



Investment Linked Fund Performance Report February 2018

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EXECUTIVE SUMMARY

It was a volatile month of February for global and Malaysian markets. The local bourse plunged in the earlier part of the month in tandem with the negative performance of the US Dow Jones Index. The trigger for the market correction in Dow Jones was due to sell-off in the US bond market. FBKLCI closed the month at 1,856 points, lower by 0.7% m-o-m, off its month low of 1,812.45 levels. Meanwhile, the broader market, FBMEMAS Index underperformed the market to close lower by 1.1% m-o-m.

MGS yields were seen flattening during the period under review. The belly of the MGS curve was seen weakening (rose up to 9 bps) following the BNM OPR hike in January and recent US Treasury sell off. Though, the long-ended curve was supported (down by 5 bps) due to Malaysia's strong economic outlook and higher commodity prices. Ringgit was seen resilient at RM3.9150/USD (Jan'18: RM3.8975/USD). Brent oil prices eased to USD65.78/bbl from USD69.05/bbl due to higher US crude oil stockpiles.

Malaysia had a strong head start in 2018 as the export was seen rising to 17.9% y-o-y in Jan'18 (Dec'17: 4.7% y-o-y), boosted by "front-loading" ahead of the Lunar New Year holiday in Feb'18 and sustained global economic expansion in early 2018.

Going forward, we are expecting positive local equity market in the first half of the year towards the GE14. Continuous inflow of foreign fund, better corporate earnings, and initial public offering (IPO) activities will be the catalysts for the better outlook on the Bursa Malaysia in the year 2018.

For fixed income, post OPR rate hike in Jan'18, BNM is likely to maintain a neutral monetary policy for the remaining of 2018 despite the major central banks are still showing signal towards policy tightening. The external risk factors such as geopolitical tension in North Korea, potential US trade war and fluctuation in crude oil prices will continue to weigh on the local market, but we believe corporate bond space still provides attractive yields given stable monetary stance from BNM and strong fundamentals in local market. As such, we will keep looking to buy on dips of corporate bonds if the opportunity arises.

Based on the performance table below, on monthly basis, AsiaPac, Equity, Global Yakin and Jati Funds had outperformed their benchmarks. Meanwhile other funds had underperformed their 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	
	Fund	Benchmark	Fund	Benchmark	Fund	Benchmark	Fund	Benchmark	Fund	Benchmark	Fund	Benchmark	Fund	Benchmark
Monthly (%)	-2.38%	-5.01%	-0.25%	-0.21%	-0.90%	-0.66%	-0.50%	-0.66%	-4.05%	-5.76%	0.16%	0.25%	-1.50%	-1.69%
3 Months (%)	-2.40%	0.36%	2.37%	4.56%	4.62%	8.05%	5.52%	8.05%	-3.12%	0.19%	0.99%	1.10%	3.37%	3.93%
6 Months (%)	-5.73%	0.16%	2.17%	3.21%	2.69%	4.68%	4.04%	4.68%	-2.26%	6.34%	1.47%	1.67%	2.11%	5.32%
12 Months (%)	3.39%	17.06%	4.75%	6.84%	4.01%	9.59%	6.35%	9.59%	0.06%	13.01%	3.95%	4.03%	1.13%	8.39%

Source: MCIS Insurance Berhad

AsiaPac Fund Monthly Report (February 2018)

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 Asia Pacific Ethical Dividend Exchange Traded Fund (ETF), managed by CIMB Principal Asset Management 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.

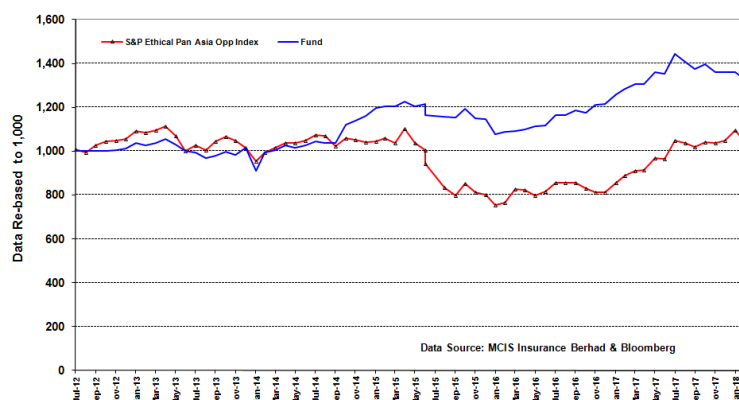
The following factors can potentially affect the value of the Fund; economic and political developments in related countries, foreign exchange fluctuation, illiquid and inefficient securities in the Emerging Markets, and the financial performance of the underlying companies.

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 February 2018, the fund had outperformed the benchmark by 739bps MoM (month on month). Global and Asia markets were cautious as worries of more rate hikes in the US saw funds taking money off the table.

AsiaPac Fund Performance Since Inception



Top Ten Holdings

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

Fund Information

NAV (28.02.18)	RM0.6642
Fund Size	RM42.01 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
Exceptional Circumstances	Refer to your Policy Document

Asset Allocation Ranges

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

Performance Table

Period	Fund	Index*
1 month (%)	-2.38%	-5.01%
3 months (%)	-2.40%	0.36%
6 months (%)	-5.73%	0.16%
12 months (%)	3.39%	17.06%
2 years (% pa)	22.16%	36.06%
3 years (% pa)	3.34%	-0.62%
5 years (% pa)	5.27%	-0.82%
Since Inception	5.14%	0.70%

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 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 (February 2018)

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

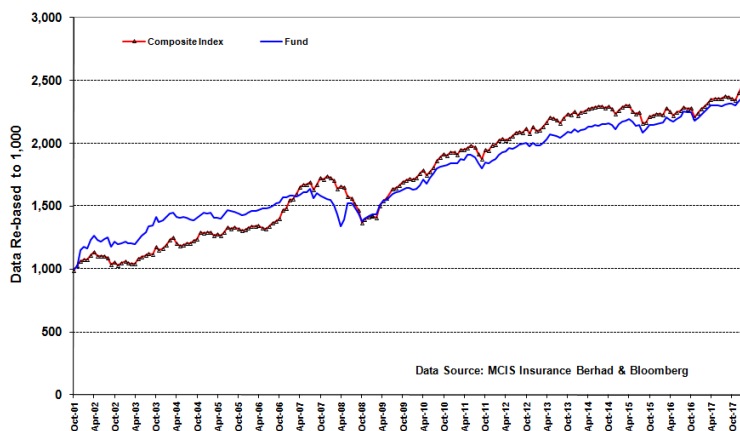
The Fund is considered medium risk given the mixed exposure of equity securities, fixed income and cash. The following factors can potentially affect the value of the Fund; consumer sentiment, financial performance of the underlying companies, industry and economy development, social and political factors, 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 February 2018, the fund had underperformed the benchmark by 46bps 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

- Malaysian Government Securities (Bond)
- Northern Gateway Infrastructure Sdn Bhd (Bond)
- CIMB Bank Berhad (Bond)
- Sarawak Hidro Sdn Bhd (Bond)
- Tenaga Nasional Berhad (Equity)
- Malayan Banking Berhad (Equity)
- Sabah Credit Corporation (Bond)
- Projek Lebuhraya Utara-Selatan (Bond)
- CIMB Bank Berhad (Equity)
- Telekom Malaysia Berhad (Equity)

Fund Information

NAV (28.02.18)	RM1.1795
Fund Size	RM7.97 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
Exceptional Circumstances	Refer to your Policy Document

Asset Allocation Ranges

Asset Class	Min	Max	Current Actual
Malaysian Equity	40%	60%	49%
Fixed Income	40%	60%	48%
Cash	0%	20%	3%

Performance Table

Period	Fund	Index*
1 month (%)	-0.25%	-0.21%
3 months (%)	2.37%	4.56%
6 months (%)	2.17%	3.21%
12 months (%)	4.75%	6.84%
2 years (% pa)	4.28%	4.81%
3 years (% pa)	2.71%	2.28%
5 years (% pa)	3.50%	3.06%
Since Inception	5.37%	5.61%

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 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 (February 2018)

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

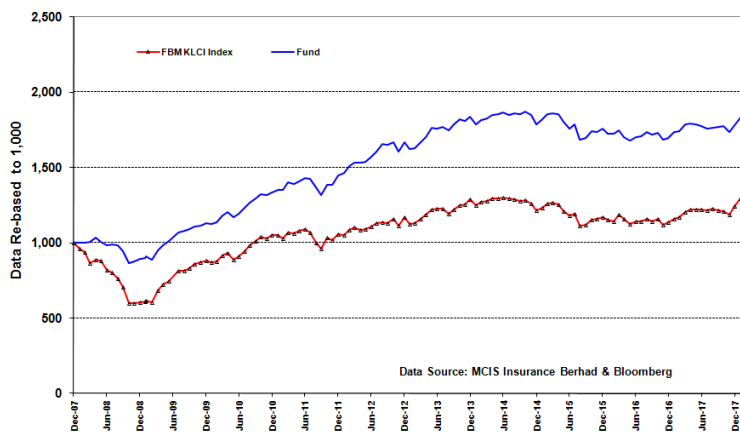
The Fund is considered high risk given the exposure to equity securities. The following factors can potentially affect the value of the Fund; consumer sentiment, financial performance of the underlying companies, the performance of the industry and economy, and the share market in general, social and 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 February 2018, the fund had underperformed the benchmark by 156bps MoM (month on month). The underperformance was mainly driven by higher exposure of underperforming stocks in the portfolio compared to benchmark.

Dividend Fund Performance Since Inception



Top Ten Holdings

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

Fund Information

NAV (28.02.18)	RM0.8620
Fund Size	RM34.6 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
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 (%)	-0.90%	-0.66%
3 months (%)	4.62%	8.05%
6 months (%)	2.69%	4.68%
12 months (%)	4.01%	9.59%
2 years (% pa)	2.56%	5.91%
3 years (% pa)	-0.69%	0.64%
5 years (% pa)	2.16%	2.54%
Since Inception	6.04%	2.49%
Yield #	3.14%	3.21%

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 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.

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 (February 2018)

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

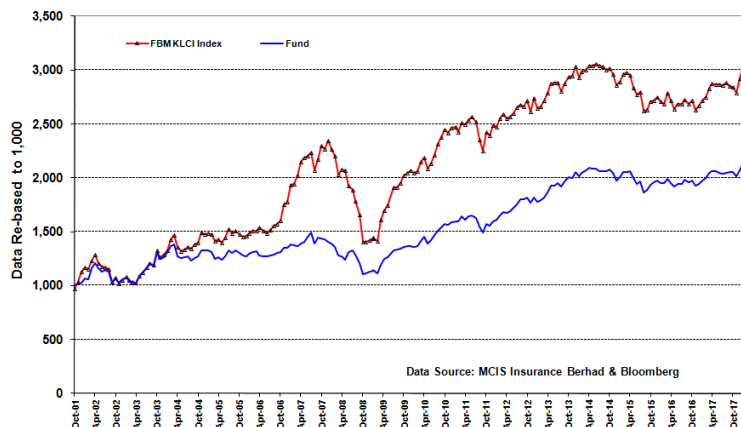
The Fund is considered high risk given the exposure to equity securities. The following factors can potentially affect the value of the Fund; consumer sentiment, financial performance of the underlying companies, the performance of the industry and economy, and the share market in general, social and 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 February 2018, the fund had outperformed the benchmark by 116bps MoM (month on month). The outperformance was mainly driven by higher exposure of outperforming stocks in the portfolio compared to benchmark.

Equity Fund Performance Since Inception



Top Ten Holdings

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

Fund Information

NAV (28.02.18)	RM1.0637
Fund Size	RM10.20 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
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 (%)	-0.50%	-0.66%
3 months (%)	5.52%	8.05%
6 months (%)	4.04%	4.68%
12 months (%)	6.35%	9.59%
2 years (% pa)	4.47%	5.91%
3 years (% pa)	1.14%	0.64%
5 years (% pa)	3.47%	2.54%
Since Inception	4.71%	6.96%
Yield #	3.33%	3.21%

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 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.

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 (February 2018)

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 Islamic World Equity Fund (AIWEF) which managed by Aberdeen Islamic Asset Management 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.

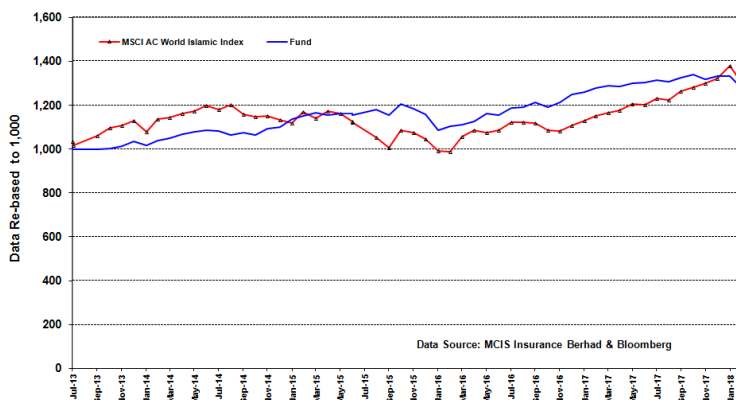
The following factors can potentially affect the value of the Fund; economic and political developments in related countries, foreign exchange fluctuation, illiquid and inefficient securities in the Emerging Markets, and the financial performance of the underlying companies.

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 February 2018, the fund had outperformed the benchmark by 981bps 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 Islamic World Equity Fund (AIWEF)

Fund Information

NAV (28.02.18)	RM0.6391
Fund Size	RM34.41 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
Exceptional Circumstances	Refer to your Policy Document

Asset Allocation Ranges

Asset Class	Min	Max	Current Actual
AIWEF	80%	100%	89%
Cash	0%	20%	11%

Performance Table

Period	Fund	Index*
1 month (%)	-4.05%	-5.76%
3 months (%)	-3.12%	0.19%
6 months (%)	-2.26%	6.34%
12 months (%)	0.06%	13.01%
2 years (% pa)	7.57%	14.68%
3 years (% pa)	3.51%	3.67%
5 years (% pa)	-	-
Since Inception	5.40%	5.81%

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 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 (February 2018)

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.

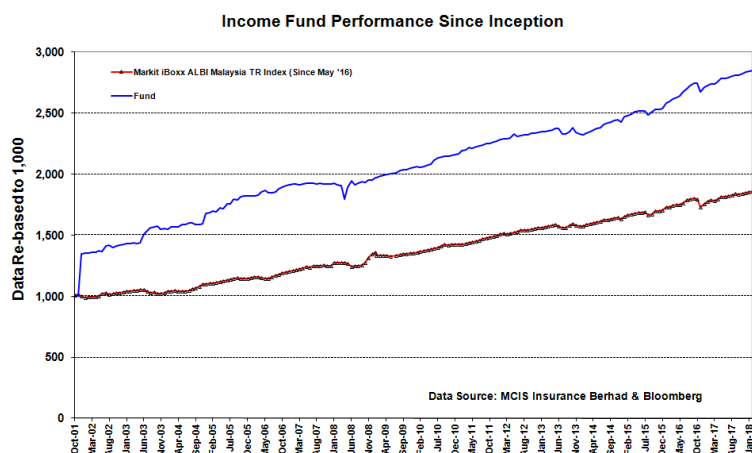
Risks

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 February 2018, the fund had underperformed the benchmark by 9bps MoM (month on month). The underperformance was due to underperforming of the fixed income securities compared to the benchmark index.



Top Ten Holdings

Malaysian Government Securities
Northern Gateway Infrastructure Sdn Bhd
SAJ Capital Sdn Bhd
YTL Corporation Berhad
Quantum Solar Park Malaysia Sdn Bhd
Government Investment Issue
Sabah Development Bank Berhad
PBFIN Berhad
BGSM Management Sdn Bhd
Sabah Credit Corporation

Fund Information

NAV (28.02.18)	RM1.4246
Fund Size	RM26.97 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
Exceptional Circumstances	Refer to your Policy Document

Asset Allocation Ranges

Asset Class	Min	Max	Current Actual
Fixed Income	75%	100%	96%
Cash	0%	25%	4%

Performance Table

Period	Fund	Index*
1 month (%)	0.16%	0.25%
3 months (%)	0.99%	1.10%
6 months (%)	1.47%	1.67%
12 months (%)	3.95%	4.03%
2 years (% pa)	4.76%	3.61%
3 years (% pa)	4.79%	3.82%
5 years (% pa)	3.91%	3.48%
Since Inception	6.59%	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 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 (February 2018)

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

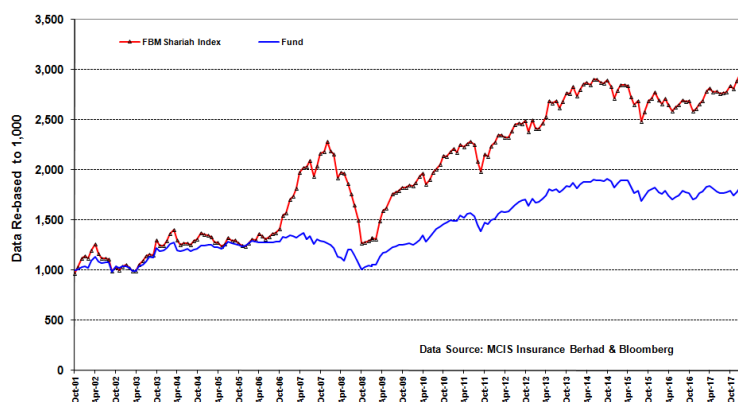
The Fund is considered high risk given the exposure to equity securities. The following factors can potentially affect the value of the Fund; consumer sentiment, financial performance of the underlying companies, the performance of the industry and economy, and the share market in general, social and 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 February 2018, the fund had outperformed the benchmark by 319bps MoM (month on month). The outperformance was mainly driven by higher exposure of outperforming stocks in the portfolio compared to benchmark.

Jati Fund Performance Since Inception



Top Ten Holdings

Tenaga Nasional Berhad
 Petronas Chemicals Group Berhad
 Axiata Group Berhad
 Sime Darby Plantation Berhad
 Petronas Gas Berhad
 Maxis Berhad
 Telekom Malaysia Berhad
 IOI Corporation Berhad
 IHH Healthcare Berhad
 Kuala Lumpur Kepong Berhad

Fund Information

NAV (28.02.18)	RM0.9016
Fund Size	RM13.01 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
Exceptional Circumstances	Refer to your Policy Document

Asset Allocation Ranges

Asset Class	Min	Max	Current Actual
Malaysian Equity	80%	100%	92%
Cash	0%	20%	8%

Performance Table

Period	Fund	Index*
1 month (%)	-1.50%	-1.69%
3 months (%)	3.37%	3.93%
6 months (%)	2.11%	5.32%
12 months (%)	1.13%	8.39%
2 years (% pa)	1.16%	4.70%
3 years (% pa)	-1.67%	0.77%
5 years (% pa)	1.43%	3.87%
Since Inception	3.66%	6.74%
Yield #	2.87%	2.57%

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 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.

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

It was a volatile month of February for global and Malaysian markets. The local bourse plunged in the earlier part of the month in tandem with the negative performance of the US Dow Jones Index. The trigger for the market correction in Dow Jones was due to sell-off in the US bond market. FBMKLCI closed the month at 1,856 points, lower by 0.7% m-o-m, off its month low of 1,812.45 levels. Meanwhile, the broader market, FBMEMAS Index underperformed the market to close lower by 1.1% m-o-m. Average daily value traded on Bursa in Feb fell 17% m-o-m but rose 14% y-o-y to RM2.87bil. The lower trading value could be due partly to the shorter trading month as Bursa Malaysia was closed for Federal Territory Day on 1 February and Chinese New Year (16-17 February).

On the domestic economic front, Malaysia's exports growth increased by 18.9% y-o-y in 2017, its strongest pace since 2004. The strong growth was driven by a synchronised recovery in global economic growth. Meanwhile, the headline inflation rate normalised to 2.7% YoY in January (3.5% in Dec 2017). This was mainly due to a slower rise in F&B and transportation costs during the month.

Globally, US real GDP growth was revised slightly lower to 2.5% in 4Q17, from 2.6% in its first reading, and compared to 3.2% in 3Q. This was mainly on the back of a lower reading in gross private investment of 3.5%, from 3.6% in its previous estimate and compared to a gain of 7.3% in 3Q. On the other hand, IMF has just upgraded its global growth forecast, and the US was able to push through its tax cut policy in late December 2017.

Chart 1: FBMKLCI Weekly Chart



Source: Bloomberg

Chart 2: FBMKLCI Monthly Pattern and Cycle Analysis



Source: Bloomberg

Market Outlook & Strategy

Technically, the FBMKLCI index underwent a roller-coaster ride during the shortened month of February. The short term trend is still down. However, long-term uptrend remains intact, supported by both 60-day & 200-day moving average lines. Support levels are located at 1,840 to 1,800, while resistance levels at 1,950 to 2,000 level.

The historical performance of the FBMKLCI in March has been mixed. The Malaysian market registered average m-o-m gain of 2.4% over the past eight years. However, over a 40-year period, it posted an average m-o-m decline of 0.3%. We expect the FBMKLCI to track the performance of the global markets in March. Any downturn will be opportunity to accumulate at lower price.

Going forward, we are expecting positive local equity market in the first half of the year towards the GE14. Continuous inflow of foreign fund, better corporate earnings, and initial public offering (IPO) activities will be the catalysts for the better outlook on the Bursa Malaysia in the year 2018. Investors will also be closely tracking the political news for hints on when the 14th General Elections (GE14) will be held. The current term of Parliament expires on 24 Jun and the general elections must be held within 60 days after that date.

Fixed Income Review and Outlook

Market Review

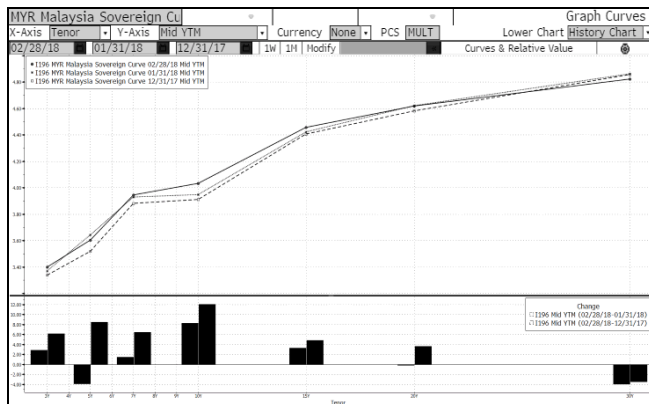
Malaysian Government Security yields were seen flattening during the period under review. The belly of the MGS curve was seen weakening (rose up to 9 bps) following the BNM OPR hike in January and recent US Treasury sell off. Though, the long-ended curve was supported (down by 5 bps) due to Malaysia's strong economic outlook and higher commodity prices. Ringgit was seen resilient at RM3.9150/USD (Jan'18: RM3.8975/USD). Brent oil prices eased to USD65.78/bbl from USD69.05/bbl due to higher US crude oil stockpiles.

On local economic data, Malaysia's GDP grew by 5.9% y-o-y in 4Q'17 (3Q'17: 6.2%), thus making the full year GDP for 2017 at 5.9% (2016: 4.2%). Expenditures on F&B, communications and hotels & restaurant kept the strong growth in consumer spending at 7.0% (3Q'17: 7.2%) and continues to be the anchor for growth. Private investments also strengthened to +9.2% y-o-y as business added strongly on capital stocks of machineries and equipments. On the other hand, Malaysia had a strong head start in 2018 as the export was seen rising to 17.9% y-o-y in Jan'18 (Dec'17: 4.7% y-o-y), boosted by "front-loading" ahead of the Lunar New Year holiday in Feb'18 and sustained global economic expansion in early 2018. Import growth rose to 11.6% y-o-y (Dec'17: 7.9%), lifted by the surge in import for re-exports. All in all, the trade balance was seen higher at RM9.7bil.

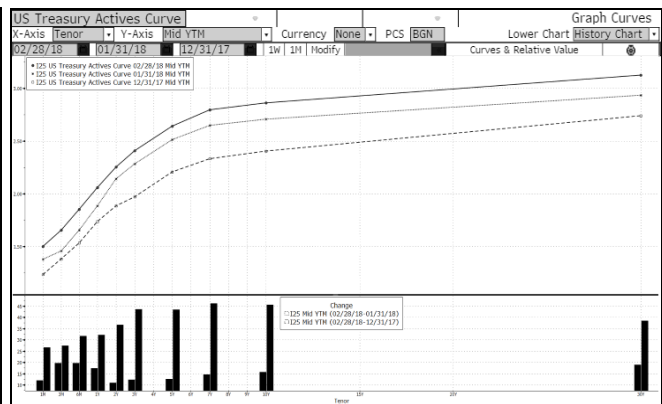
The auctions unveiled in February 2018 are as follows;

Government Auctions				
Issue	Issue Date	Amount (RM million)	Bid-cover (times)	Avg Yield (%)
7-Year New Issuance of MGII(Mat Aug/25)	7/2/2018	4,000.00	2.28	4.13
10-Year New Issuance of MGS(Mat Nov/27)	28/2/2018	4,000.00	2.07	4.06

Source: Bank Negara Malaysia



Source: Bloomberg



Source: Bloomberg

10-year US Treasury yield moved higher to 4-year high at 2.95% as US economic data was seen better than the market expectation, mainly on job creation (200k vs 180k consensus in Jan'18) and inflation (2.1% vs 1.9% consensus in Jan'18). Further strengthening market expectation from 3 to 4 times Fed rate hikes this year, soonest expected to be in March by 25bps. The yield was last seen stabilizing at 2.86%.

Market Outlook & Strategy

Post OPR rate hike in Jan'18, BNM is likely to maintain a neutral monetary policy for the remaining of 2018 despite the major central banks are still showing signal towards policy tightening. The external risk factors such as geopolitical tension in North Korea, potential US trade war and fluctuation in crude oil prices will continue to weigh on the local market, but we believe corporate bond space still provides attractive yields given stable monetary stance from BNM and strong fundamentals in local market. As such, we will keep looking to buy on dips of corporate bonds if the opportunity arises.