



## **Investment Linked Fund Performance Report April 2016**

### **General Advice Warning**

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

# AsiaPac Fund Monthly Report (April 2016)

## 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.

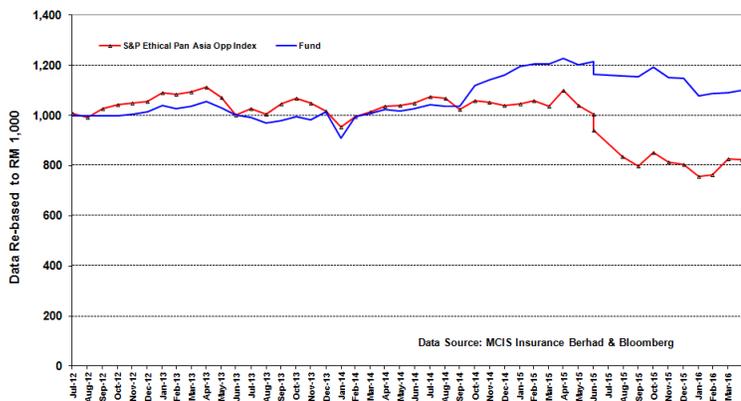
The following factors can potentially affect the value of the Fund; economic and political developments in related countries, foreign exchange fluctuation, illiquid and inefficient securities in the Emerging Markets, and the financial performance of the underlying companies.

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 April 2016, the fund had outperformed the benchmark by 116bps MoM (month on month). The fund had also outperformed the benchmark since inception.

AsiaPac Fund Performance Since Inception



## Top Ten Holdings

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

## Fund Information

NAV (29.4.16)	RM0.5496
Fund Size	RM25.2 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
Exceptional Circumstances	Refer to your Policy Document

## Asset Allocation Ranges

Asset Class	Min	Max	Current Actual
ETF	80%	100%	70%
Cash	0%	20%	30%

## Performance Table

Period	Fund	Index*
1 month (%)	0.71%	-0.45%
3 months (%)	2.10%	9.04%
6 months (%)	-7.79%	-3.39%
12 months (%)	-10.40%	-25.19%
2 years (% pa)	7.22%	-20.53%
3 years (% pa)	1.32%	-9.56%
5 years (% pa)	-	-
Since Inception	2.50%	-4.93%

**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.

Other Charges: Switching Fee, you are entitled to four free switches per policy year. Additional switches within the same year will be charged at 1% of the value of units switched, subject to a maximum of RM 50; and all taxes, duties and other charges incurred in the purchase, sale, valuation and maintenance of the investments of the Fund.

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 (April 2016)

### 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

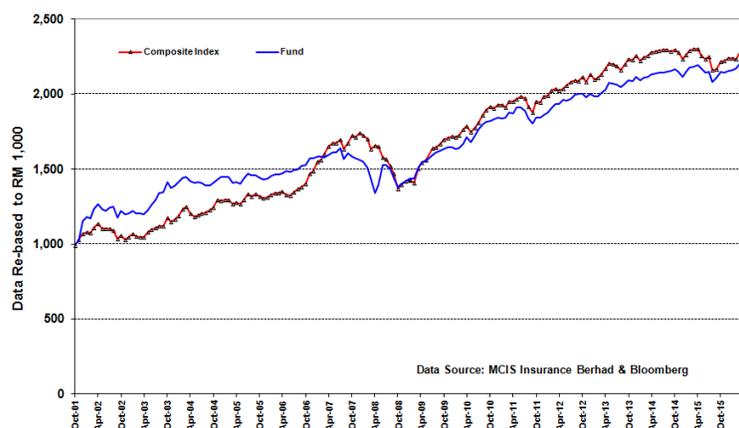
The Fund is considered medium risk given the mixed exposure of equity securities, fixed income and cash. The following factors can potentially affect the value of the Fund; consumer sentiment, financial performance of the underlying companies, industry and economy development, social and political factors, 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 April 2016, 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.

Balanced Fund Performance Since Inception



### Top Ten Holdings

Malaysian Government Securities (Bond)  
 Projek Lebuhraya Utara-Selatan (Bond)  
 Jimah East Power Sdn Bhd (Bond)  
 Sabah Credit Corporation (Bond)  
 Tenaga Nasional Berhad (Equity)  
 Malayan Banking Berhad (Equity)  
 Telekom Malaysia Berhad (Equity)  
 CIMB Bank Berhad (Equity)  
 Maxis Berhad (Equity)  
 Amanahraya Real Estate Investment Trust

### Fund Information

NAV (29.4.16)	RM1.0945
Fund Size	RM7.5 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
Exceptional Circumstances	Refer to your Policy Document

### Asset Allocation Ranges

Asset Class	Min	Max	Current Actual
Malaysian Equity	40%	60%	44%
Fixed Income	40%	60%	41%
Cash	0%	20%	15%

### Performance Table

Period	Fund	Index*
1 month (%)	-0.85%	-1.18%
3 months (%)	1.38%	0.77%
6 months (%)	2.00%	1.82%
12 months (%)	-0.30%	-2.05%
2 years (% pa)	1.28%	-0.50%
3 years (% pa)	2.56%	1.30%
5 years (% pa)	3.19%	2.96%
Since Inception	5.52%	5.73%

**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 composite of 50% FBM KLCI Index, and 50% HSBC Malaysia All Bond FBM KLCI Index. Index data sourced from Bloomberg.

Other Charges: Switching Fee, you are entitled to four free switches per policy year. Additional switches within the same year will be charged at 1% of the value of units switched, subject to a maximum of RM 50; and all taxes, duties and other charges incurred in the purchase, sale, valuation and maintenance of the investments of the Fund.

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 (April 2016)

### 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

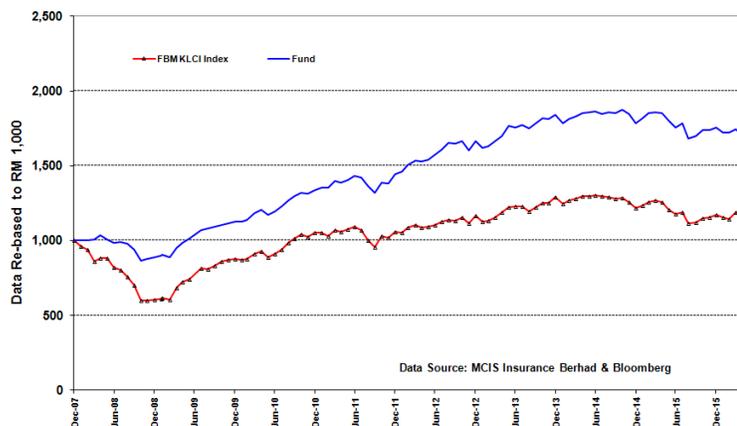
The Fund is considered high risk given the exposure to equity securities. The following factors can potentially affect the value of the Fund; consumer sentiment, financial performance of the underlying companies, the performance of the industry and economy, and the share market in general, social and 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 April 2016, the fund had outperformed the benchmark by 6bps MoM (month on month). The outperformance was mainly driven by higher exposure of outperforming stocks in the portfolio compared to benchmark.

Dividend Fund Performance Since Inception



### Top Ten Holdings

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

### Fund Information

NAV (29.4.16)	RM0.8090
Fund Size	RM40.6 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
Exceptional Circumstances	Refer to your Policy Document

### Asset Allocation Ranges

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

### Performance Table

Period	Fund	Index*
1 month (%)	-2.55%	-2.61%
3 months (%)	-1.28%	0.29%
6 months (%)	-2.08%	0.42%
12 months (%)	-8.21%	-8.00%
2 years (% pa)	-4.11%	-5.46%
3 years (% pa)	0.05%	-0.88%
5 years (% pa)	4.16%	1.73%
Since Inception	6.60%	1.77%
Yield #	3.01%	3.14%

**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.

Other Charges: Switching Fee, you are entitled to four free switches per policy year. Additional switches within the same year will be charged at 1% of the value of units switched, subject to a maximum of RM 50; and all taxes, duties and other charges incurred in the purchase, sale, valuation and maintenance of the investments of the Fund.

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 (April 2016)

## 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

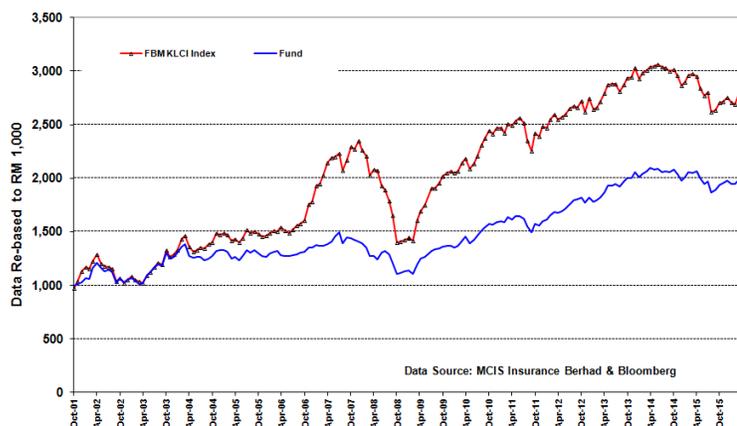
The Fund is considered high risk given the exposure to equity securities. The following factors can potentially affect the value of the Fund; consumer sentiment, financial performance of the underlying companies, the performance of the industry and economy, and the share market in general, social and 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 April 2016, the fund had outperformed the benchmark by 66bps 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  
IOI Corporation Berhad  
Public Bank Berhad  
Malayan Banking Berhad  
Telekom Malaysia Berhad  
Sime Darby Berhad  
Petronas Dagangan Berhad  
Petronas Chemicals Group Berhad  
Axiata Group Berhad  
Maxis Berhad

## Fund Information

NAV (29.4.16)	RM0.9751
Fund Size	RM8.8 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
Exceptional Circumstances	Refer to your Policy Document

## Asset Allocation Ranges

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

## Performance Table

Period	Fund	Index*
1 month (%)	-1.95%	-2.61%
3 months (%)	0.00%	0.29%
6 months (%)	0.56%	0.42%
12 months (%)	-5.41%	-8.00%
2 years (% pa)	-3.51%	-5.46%
3 years (% pa)	1.47%	-0.88%
5 years (% pa)	3.90%	1.73%
Since Inception	4.69%	7.10%
Yield #	2.93%	3.14%

**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.

Other Charges: Switching Fee, you are entitled to four free switches per policy year. Additional switches within the same year will be charged at 1% of the value of units switched, subject to a maximum of RM 50; and all taxes, duties and other charges incurred in the purchase, sale, valuation and maintenance of the investments of the Fund.

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 (April 2016)

## 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.

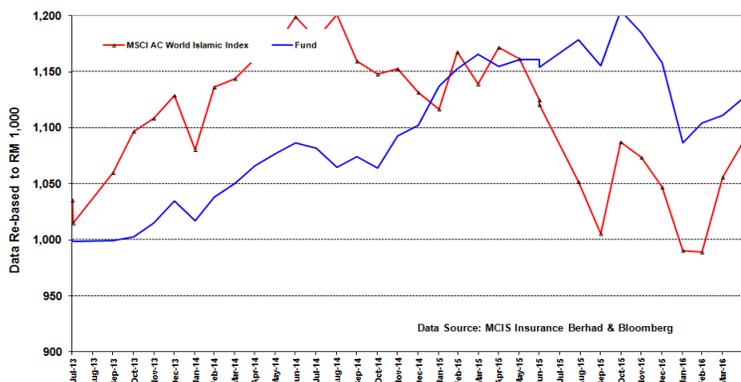
The following factors can potentially affect the value of the Fund; economic and political developments in related countries, foreign exchange fluctuation, illiquid and inefficient securities in the Emerging Markets, and the financial performance of the underlying companies.

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 April 2016, the fund had underperformed the benchmark by 149bps MoM (month on month). However, the fund had outperformed the benchmark since inception.

Global Yakin Fund Performance Since Inception



## Top Ten Holdings

Aberdeen Islamic World Equity Fund (AIWEF)

## Fund Information

NAV (29.4.16)	RM0.5628
Fund Size	RM23.5 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
Exceptional Circumstances	Refer to your Policy Document

## Asset Allocation Ranges

Asset Class	Min	Max	Current Actual
AIWEF	80%	100%	79%
Cash	0%	20%	21%

## Performance Table

Period	Fund	Index*
1 month (%)	1.26%	2.75%
3 months (%)	3.59%	9.53%
6 months (%)	-6.57%	-0.19%
12 months (%)	-2.56%	-7.40%
2 years (% pa)	2.74%	-3.36%
3 years (% pa)	-	-
5 years (% pa)	-	-
Since Inception	4.26%	2.92%

**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.

Other Charges: Switching Fee, you are entitled to four free switches per policy year. Additional switches within the same year will be charged at 1% of the value of units switched, subject to a maximum of RM 50; and all taxes, duties and other charges incurred in the purchase, sale, valuation and maintenance of the investments of the Fund.

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 (April 2016)

### 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.

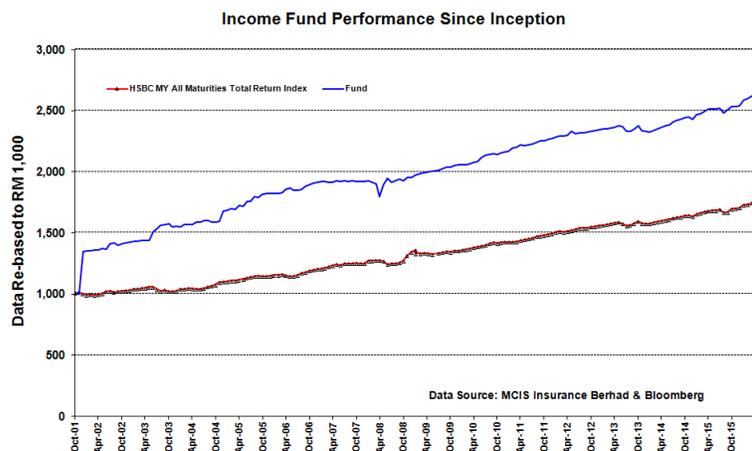
### Risks

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 April 2016, the fund had outperformed the benchmark by 20bps MoM (month on month). The outperformance was mainly driven by outperformance of the bond market during the period.



### Top Ten Holdings

Malaysian Government Securities  
 Projek Lebuhraya Utara-Selatan Berhad  
 Jimah East Power Sdn Bhd  
 Government Investment Issue  
 PBFIN Berhad  
 Sabah Credit Corporation  
 Sarawak Energy Berhad  
 Perdana Petroleum Berhad  
 CIMB Bank Berhad

### Fund Information

NAV (29.4.16)	RM1.3152
Fund Size	RM25.1 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
Exceptional Circumstances	Refer to your Policy Document

### Asset Allocation Ranges

Asset Class	Min	Max	Current Actual
Fixed Income	75%	100%	85%
Cash	0%	25%	15%

### Performance Table

Period	Fund	Index*
1 month (%)	0.44%	0.24%
3 months (%)	1.81%	1.19%
6 months (%)	3.95%	3.17%
12 months (%)	4.69%	4.09%
2 years (% pa)	5.48%	4.59%
3 years (% pa)	3.64%	3.40%
5 years (% pa)	3.47%	4.00%
Since Inception	6.86%	3.91%

**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 HSBC Malaysia All Bond FBM KLCI Index, sourced from Bloomberg.

Other Charges: Switching Fee, you are entitled to four free switches per policy year. Additional switches within the same year will be charged at 1% of the value of units switched, subject to a maximum of RM 50; and all taxes, duties and other charges incurred in the purchase, sale, valuation and maintenance of the investments of the Fund.

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 (April 2016)

### 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

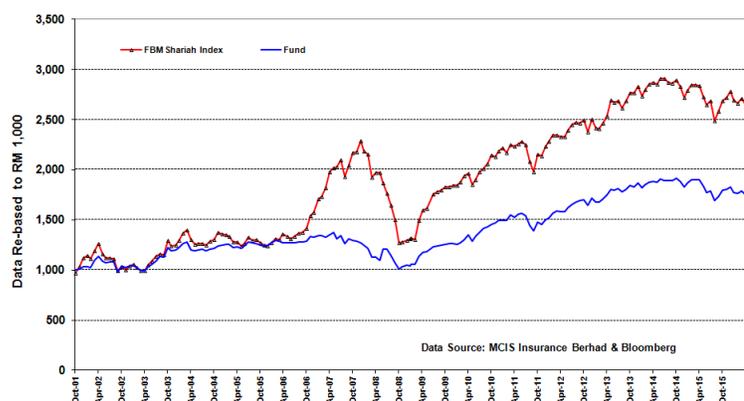
The Fund is considered high risk given the exposure to equity securities. The following factors can potentially affect the value of the Fund; consumer sentiment, financial performance of the underlying companies, the performance of the industry and economy, and the share market in general, social and 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 April 2016, the fund had underperformed the benchmark by 19bps MoM (month on month). The underperformance was mainly driven by higher exposure of underperforming stocks in the portfolio compared to benchmark.

Jati Fund Performance Since Inception



### Top Ten Holdings

Tenaga Nasional Berhad  
Sime Darby Berhad  
Petronas Chemicals Group Berhad  
Petronas Dagangan Berhad  
Telekom Malaysia Berhad  
Axiata Group Berhad  
MISC Berhad  
SapuraKencana Petroleum Berhad  
IHH Healthcare Berhad  
MyETF Dow Jones Islamic Market Titan 25

### Fund Information

NAV (29.4.16)	RM0.8733
Fund Size	RM11.0 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
Exceptional Circumstances	Refer to your Policy Document

### Asset Allocation Ranges

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

### Performance Table

Period	Fund	Index*
1 month (%)	-2.50%	-2.31%
3 months (%)	-1.57%	-1.71%
6 months (%)	-2.75%	-1.48%
12 months (%)	-7.98%	-6.62%
2 years (% pa)	-3.70%	-3.88%
3 years (% pa)	0.00%	1.54%
5 years (% pa)	2.73%	3.52%
Since Inception	3.90%	6.91%
Yield #	2.55%	2.73%

**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.

Other Charges: Switching Fee, you are entitled to four free switches per policy year. Additional switches within the same year will be charged at 1% of the value of units switched, subject to a maximum of RM 50; and all taxes, duties and other charges incurred in the purchase, sale, valuation and maintenance of the investments of the Fund.

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

April was negative month for the local bourse. While the FBMKLCI rebounded above 1,700 in Mar, the Index gave back most of its gains in April, most of the damage happening at the end of April. This was because investors were nervous on the news that 1MDB defaulted on its outstanding USD1.75bn bond issue, triggering cross default on two other notes worth USD1.9bn. In April, the KLCI declined a huge 45 points or 2.6% mom to close at 1,672 level. However, the broader market outperformed the KLCI, with the FBM Emas down 2.4% mom to 11,638 points. Average daily value traded on Bursa in March declined 3% mom to RM2.09bn and 2% above the YTD average value.

On the domestic economic front, exports ground to a near-halt at a growth pace of 0.2% y-o-y in March (6.7% in February and -2.8% in January). Stripping out currency factor and measured in USD terms, exports contracted an 18<sup>th</sup> straight month and at a larger magnitude during the month. The deceleration in March's export growth was led by external demand that was dragged by a decline in exports to China and was made worse a slowdown in the growth of shipments to the US, EU and ASEAN.

Meanwhile globally, US real GDP showed growth decelerating to an annualised pace of 0.5% in 1Q 2015, the slowest pace in two years (1.4% in 4Q 2015 and +2.0% in 3Q), as American consumers reined in spending and companies tightened their belts in response to weak global financial conditions and low crude oil prices. This was mainly due to a slowdown in consumer spending and further consolidation in private investment and exports. A pick-up in government consumption during the quarter, however, provides some mitigation.

**Chart 1: FBMKLCI Daily Chart**



Source: Bloomberg

**Chart 2: FBMKLCI Monthly Pattern and Cycle Analysis**



Source: Bloomberg

## Market Outlook & Strategy

Technically in April, the breakout rally since March continued to a high of 1,729 before reversing to end the month near its intra-month low. The strong resistance band between the 1,727-1,744 levels as well as its 100-week EMA at 1,719 will remain tough obstacles for the index in the coming months. The fall below 1,698 signals a move towards 1,631-1,651 next. The outright long term picture would turn bearish on a break below 1,600 while anything below 1,503 would confirm the head & shoulders pattern, potentially targeting a move to 1,200 next.

The 1MDB issue have seen the currency weakened to around RM3.93/USD on 26th April from its high of RM3.87/USD earlier in April. This may give a reason for investors to shy away from Malaysia markets after a positive inflow earlier. On a positive note, crude oil price has been stable at above USD40/barrel. For the immediate term, we believe that the equity market will remain volatile as investors are becoming more cautious after the recent recovery. Investor will focus on the corporate results release in May for financial period ending 31 March 2016.

# Fixed Income Review and Outlook

## Market Review

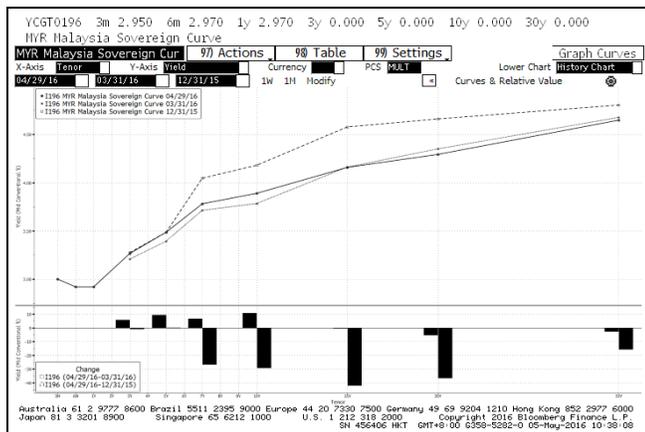
Malaysian sovereign bonds closed mixed in the month of April. Factors positive were: (1) the rebound in USD/MYR where it touched a new range for 2016 at 3.84-3.91; and (2) the increase in crude oil prices to a range of USD38.67/barrel to USD48.14/barrel. In contrast, factor that's negative that weighed on MGS prices was the renewed sentiment of monetary tightening coming from the US Fed as the US economy recovers.

In April, we also saw the appointment of Datuk Muhammad bin Ibrahim as the new Bank Negara Governor to replace Tan Sri Dato' Sri Dr. Zeti Akhtar Aziz who retired end April. The appointment soothed market anxiousness and concerns as Datuk Muhammad bin Ibrahim was the most preferred candidate for the position as it would demonstrate the continuity of the works pursued by Bank Negara Malaysia (BNM) and also an accomplished testament of the BNM's succession planning that the BNM takes pride on.

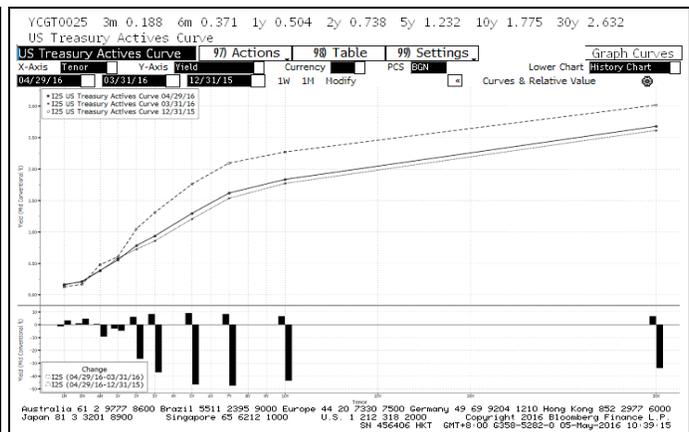
The auctions unveiled in April 2016 are as follows:

Government Auctions in Apr 2016				
Issue	Issue Date	Amount (RM million)	Bid-cover (times)	Avg Yield (%)
7-year Re-Opening GII (Mat on 07/23)	08/04/2016	3,500	2.686	3.932%
20-year Re-Opening MGS (Mat on 05/35)	15/04/2016	2,500	1.986	4.242%
7-year Re-Opening MGS (Mat on 08/23)	29/04/2016	3,000	2.044	3.800%

Table 1: Government Auctions April 2016. Source: Bank Negara Malaysia



Source: Bloomberg



Source: Bloomberg

US Treasuries were firmer, boosted by mixed-to-weaker economic data and the US Fed's stance towards interest rates. The Federal Funds Rate (FFR) was left unchanged at 0.25-0.50%. Policymakers mentioned the labour market has continued to improve despite economic activity showing signs of slowdown whilst downplaying 'global economic and financial developments'. Household spending, business fixed investment and net exports showed signs of moderation, while inflation remained below the 2% target. This is partly due to the falling energy prices and cheaper non-energy imports.

## Market Outlook & Strategy

Going forward, while domestic interest rates should remain accommodative at current levels because of tepid economic growth, there are still some pressures to the bond market as a result of further rate lift offs from US. Therefore, we envisage to buy on dips of MGS and PDS as we would expect bonds domestically to remain well bid, given the negative interest rates environment affecting most developed markets with obvious likes such as Japan and Europe.