



## **Investment Linked Fund Performance Report August 2018**

### **General Advice Warning**

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

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

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

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

## EXECUTIVE SUMMARY

It was another good month for the Malaysian market as FBMKLCI gained 2% m-o-m to close at 1,819 points as foreign selling subsided. The recovery is also in line with the performance of the US markets as the DJIA gained 2.2% m-o-m. Average daily value traded on Bursa Malaysia fell 1% m-o-m to RM2.44billion, its second lowest monthly turnover in 2018.

Local bond market continued to rally in August, largely supported by the buying interest from local players. The ringgit weakened further against USD in August due to continued foreign net outflows as the heightened trade war tension has triggered capital flight from the emerging markets. The ringgit was last seen at RM4.1080/USD from RM4.0652/USD. Brent crude oil price on the other hand rose slightly to USD77.39/bbl from a month earlier of USD74.25/bbl.

On the local economic front, Malaysia's consumer price index in July rose 0.9% y-o-y, up marginally from the previous month. The annual inflation rate was in line with a Reuters poll forecast, and up slightly from the 0.8% recorded in June.

On the long run, apart from local political uncertainties, Malaysian market also is facing headwinds from geopolitical events and outflow of foreign funds, which had affected the year-to-date performance. These have dampened the investors' sentiment. We would look for bottom-fishing opportunities to accumulate quality stocks at lower levels.

For fixed income, post OPR rate hike in Jan'18, BNM is likely to maintain a neutral monetary policy for the remaining of 2018. The external risk factors 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 Fund, Global Yakin Fund and Income Fund had outperformed their benchmarks return.

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 (%)	0.45%	-1.17%	0.34%	1.33%	0.81%	1.98%	0.82%	1.98%	0.62%	-0.20%	0.84%	0.68%	-0.34%	-0.03%
3 Months (%)	1.52%	-2.39%	2.54%	3.43%	4.04%	4.54%	3.58%	4.54%	2.60%	1.72%	2.35%	2.25%	2.69%	5.18%
6 Months (%)	1.57%	-3.31%	-1.06%	0.18%	-0.74%	-1.97%	-1.44%	-1.97%	4.43%	2.33%	2.58%	2.16%	-2.70%	-4.62%
12 Months (%)	-4.26%	-3.16%	1.09%	3.39%	1.93%	2.62%	2.54%	2.62%	2.06%	8.81%	4.09%	3.86%	-0.65%	0.45%

Source: MCIS Insurance Berhad

# AsiaPac Fund Monthly Report (August 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.

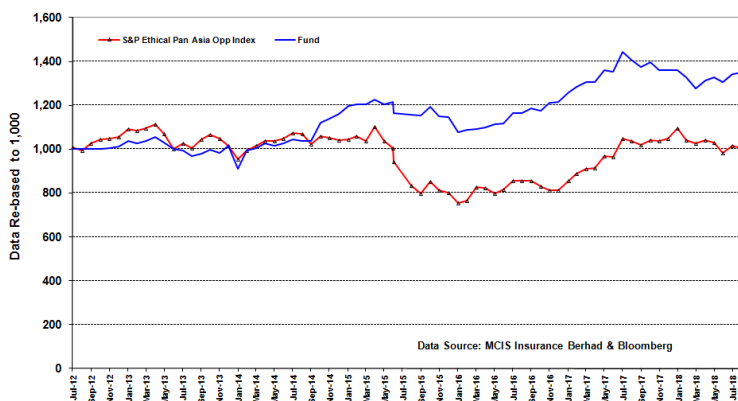
The following factors can potentially affect the value of the Fund; economic and political developments in related countries, foreign exchange fluctuation, illiquid and inefficient securities in the Emerging Markets, and the financial performance of the underlying companies.

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 Aug 2018, the fund had outperformed the benchmark by 162bps 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 (30.08.18)	RM0.6746
Fund Size	RM44.64 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%	84%
Cash	0%	20%	16%

## Performance Table

Period	Fund	Index*
1 month (%)	0.45%	-1.17%
3 months (%)	1.52%	-2.39%
6 months (%)	1.57%	-3.31%
12 months (%)	-4.26%	-3.16%
2 years (% pa)	15.71%	17.42%
3 years (% pa)	5.27%	6.38%
5 years (% pa)	6.83%	0.03%
Since Inception	4.98%	0.09%

**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 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 (August 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

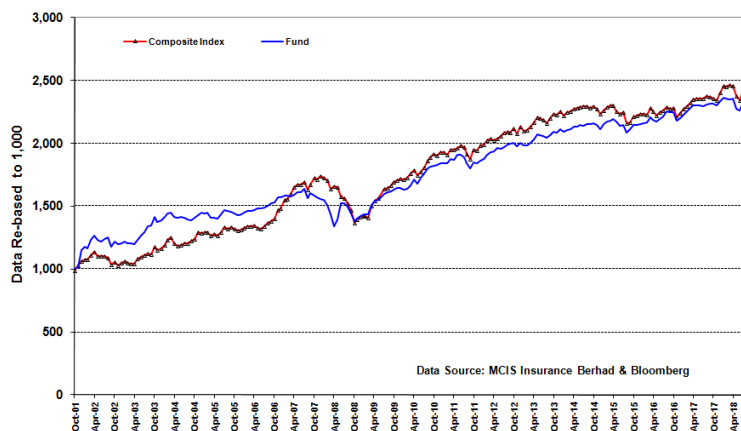
The Fund is considered medium risk given the mixed exposure of equity securities, fixed income and cash. The following factors can potentially affect the value of the Fund; consumer sentiment, financial performance of the underlying companies, industry and economy development, social and political factors, 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 Aug 2018, the fund had underperformed the benchmark by 99bps 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)
- CIMB Bank Berhad (Bond)
- Tenaga Nasional Berhad (Equity)
- Northern Gateway Infrastructure Sdn Bhd (Bond)
- Sabah Development Bank Berhad
- Malayan Banking Berhad (Equity)
- Sabah Credit Corporation (Bond)
- Projek Lebuhraya Utara-Selatan (Bond)
- CIMB Bank Berhad (Equity)
- Bank Pembangunan Malaysia Berhad (Bond)

### Fund Information

NAV (30.08.18)	RM1.1670
Fund Size	RM8.12 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%	45%
Fixed Income	40%	60%	46%
Cash	0%	20%	9%

### Performance Table

Period	Fund	Index*
1 month (%)	0.34%	1.33%
3 months (%)	2.54%	3.43%
6 months (%)	-1.06%	0.18%
12 months (%)	1.09%	3.39%
2 years (% pa)	1.69%	3.59%
3 years (% pa)	3.86%	4.37%
5 years (% pa)	2.66%	2.59%
Since Inception	5.14%	5.45%

**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 (August 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

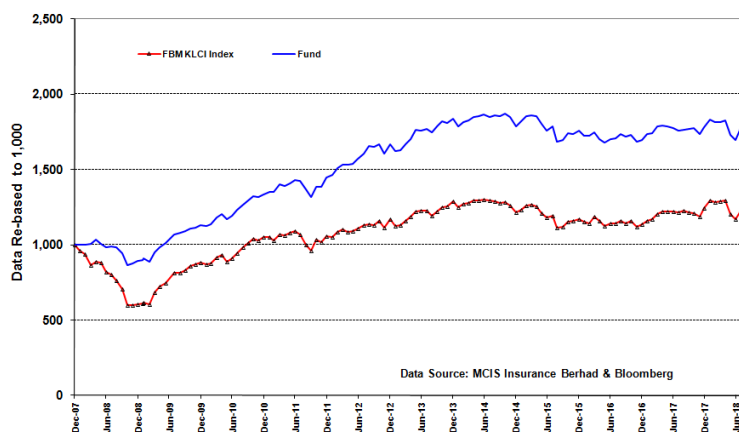
The Fund is considered high risk given the exposure to equity securities. The following factors can potentially affect the value of the Fund; consumer sentiment, financial performance of the underlying companies, the performance of the industry and economy, and the share market in general, social and 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 Aug 2018, the fund had underperformed the benchmark by 117bps 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 Chemicals Group Berhad  
 Petronas Gas Berhad  
 Public Bank Berhad  
 Tenaga Nasional Berhad  
 Maxis Berhad  
 Malayan Banking Berhad  
 DiGi.Com Berhad  
 IOI Corporation Berhad  
 Petronas Dagangan Berhad  
 Axiata Group Berhad

### Fund Information

NAV (30.08.18)	RM0.8556
Fund Size	RM33.59 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%	96%
Cash	0%	20%	4%

### Performance Table

Period	Fund	Index*
1 month (%)	0.81%	1.98%
3 months (%)	4.04%	4.54%
6 months (%)	-0.74%	-1.97%
12 months (%)	1.93%	2.62%
2 years (% pa)	1.84%	4.13%
3 years (% pa)	2.26%	4.11%
5 years (% pa)	0.58%	1.04%
Since Inception	5.67%	2.18%
Yield #	3.43%	3.19%

**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 (August 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

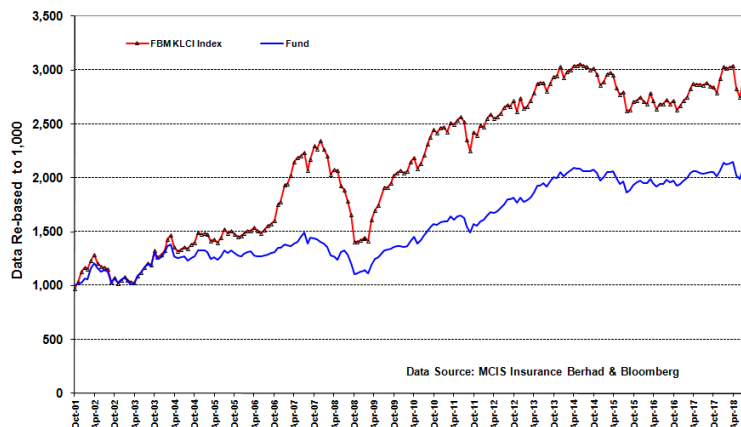
The Fund is considered high risk given the exposure to equity securities. The following factors can potentially affect the value of the Fund; consumer sentiment, financial performance of the underlying companies, the performance of the industry and economy, and the share market in general, social and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

Equity Fund Performance Since Inception



### Top Ten Holdings

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

### Fund Information

NAV (30.08.18)	RM1.0484
Fund Size	RM10.08 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%	94%
Cash	0%	20%	6%

### Performance Table

Period	Fund	Index*
1 month (%)	0.82%	1.98%
3 months (%)	3.58%	4.54%
6 months (%)	-1.44%	-1.97%
12 months (%)	2.54%	2.62%
2 years (% pa)	2.89%	4.13%
3 years (% pa)	3.98%	4.11%
5 years (% pa)	1.74%	1.04%
Since Inception	4.47%	2.18%
Yield #	3.50%	3.19%

**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 (August 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.

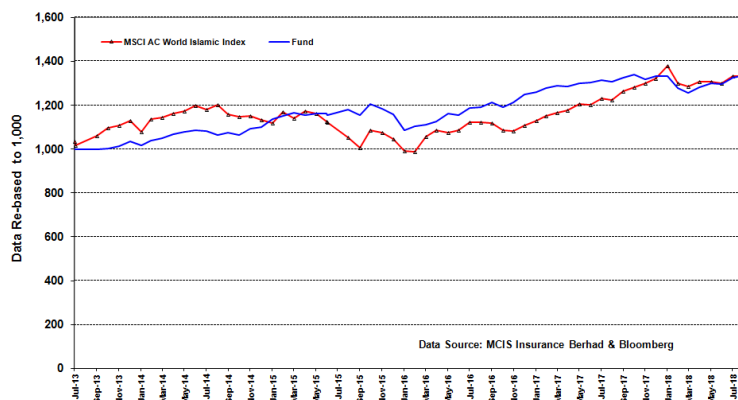
The following factors can potentially affect the value of the Fund; economic and political developments in related countries, foreign exchange fluctuation, illiquid and inefficient securities in the Emerging Markets, and the financial performance of the underlying companies.

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 Aug 2018, the fund had outperformed the benchmark by 82bps 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 (30.08.18)	RM0.6674
Fund Size	RM38.05 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%	85%
Cash	0%	20%	15%

### Performance Table

Period	Fund	Index*
1 month (%)	0.62%	-0.20%
3 months (%)	2.60%	1.72%
6 months (%)	4.43%	2.33%
12 months (%)	2.06%	8.81%
2 years (% pa)	5.83%	9.01%
3 years (% pa)	4.22%	8.17%
5 years (% pa)	5.97%	7.01%
Since Inception	5.75%	5.70%

**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 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 (August 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.

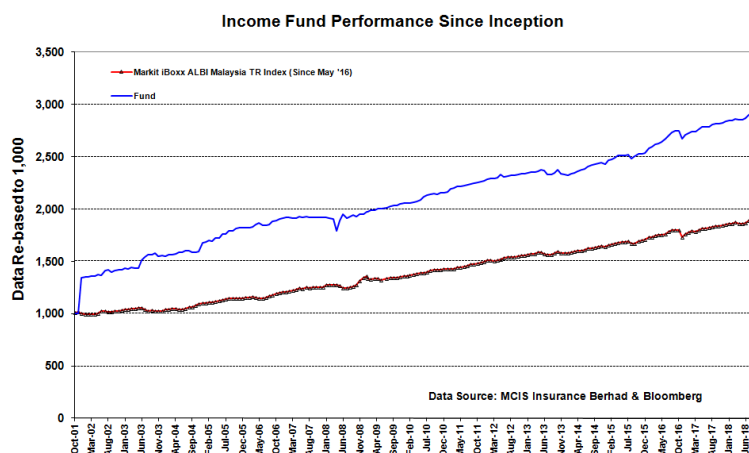
### Risks

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 Aug 2018, the fund had outperformed the benchmark by 16bps MoM (month on month). The outperformance was due to outperforming of the fixed income securities compared to the benchmark index.



### Top Ten Holdings

Malaysian Government Securities  
 Northern Gateway Infrastructure Sdn Bhd  
 UiTM Solar Power Sdn Berhad  
 SAJ Capital Sdn Bhd  
 YTL Corporation Berhad  
 Quantum Solar Park Malaysia Sdn Bhd  
 Sabah Development Bank Berhad  
 Asian Finance Bank Berhad  
 PBFIN Berhad  
 BGSM Management Sdn Bhd

### Fund Information

NAV (30.08.18)	RM1.4614
Fund Size	RM28.36 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%	83%
Cash	0%	25%	17%

### Performance Table

Period	Fund	Index*
1 month (%)	0.84%	0.68%
3 months (%)	2.35%	2.25%
6 months (%)	2.58%	2.16%
12 months (%)	4.09%	3.86%
2 years (% pa)	3.48%	2.87%
3 years (% pa)	5.57%	4.47%
5 years (% pa)	4.63%	4.02%
Since Inception	6.55%	3.87%

**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 (August 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

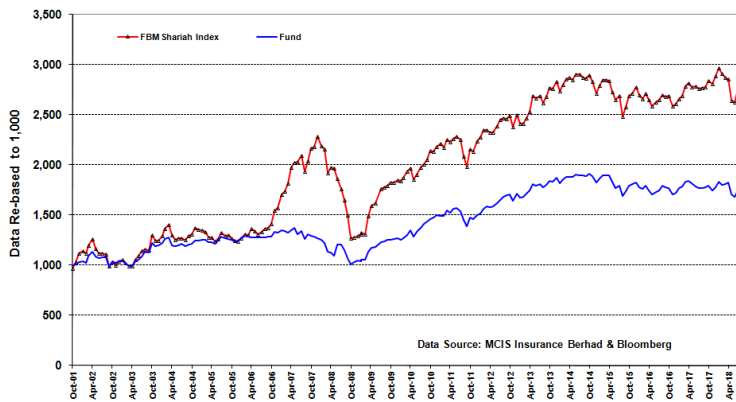
The Fund is considered high risk given the exposure to equity securities. The following factors can potentially affect the value of the Fund; consumer sentiment, financial performance of the underlying companies, the performance of the industry and economy, and the share market in general, social and 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 Aug 2018, the fund had underperformed the benchmark by 31bps 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  
 Petronas Chemicals Group Berhad  
 Axiata Group Berhad  
 Petronas Gas Berhad  
 Sime Darby Plantation Berhad  
 Perlis Plantation Berhad  
 Maxis Berhad  
 Sime Darby Berhad  
 IOI Corporation Berhad  
 Kuala Lumpur Kepong Berhad

### Fund Information

NAV (30.08.18)	RM0.8773
Fund Size	RM13.57 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%	86%
Cash	0%	20%	14%

### Performance Table

Period	Fund	Index*
1 month (%)	-0.34%	-0.03%
3 months (%)	2.69%	5.18%
6 months (%)	-2.70%	-4.62%
12 months (%)	-0.65%	0.45%
2 years (% pa)	-0.99%	1.50%
3 years (% pa)	1.17%	3.82%
5 years (% pa)	-0.25%	1.23%
Since Inception	3.38%	6.23%
Yield #	2.90 %	2.91%

**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 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

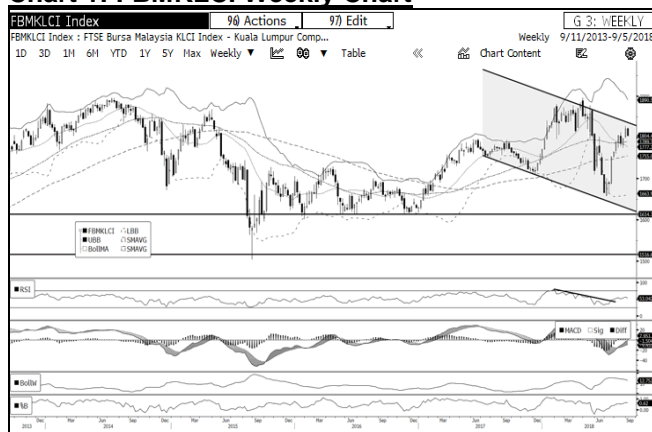
## Market Review

It was another good month for the Malaysian market as FBMKLCI gained 2% m-o-m to close at 1,819 points as foreign selling subsided. The recovery is also in line with the performance of the US markets as the DJIA gained 2.2% m-o-m. As a result, FBMKLCI has recovered most of its losses during GE14 and generated positive YTD returns. Average daily value traded on Bursa Malaysia fell 1% m-o-m to RM2.44billion, its second lowest monthly turnover in 2018.

On the local economic front, Malaysia's consumer price index in July rose 0.9% y-o-y, up marginally from the previous month. The annual inflation rate was in line with a Reuters poll forecast, and up slightly from the 0.8% recorded in June. June's inflation rate was the lowest in three years, following the government's removal of a 6% goods and services tax that month.

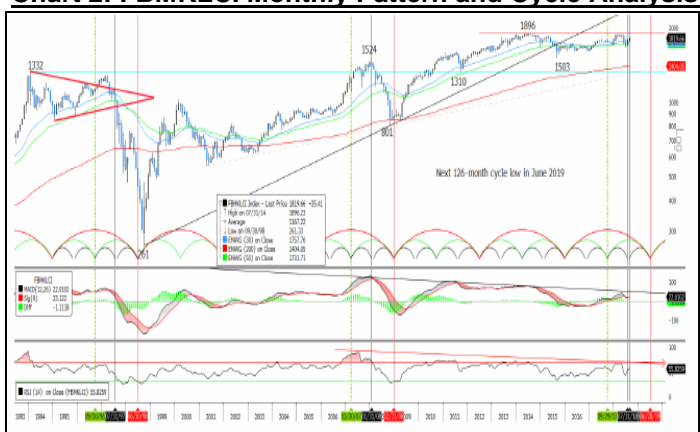
Globally, the US economic growth was stronger during the second quarter than earlier estimated, although growth in a key measure of U.S. corporate profits moderated from the first quarter. GDP rose at a 4.2% annualised rate in the 2Q18, adjusted for seasonality and inflation, earlier second-quarter estimation at 4.1% annualised.

**Chart 1: FBMKLCI Weekly Chart**



Source: Maybank Research

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



Source: CIMB Research

## Market Outlook & Strategy

Technically, correction in the earlier month of August 2018 was limited as the index rebounded at the lower range of its trading channel. Technical indicators are gaining its strength. As the earlier 1,800 resistance was taken up, immediate support is seen at this level (1,800). Resistance is seen at 1,896 level. Any confirmation from monthly MACD may push the index higher to re-test its previous all-time high.

Historically, performance of the FBMKLCI in September has been negative, registering average m-o-m negative returns of 0.8% over the past 10 years and posting negative returns in six out of 10 years. On the local front, investors will be closely tracking local news developments on the recently introduced sales and services tax, which came into force on 1 September, and its potential impact on corporate.

Recent rally of the local index gave MCIS portfolio to recover from the earlier losses. However, on the long run, apart from local political uncertainties, Malaysian market also is facing headwinds from geopolitical events and outflow of foreign funds, which had affected the year-to-date performance. These have dampened the investors' sentiment. We would look for bottom-fishing opportunities to accumulate quality stocks at lower levels.

# Fixed Income Review and Outlook

## Market Review

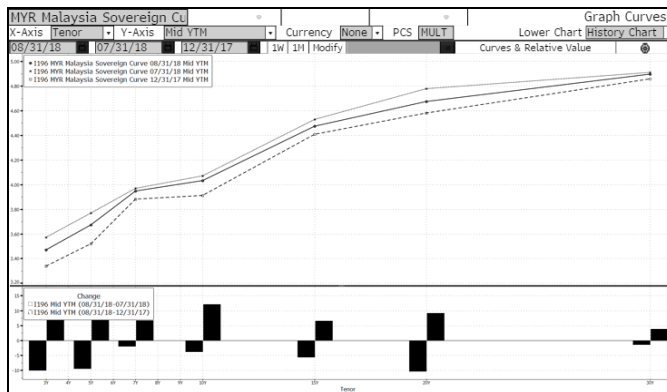
Local bond market continued to rally in August, largely supported by the buying interest from local players. Strong demand was observed particularly in the Government-guaranteed and high quality AAA-rated papers on the back of lower debt issuances under the PH Government after a few major projects were being cancelled. The ringgit weakened further against USD in August due to continued foreign net outflows as the heightened trade war tension has triggered capital flight from the emerging markets. The ringgit was last seen at RM4.1080/USD from RM4.0652/USD. Brent crude oil price on the other hand rose slightly to USD77.39/bbl from a month earlier of USD74.25/bbl.

On local economic data, Malaysia's GDP moderated to +4.5% (1Q'18: 5.4%), much lower than the market consensus of +5.2%. The GDP was mostly driven by domestic demand (+5.6%). The GDP figure was brought down due to the decline in public investment, in line with the PH Government's manifesto to review major infrastructure projects which led to policy shift and uncertainties. Malaysia's CPI rate remained low at +0.9% in Jul'18 (Jun'18: +0.8%) following the new Government's zero-GST tax holiday policy (June-August 2018), led to a slower increase or drop in most of the prices of goods and services except for transportation cost. External trade grew faster in June'18 partly due to tax holiday and low base effect in the previous year long holiday (Eid Fitr). As a result, the export was seen strong growth at +7.6% (May'18: +3.4%) while the import also surged further to +14.9% (May'18: +0.1%), narrowing the trade balance to RM6.0bil (May'18: +RM8.1bil).

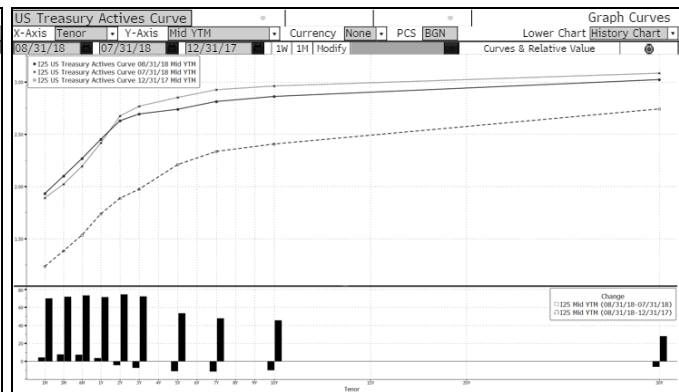
The auctions unveiled in Aug 2018 are as follows;

Government Auctions				
Issue	Issue Date	Amount (RM million)	Bid-cover (times)	Avg Yield (%)
20Year Re-Issuance of GII(Mat 08/37)	7/8/2018	2,500.00	2.11	4.77
15Year Re-Issuance of MGS(Mat 11/33)	15/8/2018	3,000.00	2.61	4.48
5Year Re-Issuance of GII(Mat 11/23)	30/8/2018	3,500.00	1.82	3.80

Source: Bank Negara Malaysia



Source: Bloomberg



Source: Bloomberg

The 10 year US Treasury rallied, moving the yield lower to 2.86% at end August 2018 (July 2018: 2.96%). This is mainly supported by the strong USD and capital flight to quality after the heightened trade war tension between US and major world markets. The dollar index was last seen at 14 months high at 96.73 before easing back to 95.14.

## 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 the Middle-East, potential US-China 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.