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Investment Link Fund Performance Report July 2020

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EXECUTIVE SUMMARY

The FBMKLCI Index continued its positive performance in the month of July 2020, for the fourth consecutive months to close at 1,603.75 points, 6.85% higher on month-on-month basis (MoM). We believe that the gain was due to high liquidity in the market on the back of low interest rate and the strong rally of glove related stocks. The benchmark index had underperformed the FBM EMAS Index, which gain at a higher rate of 8.2% MoM and closed at 11,413.90 points.

Meanwhile, on the fixed income market, Malaysia Government Securities (“MGS”) prices surged in July 2020 as BNM cut the Overnight Policy Rate (“OPR”) by another 25bps to stimulate the economy, which has been severely dampened by the COVID-19 pandemic since beginning of the year. Domestic economic activities have gradually recovered, but the cross-border movement is still restricted given the COVID-19 cases in some major countries remain elevated.

Brent crude oil prices continued to recover as China’s economic activities started to resume, moving the prices higher to USD43.30/barrel compared to a month earlier at USD41.15/barrel. Meantime, the Dollar weakens against Ringgit to MYR4.2393/USD (Jun’20: MYR4.2863/USD).

On local economic data, the headline inflation moderated to -1.9% YoY in Jun’20 and Malaysia’s trade surplus doubled to +MYR20.9bil as the exports rebounded to +8.8% YoY and the imports moderated to -5.6% YoY.

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

For fixed income, following the OPR cut by 120bps and SRR cut by 100bps in this year, BNM is expected to stay dovish monetary stance for the remaining of 2020, in line with the weaker economic prospect arising from the COVID-19 outbreak globally. The external risk factors such as new cold war between US and China and the fluctuation in crude oil prices will continue to weigh on the local market, but we believe corporate bond space still provides attractive yields. As such, we will keep looking to buy on dips of corporate bonds if the opportunity arises.

Based on the performance table below, on monthly basis, most of the funds had underperformed the benchmarks, except for Income Fund and Titan Fund.

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

Performance Table: Funds vs Benchmarks

	Asiapac Fund		Balanced Fund		Dividend Fund		Equity Fund		Global Yakin Fund		Income Fund		Jati Fund		Titan Fund	
	Fund	Benchmark	Fund	Benchmark	Fund	Benchmark	Fund	Benchmark	Fund	Benchmark	Fund	Benchmark	Fund	Benchmark	Fund	Benchmark
Monthly (%)	-0.01%	1.20%	1.29%	4.81%	1.04%	6.85%	0.83%	6.85%	4.58%	5.52%	1.91%	2.77%	1.13%	11.63%	3.58%	4.58%
3 Months (%)	-0.27%	0.37%	3.09%	8.11%	2.96%	13.92%	3.62%	13.92%	9.79%	11.83%	2.70%	2.50%	4.27%	23.41%	-3.59%	12.96%
6 Months (%)	-7.98%	-15.74%	1.89%	4.93%	-0.67%	4.75%	-1.86%	4.75%	5.22%	-1.64%	4.42%	4.84%	1.37%	16.33%	7.03%	8.23%
12 Months (%)	-13.15%	-22.30%	2.71%	4.11%	-4.50%	-1.90%	-5.22%	-1.90%	10.02%	2.65%	9.16%	10.03%	-0.84%	11.97%	n/a	n/a

Source: MCIIS Insurance Berhad

AsiaPac Fund Monthly Report (July 2020)

Investment Objective

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

Investment Strategy

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

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

Risks

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

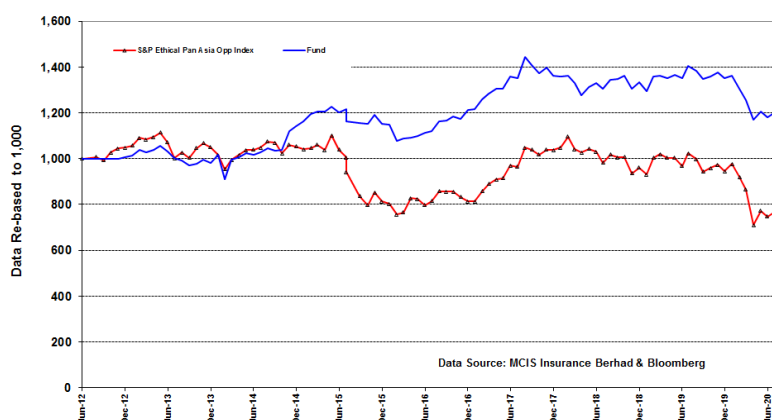
The following factors can potentially affect the value of the Fund; economic and political developments in related countries, foreign exchange fluctuation, illiquid and inefficient securities in the Emerging Markets, and the financial performance of the underlying companies.

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

Fund Performance

For the month ended July 2020, the fund had underperformed the benchmark by 121bps MoM (month on month). However, the fund had outperformed the benchmark since inception.

AsiaPac Fund Performance Since Inception



Top Ten Holdings

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

Fund Information

NAV (30.07.20)	RM0.6005
Fund Size	RM49.95 million
Inception Date	15-July-2012
Fund Management Fee	0.85% p.a.
Pricing	Daily
Price Quote	Major Newspaper, or http://www.mcis.my
Fund Manager	MCIS Insurance Berhad (MCIS Life)
Exceptional Circumstances	Refer to your Policy Document

Asset Allocation Ranges

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

Performance Table

Period	Fund	Index*
1 month (%)	-0.01%	1.20%
3 months (%)	-0.27%	0.37%
6 months (%)	-7.98%	-15.74%
12 months (%)	-13.15%	-22.30%
2 years (% pa)	-5.44%	-12.70%
3 years (% pa)	-5.99%	-9.54%
5 years (% pa)	0.63%	-3.81%
Since Inception (% pa)	2.29%	-3.09%

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 (July 2020)

Investment Objective

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

Investment Strategy

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

Risks

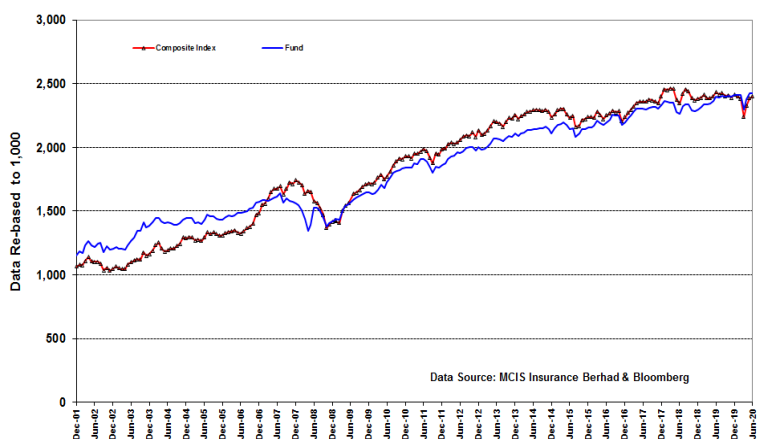
The Fund is considered medium risk given the mixed exposure of equity securities, fixed income and cash. The following factors can potentially affect the value of the Fund; consumer sentiment, financial performance of the underlying companies, industry and economy development, social and political factors,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

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

Fund Performance

For the month ended July 2020, the fund had underperformed the benchmark by 352bps 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

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

Fund Information

NAV (30.07.20)	RM1.2270
Fund Size	RM8.37 million
Inception Date	15-Oct-01
Fund Management Fee	1.25% p.a.
Pricing	Daily
Price Quote	Major Newspaper, or http://www.mcis.my
Fund Manager	MCIS Insurance Berhad (MCIS Life)
Exceptional Circumstances	Refer to your Policy Document

Asset Allocation Ranges

Asset Class	Min	Max	Current Actual
Malaysian Equity	40%	60%	41%
Fixed Income	40%	60%	49%
Cash	0%	20%	10%

Performance Table

Period	Fund	Index*
1 month (%)	1.29%	4.81%
3 months (%)	3.09%	8.11%
6 months (%)	1.89%	4.93%
12 months (%)	2.71%	4.11%
2 years (% pa)	2.71%	1.89%
3 years (% pa)	2.24%	2.18%
5 years (% pa)	2.68%	2.27%
Since Inception (% pa)	4.88%	5.02%

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

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

* The benchmark index is 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 (July 2020)

Investment Objective

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

Investment Strategy

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

Risks

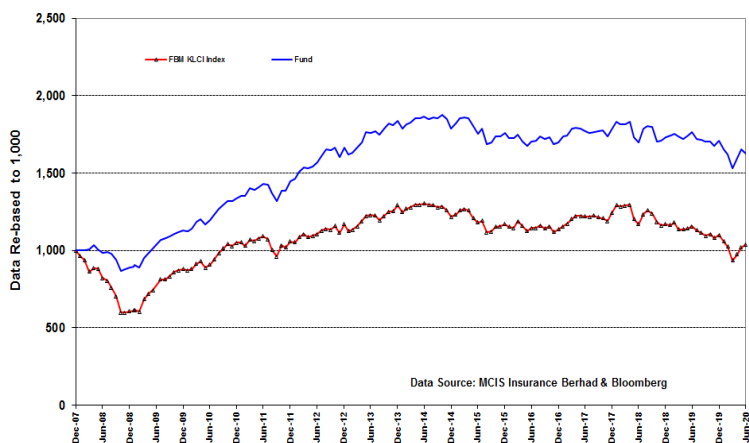
The Fund is considered high risk given the exposure to equity securities. The following factors can potentially affect the value of the Fund; consumer sentiment, financial performance of the underlying companies, the performance of the industry and economy, and the share market in general, social and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

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

Fund Performance

For the month ended July 2020, the fund had underperformed the benchmark by 581bps MoM (month on month). The underperformance was mainly driven by higher exposure of underperforming securities in the portfolio compared to benchmark.

Dividend Fund Performance Since Inception



Top Ten Holdings

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

Fund Information

NAV (30.07.20)	RM0.7805
Fund Size	RM29.09 million
Inception Date	21-Jan-08
Fund Management Fee	1.5% p.a.
Pricing	Daily
Price Quote	Major Newspaper, or http://www.mcis.my
Fund Manager	MCIS Insurance Berhad (MCIS Life)
Exceptional Circumstances	Refer to your Policy Document

Asset Allocation Ranges

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

Performance Table

Period	Fund	Index*
1 month (%)	1.04%	6.85%
3 months (%)	2.96%	13.92%
6 months (%)	-0.67%	4.75%
12 months (%)	-4.50%	-1.90%
2 years (% pa)	-4.10%	-5.19%
3 years (% pa)	-2.21%	-3.05%
5 years (% pa)	-1.66%	-1.43%
Since Inception (% pa)	4.03%	0.83%
Yield #	3.57%	3.99%

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

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

* Index is FBM KLCI sourced from Bloomberg.

Yield data is sourced from Bloomberg, and MCIS Life.

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

Equity Fund Monthly Report (July 2020)

Investment Objective

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

Investment Strategy

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

Risks

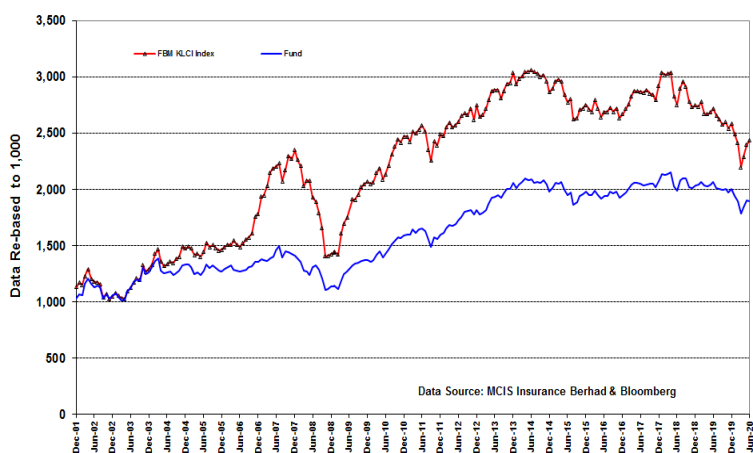
The Fund is considered high risk given the exposure to equity securities. The following factors can potentially affect the value of the Fund; consumer sentiment, financial performance of the underlying companies, the performance of the industry and economy, and the share market in general, social and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

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

Fund Performance

For the month ended July 2020, the fund had underperformed the benchmark by 602bps MoM (month on month). The underperformance was mainly driven by higher exposure of underperforming securities in the portfolio compared to benchmark.

Equity Fund Performance Since Inception



Top Ten Holdings

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

Fund Information

NAV (30.07.20)	RM0.9539
Fund Size	RM8.9 million
Inception Date	15-Oct-01
Fund Management Fee	1.40% p.a.
Pricing	Daily
Price Quote	Major Newspaper, or http://www.mcis.my
Fund Manager	MCIS Insurance Berhad (MCIS Life)
Exceptional Circumstances	Refer to your Policy Document

Asset Allocation Ranges

Asset Class	Min	Max	Current Actual
Malaysian Equity	80%	100%	86%
Cash	0%	20%	14%

Performance Table

Period	Fund	Index*
1 month (%)	0.83%	6.85%
3 months (%)	3.62%	13.92%
6 months (%)	-1.86%	4.75%
12 months (%)	-5.22%	-1.90%
2 years (% pa)	-4.22%	-5.19%
3 years (% pa)	-2.13%	-3.05%
5 years (% pa)	-0.63%	-1.43%
Since Inception (% pa)	3.49%	5.22%
Yield #	3.59%	3.99%

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

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

* Index is FBM KLCI sourced from Bloomberg.

Yield data is sourced from Bloomberg, and MCIS Life.

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

Global Yakin Fund

Monthly Report (July 2020)

Investment Objective

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

Investment Strategy

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

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

Risks

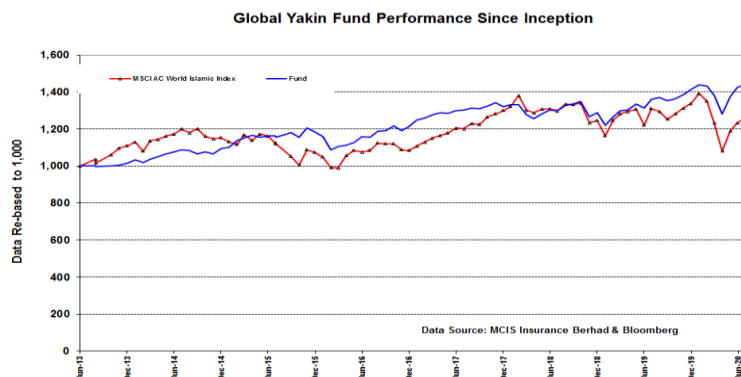
The Fund is considered low risk given the exposure to only one underlying securities with no attempt to select stocks individually or to take defensive positions in declining markets. Risk is managed at the management level, where the asset allocation of the fund to be reviewed on regular basis, and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

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

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

Fund Performance

For the month ended July 2020, the fund had underperformed the benchmark by 94bps MoM (month on month). The underperformance was mainly due to underperforming of the underlying securities compared to the benchmark index.



Top Ten Holdings

Aberdeen Standard Islamic World Equity Fund (ASIWEF)

Fund Information

NAV (30.07.20)	RM0.7535
Fund Size	RM59.38 million
Inception Date	8-July-2013
Fund Management Fee	0.85% p.a.
Pricing	Daily
Price Quote	Major Newspaper, or http://www.mcis.my
Fund Manager	MCIS Insurance Berhad (MCIS Life)
Exceptional Circumstances	Refer to your Policy Document

Asset Allocation Ranges

Asset Class	Min	Max	Current Actual
ASIWEF	80%	100%	83%
Cash	0%	20%	17%

Performance Table

Period	Fund	Index*
1 month (%)	4.58%	5.52%
3 months (%)	9.79%	11.83%
6 months (%)	5.22%	-1.64%
12 months (%)	10.02%	2.65%
2 years (% pa)	6.58%	-0.22%
3 years (% pa)	4.67%	2.61%
5 years (% pa)	5.48%	4.34%
Since Inception (% pa)	5.96%	4.09%

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 (July 2020)

Investment Objective

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

Investment Strategy

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

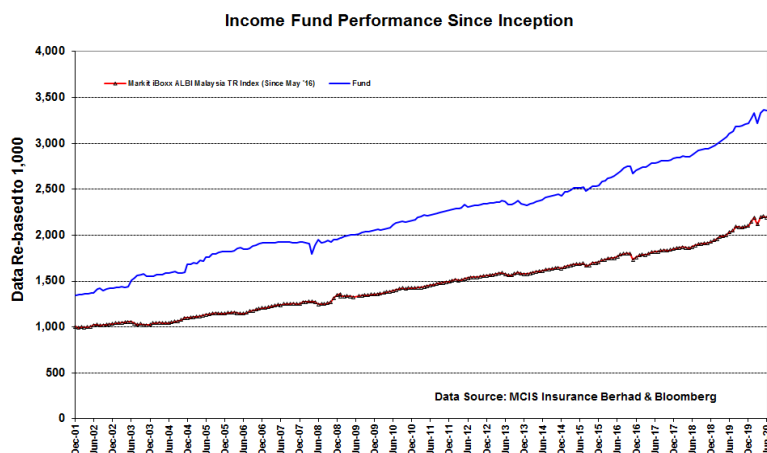
Risks

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

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

Fund Performance

For the month ended July 2020, the fund had underperformed the benchmark by 86bps MoM (month on month). The underperformance was due to underperforming of the fixed income securities compared to the benchmark index.



Top Ten Holdings

Leader Energy Sdn Berhad
Sabah Development Bank Berhad
Edra Solar Sdn Bhd
Telekosang Hydro One Sdn Bhd
Northern Gateway Infrastructure Sdn Bhd
UiTM Solar Power Sdn Berhad
SAJ Capital Sdn Bhd
Malaysia Steel Works (KL) Berhad
Hong Leong Financial Group Berhad
Quantum Solar Park Malaysia Sdn Bhd

Fund Information

NAV (30.07.20)	RM1.7115
Fund Size	RM38.33 million
Inception Date	15-Oct-01
Fund Management Fee	0.5% p.a.
Pricing	Daily
Price Quote	Major Newspaper, or http://www.mcis.my
Fund Manager	MCIS Insurance Berhad (MCIS Life)
Exceptional Circumstances	Refer to your Policy Document

Asset Allocation Ranges

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

Performance Table

Period	Fund	Index*
1 month (%)	1.91%	2.77%
3 months (%)	2.70%	2.50%
6 months (%)	4.42%	4.84%
12 months (%)	9.16%	10.03%
2 years (% pa)	8.67%	9.19%
3 years (% pa)	7.05%	7.38%
5 years (% pa)	6.31%	5.88%
Since Inception (% pa)	6.75%	4.41%

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

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

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

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

Jati Fund

Monthly Report (July 2020)

Investment Objective

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

Investment Strategy

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

Risks

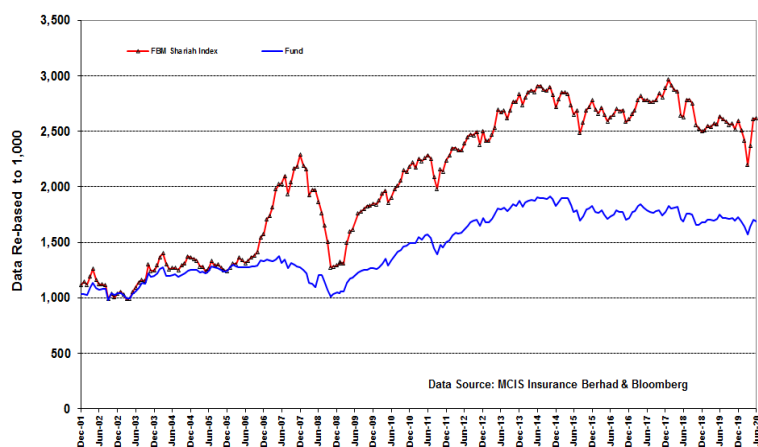
The Fund is considered high risk given the exposure to equity securities. The following factors can potentially affect the value of the Fund; consumer sentiment, financial performance of the underlying companies, the performance of the industry and economy, and the share market in general, social and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

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

Fund Performance

For the month ended July 2020, the fund had underperformed the benchmark by 1050bps 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

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

Fund Information

NAV (30.07.20)	RM0.8535
Fund Size	RM16.57 million
Inception Date	15-Oct-01
Fund Management Fee	1.35% p.a.
Pricing	Daily
Price Quote	Major Newspaper, or http://www.mcis.my
Fund Manager	MCIS Insurance Berhad (MCIS Life)
Exceptional Circumstances	Refer to your Policy Document

Asset Allocation Ranges

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

Performance Table

Period	Fund	Index*
1 month (%)	1.13%	11.63%
3 months (%)	4.27%	23.41%
6 months (%)	1.37%	16.33%
12 months (%)	-0.84%	11.97%
2 years (% pa)	-1.54%	2.42%
3 years (% pa)	-1.23%	1.86%
5 years (% pa)	-0.94%	1.67%
Since Inception (% pa)	2.88%	5.85%
Yield #	2.59%	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 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 (July 2020)

Investment Objective

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

Investment Strategy

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

Risks

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

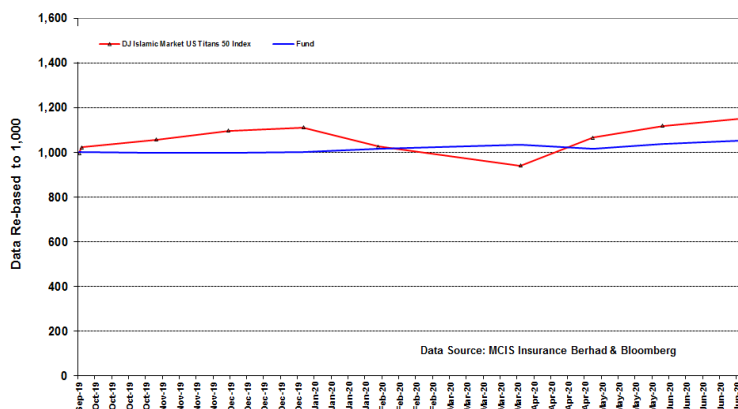
The following factors can potentially affect the value of the Fund; economic and political developments in related countries, foreign exchange fluctuation, illiquid and inefficient securities in the Emerging Markets, and the financial performance of the underlying companies.

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

Fund Performance

For the month ended July 2020, the fund had underperformed the benchmark by 100bps MoM (month on month).

Titan Fund Performance Since Inception



Top Ten Holdings

MyETFDJ50

Fund Information

NAV (30.07.20)	RM0.5616
Fund Size	RM5.3 million
Inception Date	17-Sept-2019
Fund Management Fee	0.85% p.a.
Pricing	Daily
Price Quote	Major Newspaper, or http://www.mcis.my
Fund Manager	MCIS Insurance Berhad (MCIS Life)
Exceptional Circumstances	Refer to your Policy Document

Asset Allocation Ranges

Asset Class	Min	Max	Current Actual
MyETFDJ50	80%	100%	78%
Cash	0%	20%	22%

Performance Table

Period	Fund	Index*
1 month (%)	3.58%	4.58%
3 months (%)	-3.59%	12.96%
6 months (%)	7.03%	8.23%
12 months (%)	n/a	n/a
2 years (% pa)	n/a	n/a
3 years (% pa)	n/a	n/a
5 years (% pa)	n/a	n/a
Since Inception (% pa)	16.75%	27.96%

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

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

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

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

Equity Market Review and Outlook

Market Review

The FBMKLCI Index continued its positive performance in the month of July 2020, for the fourth consecutive months to close at 1,603.75 points, 6.85% higher on month-on-month basis (MoM). We believe that the gain was due to high liquidity in the market on the back of low interest rate and the strong rally of glove companies stocks. Continued rallied in most global equity markets also supported the local benchmark rally. The benchmark index had underperformed the FBM EMAS Index, which gain at a higher rate of 8.2% MoM and closed at 11,413.90 points.

The average daily value traded on the Malaysian equity market improved 17% MoM to RM5.5bil during the month, supported by strong interest from retail participants. This is significantly higher than the average daily trading value of RM2.15 bil achieved in 2019. In July, foreign investors sold RM2.56bil worth of Malaysian equities, -14.7% lower than last month of RM3bil. This brings the 7M20 net foreign outflow to RM18.7bil, which is 70% higher than the RM11bil outflow registered in 2019. As a result, the cumulative net foreign fund outflows from Malaysia in the equity market (since 2010) expanded to RM27.6bil.

The US equity markets were closed positively during the month on the positive development of COVID-19 vaccine and better-than-expected corporate earnings. Dow Jones and S&P 500 gained 2.4% and 5.5% MoM to close at 26,428.32 points and 3,271.12 points respectively. Meanwhile, Bloomberg European 500 index closed negatively by -1.2% MoM and MSCI Asia APEX 50 ex-Japan closed higher by 9.7% MoM.

Chart 1: FBMKLCI Weekly Chart



Source: CIMB Research/Bloomberg

Chart 2: FBMKLCI Monthly Chart



Source: MCIS/Bloomberg

Market Outlook & Strategy

Technically, the market climbed above its psychological level of 1,600 in July, testing the neckline of the previous double top pattern (1,560-1,617) but have yet to break out above the 1,617 critical resistance level. The weekly relative strength index (RSI) is still stuck below its bear market resistance, suggesting that the longer term trend is still bearish. The triple negative divergence on its momentum indicators, coupled with the fact that the market has been held up by retailers, which most of them were major buyers, we believe that the market is due for a correction sooner rather than later. A close below 1,563 would put the index under pressure in the near term. The long-term critical support at 1,476 needs to hold up if the bulls are to have another attempt at the 1,617 critical resistance over the next couple of months.

Based on historical data, we note that the FBMKLCI's performance tends to be negative in August, having registered an average monthly negative return of -0.8% over the past 10 years. Moving forward, we continue to remain cautious on the equity market. Concerns over the effects of the COVID-19 pandemic in Malaysia and globally, we expect the FBMKLCI to remain volatile. We will weight on the defensive stocks amid uncertainty.

Fixed Income Review and Outlook

Market Review

Malaysia Government Securities (“MGS”) prices surged in July 2020 as BNM cut the Overnight Policy Rate (“OPR”) by another 25bps to stimulate the economy, which has been severely dampened by the COVID-19 pandemic since beginning of the year. Domestic economic activities have gradually recovered, but the cross-border movement is still restricted given the COVID-19 cases in some major countries remain elevated. Brent crude oil prices continue to recover as China’s economic activities started to resume, moving the prices higher to USD43.30/barrel compared to a month earlier at USD41.15/barrel. Meantime, the Dollar weakens against Ringgit to MYR4.2393/USD (Jun’20: MYR4.2863/USD).

On local economic data, the headline inflation moderated to -1.9% YoY in Jun’20 (May’20: -2.9%) on the back of slightly higher inflation in Food and Non-Alcoholic Beverages and slower decline in Transport cost. In Jun’20, Malaysia’s trade surplus doubled to +MYR20.9bil (May’20: +MYR10.4bil) as the exports rebounded to +8.8% YoY (May’20: -25.5% YoY) and the imports moderated to -5.6% YoY (May’20: -30.4% YoY). This is in line with the PMI manufacturing survey, which saw an increase to 51.0 in Jun’20 (May’20: 45.6).

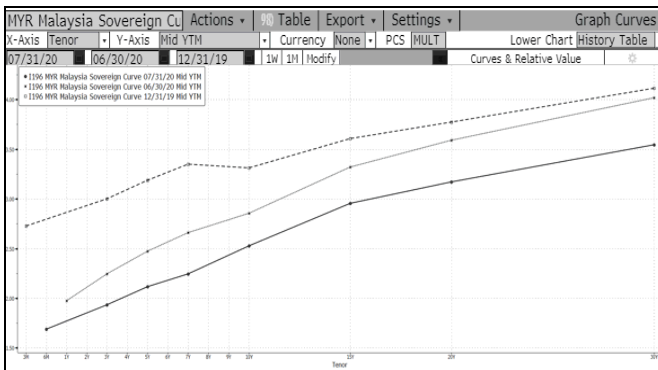
Following the relaxing on Movement Control Order (“MCO”), the unemployment rate moderated to 4.9% in Jun’20 versus 5.3% in May’20. The Department of Statistics added that the most affected workers were from Service sectors, with ties in tourism, accommodation, event management, sports and recreational activities.

External reserve continues to trend higher to USD104.2bil as at end-Jul’20 (end-Jun’20: USD103.4bil). The reserve is sufficient to cover 8.4 months of retained imports and 1.1x short term external debt and is 15.5% above the minimum requirement of USD90.2bil IMF Reserve Adequacy.

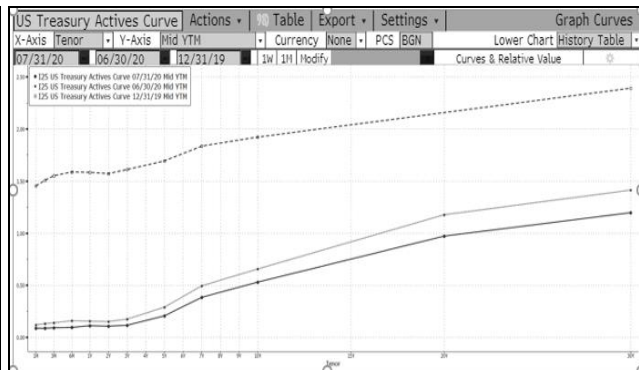
The auctions unveiled in July 2020 are as follows;

Government Auctions				
Issue	Issue Date	Amount	Bid-cover	Avg Yield
		(RM million)	(times)	(%)
3year Re-Issuance of MGS(Mat 03/23)	08/07/2020	5,000.00	2.51	2.00
10year Re-Issuance of GII(Mat 10/30)	17/07/2020	5,000.00	2.59	2.67
15year Re-Issuance of MGS(Mat 07/34)	24/07/2020	5,000.00	2.10	2.97

Source: Bank Negara Malaysia



Source: Bloomberg



Source: Bloomberg

The 10-year US Treasury (“UST”) yield moved 13bps lower to 0.53% as at end-Jul’20, due to the worsening economy arising from the elevated COVID-19 pandemic in the country as well as the new cold war between US and China. The Federal Reserve policy-markets pledges to keep the interest rate low until they see a broader economic recovery

Market Outlook & Strategy

Following the OPR cut by 120bps and SRR cut by 100bps in this year, BNM is expected to stay dovish monetary stance for the remaining of 2020, in line with the weaker economic prospect arising from the COVID-19 outbreak globally. The external risk factors such as new cold war between US and China and the fluctuation in crude oil prices will continue to weigh on the local market, but we believe corporate bond space still provides attractive yields. As such, we will keep looking to buy on dips of corporate bonds if the opportunity arises.