.77%
5 years (% pa)	n/a	n/a
Since Inception (% pa)	11.30%	14.24%

**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. 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.

### Top Ten Holdings

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

# Equity Market Review and Outlook

## Market Review

FBMKLCI Index weakened by -2.0% MoM in the month of May 2023 and closed to 1,387.12 points. The decline was in-line with the weak global performances. Foreign investors exited Malaysian equities for the 9<sup>th</sup> consecutive month in May 2023, at MYR728.3mil (April: -MYR250mil). This brought their cumulative net sell for 2023 YTD to MYR2.84bil. Domestic institutions bought MYR709.1mil in May (April:+MYR213mil), lifting their net buy for the YTD to MYR2.70bil. Retail investors also bought MYR19.1mil in May (April: +RM37mil), bringing their net buy for the YTD to MYR148mil.

In terms of yield, dividend yield for FBMKLCI Index stood at 4.42%, better than the average Asian dividend yield of 3.28%. Meanwhile, on book value basis, the benchmark index is trading at 1.30x, below the -1 standard deviation (since 2009). The lowest book value over the last 25 years was seen at 0.7x which was recorded in the August 1998.

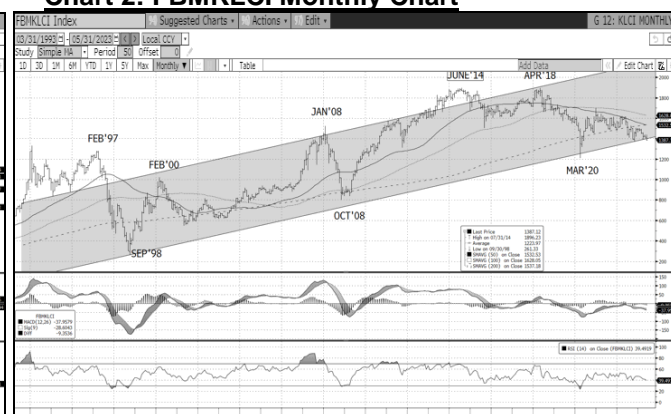
Meanwhile, global equity markets showed mixed performances with negative bias in the month of May. US equities struggled to make headway, in a month of highly varied sector returns. Dow Jones Industrial Index closed lower by -3.5% MoM and the broader S&P 500 index closed by marginal 0.2% MoM higher. Eurozone shares were weaker in May after a generally positive year so far. Bloomberg European 500 index closed -3.5% MoM. In Asia, the performances were mix with negative bias, dragged by weak performance of China equity markets, on weak economic data. MSCI Asia APEX 50 ex-Japan closed -1.0% MoM during the month

**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 mix in June, with average +0.2%/-1.1% MoM returns over the past 10 years/45 years. We expect the market to be supportive by its attractive valuations at current levels of 1.30x as it is now below its 13-year historical average of P/B (1.92x) and 14.9x PER compared to the 13-year historical average of PER (17.2x).

Technically, since the FBMKLCI failed to recover above its 50-day moving average (MA) in late February, the index has been gradually declining to indicate the return of bearish bias. The resistance level is anticipated at 1,440, followed by 1,460. Towards the downside, we expect the key support at 1,372, which is the lowest point in 2022. If the key support is taken out, we expect a deeper pullback towards the next support at the 1,300 psychological mark for the index.

We expect global economy to slow down into the year 2023, after showing strong recovery in 2022. US Federal Reserve will continue to raise its fund rate in the 1H2023 to fight against inflation. Locally, post OPR rate hike to 3.00% in May 2023, we would expect BNM to maintain the OPR unchanged for the remaining of 2023. The OPR rate hike will be negatively impact to the local equity market for short term period. However, for longer term, we expect there will be recovery in the 2H2023 when the inflation started to inch lower. Historical analysis is suggesting that lower interest rates due to lower inflation will be positive for the equity market.

# Fixed Income Review and Outlook

## Market Review

Malaysia Government Securities (“MGS”) yields rose in the shorter-end of curve, taking cue from the 25bps OPR hike by BNM in the month. Brent crude oil prices were lowered to USD72.66/barrel (end-Apr’ 23: USD79.54/barrel) due to the slower demand and weaker China recovery expectation. Meanwhile, ringgit weakened further against the dollar to MYR4.6130/USD (end-Apr’23: MYR4.4622/USD).

On the local economic data, 1Q’23 GDP came in moderated to +5.6% YoY (4Q’22 +7.1% YoY). Inflation on the other hand continued to moderate to +3.3% YoY in Apr’23 (Mar’23: +3.4% YoY), in line with the slight easing in food and non-alcoholic beverages (FNAB) (Apr’23: +6.3% YoY; Mar’23: +6.9% YoY). Transport cost also remained steady attributable to the stabilization of global energy prices (Apr’23: +2.3% YoY; Mar’23: +2.4% YoY). Malaysia exports and imports widened the contraction in Apr’23 to -17.4% YoY and -11.1% YoY respectively (Mar’23: -1.4% and -1.8% respectively). The contraction in exports was attributable to the slump in all major components, including manufacturing exports, agriculture exports and mining exports. Imports deteriorated due to the sharp decline in intermediate goods and slight contraction in consumption goods. In summary, trade surplus tightened to +MYR12.8b as compared to +MYR26.7b a month earlier.

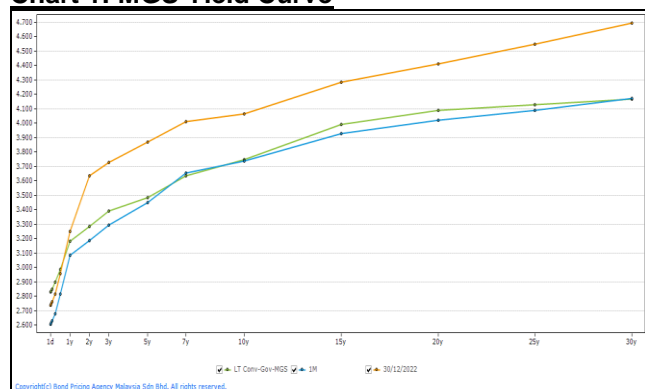
Malaysia’s international reserves declined to USD112.7b as at end-May’23 (end-Apr’23: USD114.4b). The reserve is sufficient to cover 4.8 months of retained imports and is 1.0 times of short-term external debts.

The auctions unveiled in May’23 is as follow;

Government Auctions	Issue	Issue Date	Auction Amount + PP (RM million)	Bid-cover (times)	Avg Yield (%)
	7-yr Reopening of MGS 04/30 4.498%	16/5/2023	5,000.00	2.18	3.60
	20-yr Reopening of MGII (Mat on 08/43)	24/5/2023	5,500.00	1.75	4.18
	15-yr Reopening of MGS 06/38 4.893%	31/5/2023	4,500.00	2.20	4.02

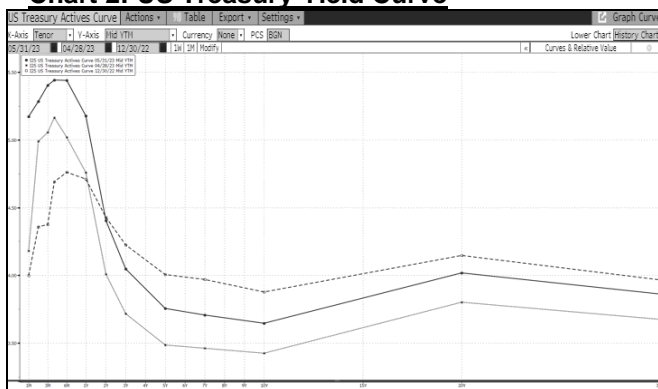
Source: Bank Negara Malaysia

Chart 1: MGS Yield Curve



Source: BPAM

Chart 2: US Treasury Yield Curve



Source: Bloomberg

The 10-year US Treasury yield surged higher to 3.65% as at end-May’23 (end-Apr’23: 3.43%), taking cue from the US debt ceiling crisis. The potential US debt default could trigger a major financial turmoil across the globe.

## Market Outlook & Strategy

After a series of recent OPR hikes to pre-pandemic level, BNM is anticipated to keep its monetary policy unchanged in 2H2023, aiming to balance the economic growth and inflationary pressure in the country. The external risk factors such as Russia-Ukraine geopolitical tension 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, our fixed income strategy will remain defensive to shelter from the market volatilities in the near term.