



Investment Linked Fund Performance Report January 2019

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EXECUTIVE SUMMARY

FBMKLCI Index closed lower by end of the first month of 2019, marginally by -0.4% m-o-m to 1,684 level. It was in line with average historical monthly negative return over the past 10 years. The lower benchmark return was due to profit-taking activities and concern over weaker-than-expected corporate earnings and slower-than-expected global growth. FBMEMAS on the other hand, gained 1.2% during the same period under review.

On the fixed income market, MGS rallied across the curve in January as global market's sentiment improved following the dovish tone by the US Fed to potentially reduce the rate hikes to 2 times from 3 times this year. As a result, ringgit strengthened against US Dollar to RM4.0940/USD compared to RM4.1320/USD in early of the month. A new political crisis in Venezuela was seen escalating in the month, thus pushing Brent crude oil prices higher to USD61.89/barrel from USD53.80/barrel a month earlier.

On the local economic front, Malaysia's export growth tracked higher at 4.8% y-o-y in December, a sharp rebound was recorded by the E&E sector while commodity and non-E&E shipments slipped into decline. Meanwhile Malaysia's CPI ended at 0.2% in December, making the 2018 full year CPI at 1.0%. This is the seventh month the inflation remained below 1.0%. Despite of the implementation of SST effective 1st September 2018, food and beverages, and transportation cost continued to ease.

For the year 2019, we are cautious on the equity market outlook. Corporate earnings outlook is still weak and interest rate hikes expectation in the US may see more funds flow out from the country. We expect the global geopolitical tension on trade war will continue to dampen the sentiment. We would look for bottom-fishing opportunities to accumulate quality stocks at lower levels.

For fixed income, following the low inflation and slow economic growth prospect, BNM is likely to maintain a neutral monetary policy until the end of 2019 despite the major central banks are still showing signal towards policy tightening. 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, MCIS Investment-Linked funds showed mix performances. Balanced, Dividend and Equity Funds had outperformed their benchmarks indices.

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 (%)	4.87%	7.73%	0.86%	0.20%	0.43%	-0.42%	0.23%	-0.42%	3.82%	7.23%	0.49%	0.81%	0.07%	0.42%
3 Months (%)	3.94%	7.17%	1.20%	0.16%	2.00%	-1.51%	1.19%	-1.51%	-0.08%	1.09%	1.07%	1.85%	1.58%	-1.86%
6 Months (%)	0.58%	-1.48%	-0.41%	-1.43%	-2.59%	-5.64%	-1.90%	-5.64%	-4.64%	-6.55%	2.57%	2.88%	-4.46%	-9.82%
12 Months (%)	2.15%	-8.45%	-2.04%	-2.76%	-4.96%	-9.90%	-4.57%	-9.90%	-5.04%	-9.70%	4.51%	4.65%	-8.12%	-15.42%

Source: MCIS Insurance Berhad

AsiaPac Fund Monthly Report (January 2019)

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.

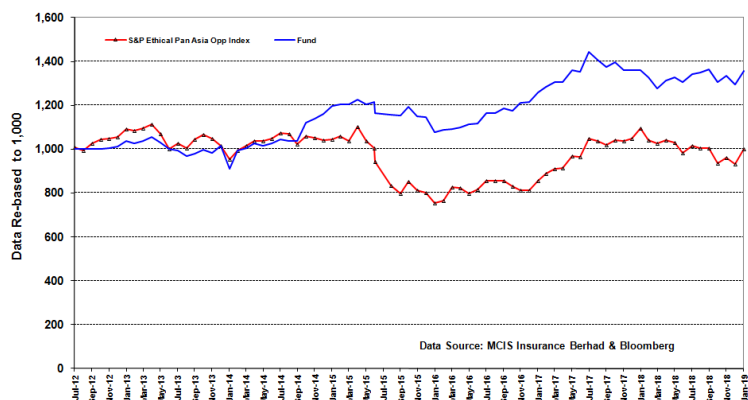
The following factors can potentially affect the value of the Fund; economic and political developments in related countries, foreign exchange fluctuation, illiquid and inefficient securities in the Emerging Markets, and the financial performance of the underlying companies.

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 January 2019, the fund had underperformed the benchmark by 286bps MoM (month on month). This was mainly due to strengthening of ringgit during the period. However for since inception period, the fund had outperformed the benchmark.

AsiaPac Fund Performance Since Inception



Top Ten Holdings

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

Fund Information

NAV (31.01.19)	RM0.6785
Fund Size	RM48.41 million
Inception Date	15-July-2012
Fund Management Fee	0.85% p.a.
Pricing	Daily
Price Quote	Major Newspaper, or http://www.mcis.my
Fund Manager	MCIS Insurance Berhad
Exceptional Circumstances	Refer to your Policy Document

Asset Allocation Ranges

Asset Class	Min	Max	Current Actual
ETF	80%	100%	82%
Cash	0%	20%	18%

Performance Table

Period	Fund	Index*
1 month (%)	4.87%	7.73%
3 months (%)	3.94%	7.17%
6 months (%)	0.58%	-1.48%
12 months (%)	2.15%	-8.45%
2 years (% pa)	5.62%	16.90%
3 years (% pa)	7.66%	9.89%
5 years (% pa)	6.40%	0.99%
Since Inception	4.75%	0.04%

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 (January 2019)

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

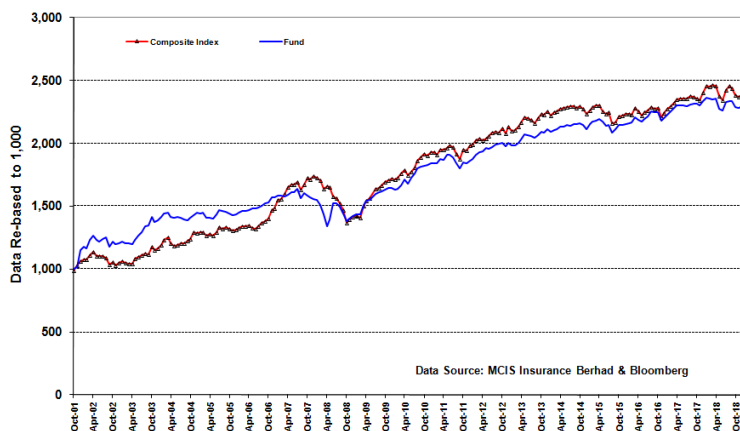
The Fund is considered medium risk given the mixed exposure of equity securities, fixed income and cash. The following factors can potentially affect the value of the Fund; consumer sentiment, financial performance of the underlying companies, industry and economy development, social and political factors, 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 January 2019, the fund had outperformed the benchmark by 66bps MoM (month on month). The outperformance was mainly driven by higher exposure of outperforming securities in the portfolio compared to benchmark.

Balanced Fund Performance Since Inception



Top Ten Holdings

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

Fund Information

NAV (31.01.19)	RM1.1583
Fund Size	RM7.75 million
Inception Date	15-Oct-01
Fund Management Fee	1.25% p.a.
Pricing	Daily
Price Quote	Major Newspaper, or http://www.mcis.my
Fund Manager	MCIS Insurance Berhad
Exceptional Circumstances	Refer to your Policy Document

Asset Allocation Ranges

Asset Class	Min	Max	Current Actual
Malaysian Equity	40%	60%	45%
Fixed Income	40%	60%	52%
Cash	0%	20%	3%

Performance Table

Period	Fund	Index*
1 month (%)	0.86%	0.20%
3 months (%)	1.20%	0.16%
6 months (%)	-0.41%	-1.43%
12 months (%)	-2.04%	-2.76%
2 years (% pa)	1.92%	2.52%
3 years (% pa)	1.92%	2.20%
5 years (% pa)	2.06%	1.47%
Since Inception	4.97%	5.15%

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 (January 2019)

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

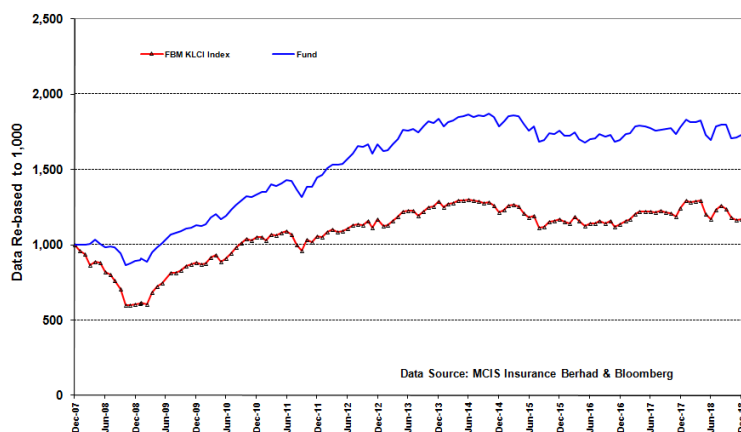
The Fund is considered high risk given the exposure to equity securities. The following factors can potentially affect the value of the Fund; consumer sentiment, financial performance of the underlying companies, the performance of the industry and economy, and the share market in general, social and 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 January 2019, the fund had outperformed the benchmark by 85bps MoM (month on month). The outperformance was mainly driven by higher exposure of outperforming securities in the portfolio compared to benchmark.

Dividend Fund Performance Since Inception



Top Ten Holdings

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

Fund Information

NAV (31.01.19)	RM0.8267
Fund Size	RM31.8 million
Inception Date	21-Jan-08
Fund Management Fee	1.5% p.a.
Pricing	Daily
Price Quote	Major Newspaper, or http://www.mcis.my
Fund Manager	MCIS Insurance Berhad
Exceptional Circumstances	Refer to your Policy Document

Asset Allocation Ranges

Asset Class	Min	Max	Current Actual
Malaysian Equity	80%	100%	97%
Cash	0%	20%	3%

Performance Table

Period	Fund	Index*
1 month (%)	0.43%	-0.42%
3 months (%)	2.00%	-1.51%
6 months (%)	-2.59%	-5.64%
12 months (%)	-4.96%	-9.90%
2 years (% pa)	0.15%	0.36%
3 years (% pa)	0.29%	0.31%
5 years (% pa)	-0.52%	-1.37%
Since Inception	5.13%	1.39%
Yield #	3.55%	3.38%

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 (January 2019)

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

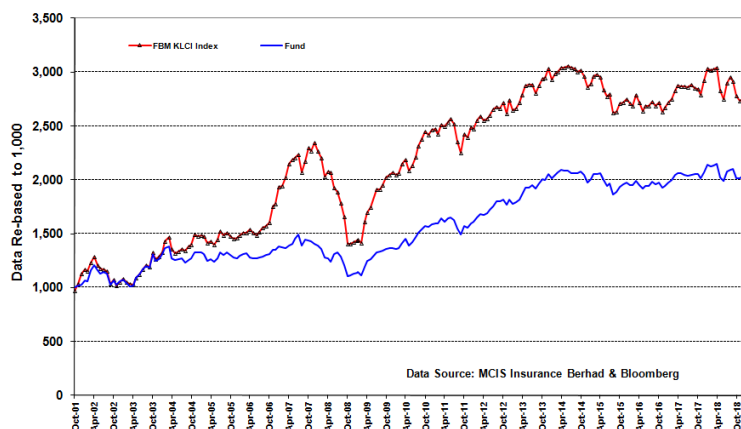
The Fund is considered high risk given the exposure to equity securities. The following factors can potentially affect the value of the Fund; consumer sentiment, financial performance of the underlying companies, the performance of the industry and economy, and the share market in general, social and 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 January 2019, the fund had outperformed the benchmark by 65bps MoM (month on month). The outperformance was mainly driven by higher exposure of outperforming securities in the portfolio compared to benchmark.

Equity Fund Performance Since Inception



Top Ten Holdings

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

Fund Information

NAV (31.01.19)	RM1.0201
Fund Size	RM9.58 million
Inception Date	15-Oct-01
Fund Management Fee	1.40% p.a.
Pricing	Daily
Price Quote	Major Newspaper, or http://www.mcis.my
Fund Manager	MCIS Insurance Berhad
Exceptional Circumstances	Refer to your Policy Document

Asset Allocation Ranges

Asset Class	Min	Max	Current Actual
Malaysian Equity	80%	100%	95%
Cash	0%	20%	5%

Performance Table

Period	Fund	Index*
1 month (%)	0.23%	-0.42%
3 months (%)	1.19%	-1.51%
6 months (%)	-1.90%	-5.64%
12 months (%)	-4.57%	-9.90%
2 years (% pa)	1.65%	0.36%
3 years (% pa)	1.52%	0.31%
5 years (% pa)	0.27%	-1.37%
Since Inception	4.20%	1.39%
Yield #	3.55%	3.38%

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 (January 2019)

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.

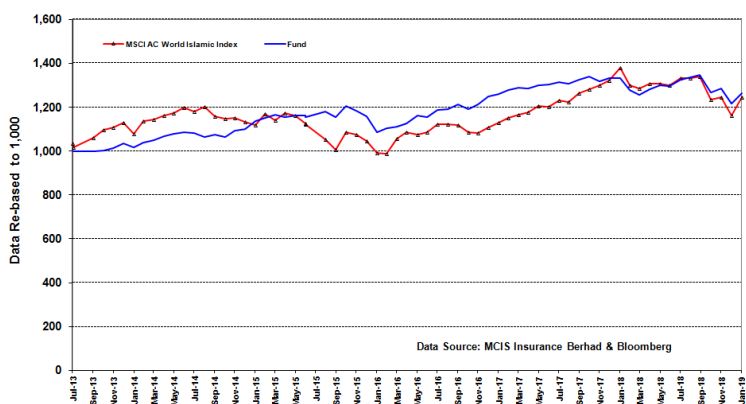
The following factors can potentially affect the value of the Fund; economic and political developments in related countries, foreign exchange fluctuation, illiquid and inefficient securities in the Emerging Markets, and the financial performance of the underlying companies.

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 January 2019, the fund had underperformed the benchmark by 341bps MoM (month on month). The underperformance was mainly due to underperforming of the underlying securities compared to the benchmark index.

Global Yakin Fund Performance Since Inception



Top Ten Holdings

Aberdeen Standard Islamic World Equity Fund (ASIWEF)

Fund Information

NAV (31.01.19)	RM0.6325
Fund Size	RM38.19 million
Inception Date	8-July-2013
Fund Management Fee	0.85% p.a.
Pricing	Daily
Price Quote	Major Newspaper, or http://www.mcis.my
Fund Manager	MCIS Insurance Berhad
Exceptional Circumstances	Refer to your Policy Document

Asset Allocation Ranges

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

Performance Table

Period	Fund	Index*
1 month (%)	3.82%	7.23%
3 months (%)	-0.08%	1.09%
6 months (%)	-4.64%	-6.55%
12 months (%)	-5.04%	-9.70%
2 years (% pa)	0.16%	5.10%
3 years (% pa)	5.20%	7.97%
5 years (% pa)	4.46%	3.65%
Since Inception	4.30%	4.03%

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 (January 2019)

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.

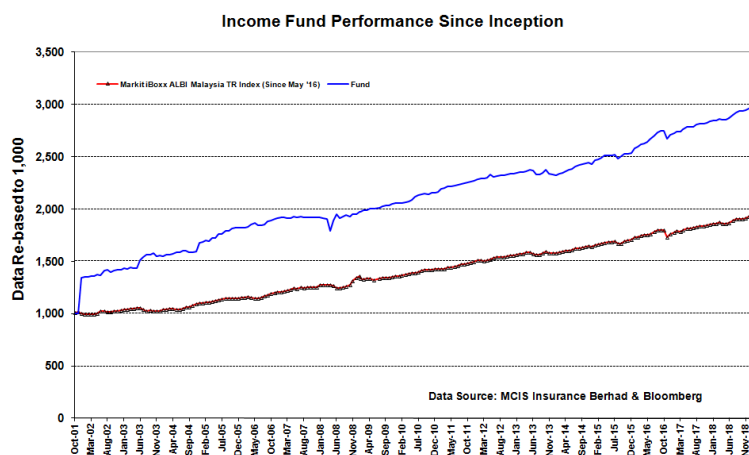
Risks

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 January 2019, the fund had underperformed the benchmark by 32bps MoM (month on month). The underperformance was due to underperforming of the fixed income securities compared to the benchmark index.



Top Ten Holdings

Malaysian Government Securities
 Northern Gateway Infrastructure Sdn Bhd
 UiTM Solar Power Sdn Berhad
 SAJ Capital Sdn Bhd
 Malaysia Steel Works (KL) Berhad
 YTL Corporation Berhad
 Sabah Development Bank Berhad
 CIMB Bank Berhad
 Quantum Solar Park Malaysia Sdn Bhd
 Asian Finance Bank Berhad

Fund Information

NAV (31.01.19)	RM1.4864
Fund Size	RM29.76 million
Inception Date	15-Oct-01
Fund Management Fee	0.5% p.a.
Pricing	Daily
Price Quote	Major Newspaper, or http://www.mcis.my
Fund Manager	MCIS Insurance Berhad
Exceptional Circumstances	Refer to your Policy Document

Asset Allocation Ranges

Asset Class	Min	Max	Current Actual
Fixed Income	75%	100%	94%
Cash	0%	25%	6%

Performance Table

Period	Fund	Index*
1 month (%)	0.49%	0.81%
3 months (%)	1.07%	1.85%
6 months (%)	2.57%	2.88%
12 months (%)	4.51%	4.65%
2 years (% pa)	4.41%	4.52%
3 years (% pa)	4.79%	3.96%
5 years (% pa)	5.04%	4.25%
Since Inception	6.49%	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.

* 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 (January 2019)

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

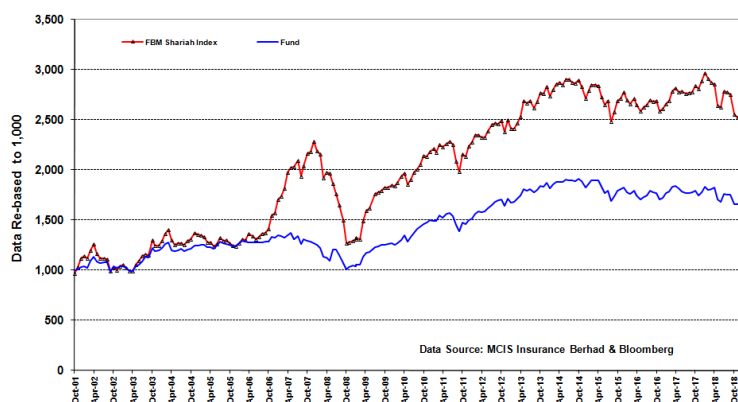
The Fund is considered high risk given the exposure to equity securities. The following factors can potentially affect the value of the Fund; consumer sentiment, financial performance of the underlying companies, the performance of the industry and economy, and the share market in general, social and 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 January 2019, the fund had underperformed the benchmark by 35bps 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
 Petronas Gas Berhad
 Perlis Plantation Berhad
 Sime Darby Plantation Berhad
 Axiata Group Berhad
 Maxis Berhad
 IOI Corporation Berhad
 Kuala Lumpur Kepong Berhad
 Sime Darby Berhad

Fund Information

NAV (31.01.19)	RM0.8410
Fund Size	RM13.19 million
Inception Date	15-Oct-01
Fund Management Fee	1.35% p.a.
Pricing	Daily
Price Quote	Major Newspaper, or http://www.mcis.my
Fund Manager	MCIS Insurance Berhad
Exceptional Circumstances	Refer to your Policy Document

Asset Allocation Ranges

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

Performance Table

Period	Fund	Index*
1 month (%)	0.07%	0.42%
3 months (%)	1.58%	-1.86%
6 months (%)	-4.46%	-9.82%
12 months (%)	-8.12%	-15.42%
2 years (% pa)	-2.50%	-2.80%
3 years (% pa)	-1.77%	-2.39%
5 years (% pa)	-1.58%	-1.73%
Since Inception	3.05%	5.45%
Yield #	2.87 %	3.02%

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 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

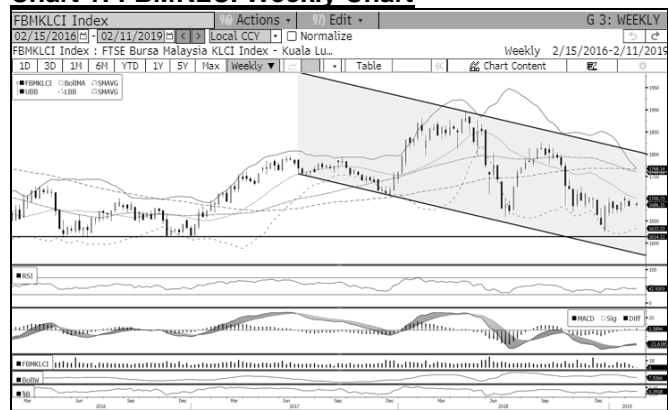
Market Review

FBMKLCI Index closed lower by end of the first month of 2019, marginally by -0.4% m-o-m to 1,684 level. It was in line with average historical monthly negative return over the past 10 years. The lower benchmark return was due to profit-taking activities and concern over weaker-than-expected corporate earnings and slower-than-expected global growth. FBMEMAS on the other hand, gained 1.2% during the same period under review. The average daily value traded on Bursa Malaysia in January rose 20.1% m-o-m to RM2.08billion as trading activities improved at the start of the year as fund managers readjust their portfolios.

On the local economic front, Malaysia's export growth tracked higher at 4.8% y-o-y in December, rebounding from a weak +1.6% in November and after recording +17.7% in October. This came in above the *Bloomberg* estimate of +1.3%. A sharp rebound was recorded by the electrical & electronics (E&E) sector while commodity and non-E&E shipments slipped into decline. In contrast, import growth slowed markedly to 1% y-o-y in December, from +4.7% in the previous month and +11.4% in October, as imports of capital goods suffered a larger decline. This was mitigated, however, by stronger imports of intermediate and consumption goods. As a result, December's trade surplus widened to RM10.4billion, from RM7.8billion in the previous month.

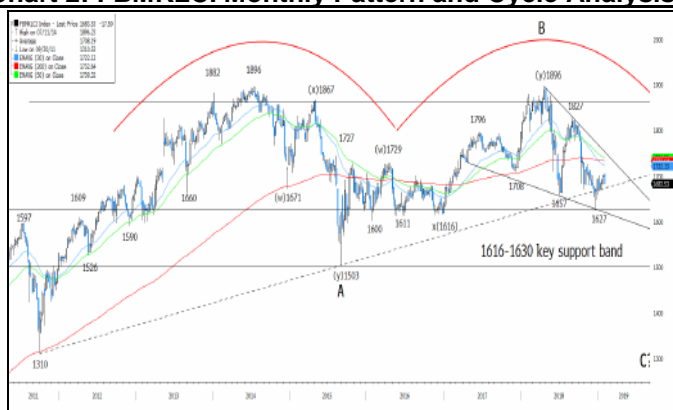
Globally, we've seen the sharp recovery in equity market. The Dow Jones Industrial Average (DJIA) rose 7.2% mom, represents the best monthly gains posted by DJIA since Oct 2015. The gain was driven mainly by renewed confidence that the US economy will remain strong, following signs of strength in the labour market. The Fed's statement on 29 Jan that interest rate increases are on hold helped to ease investors' worries that higher rates would increase borrowing costs and curtail corporate profits.

Chart 1: FBMKLCI Weekly Chart



Source: Bloomberg

Chart 2: FBMKLCI Monthly Pattern and Cycle Analysis



Source: CIMB Research

Market Outlook & Strategy

Technically, FBMKLCI index is currently in its based building phase after a recent recovery from December 2018 low. Weekly indicators are positive with confirmed golden cross signal on weekly MACD to support further recovery in the medium term. Immediate support at around 1,650 level. Meanwhile, resistance is seen at 1,730 level. On the long term however, there are the forming of the head & shoulders pattern with prices slowly edging towards the downward sloping neckline support at 1,610-1,625. A break below the neckline will be very negative for the market. Cycle-wise, most of the longer term cycles are still on a downtrend, which could continue to put pressure on the local market.

Based on historical data, the performance of the FBMKLCI in February has been positive, registering average m-o-m gain of 0.7% over the past 10 years and 2.3% over a 40-year period.

For the year 2019, we are cautious on the equity market outlook. Corporate earnings outlook is still weak and interest rate hikes expectation in the US may see more funds flow out from the country. We expect the global geopolitical tension on trade war will continue to dampen the sentiment. We would look for bottom-fishing opportunities to accumulate quality stocks at lower levels.

Fixed Income Review and Outlook

Market Review

Malaysia Government Securities (“MGS”) rallied across the curve in January as global market’s sentiment improved following the dovish tone by the US Fed to potentially reduce the rate hikes to 2 times from 3 times this year. As a result, ringgit strengthened against US Dollar to RM4.0940/USD compared to RM4.1320/USD in early of the month. A new political crisis in Venezuela was seen escalating in the month, thus pushing Brent crude oil prices higher to USD61.89/barrel from USD53.80/barrel a month earlier.

On local economic data, Malaysia’s CPI ended at +0.2% in Dec’18 (Nov’18: +0.2%), making the 2018 full year CPI at +1.0%. This is the seventh month the inflation for Malaysia remained below 1.0%. Despite of the implementation of SST effective 1st September 2018, food and beverages, and transportation cost continued to ease. In 2019, the inflation is expected to remain low, but slowly trading higher resulting from SST broadening to include more products, sugar tax, air travel departure tax, increase in utility cost, hikes in minimum wages and fluctuation of fuel cost amid low global crude oil prices.

External reserve increased to USD101.7bn in mid Jan’19 (mid-Dec’18: USD101.4bn) as foreign investors returned to emerging markets on the back of improved global market sentiment. The reserve is sufficient to cover 7.3 months of retained import and 1.0 times short term external debt, and is above the IMF’s estimate of adequate reserve level of USD93.5bn.

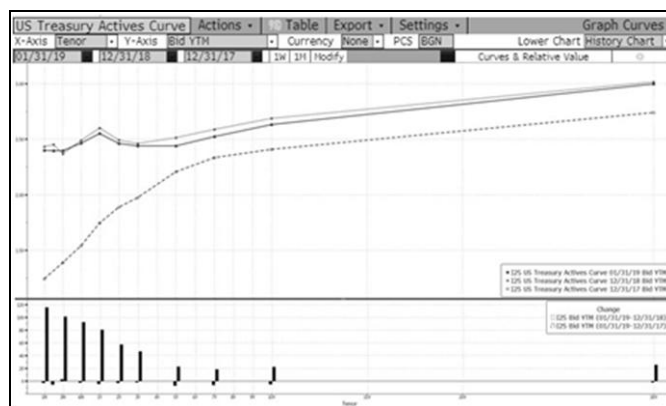
The Government bond auctions unveiled in January 2019 are as follows;

Issue	Issue Date	Amount (RM million)	Bid-cover (times)	Avg Yield (%)
10Year New Issuance of GII (Mat 07/29)	9/1/2019	5,000.00	4.07	4.11
7Year New Issuance of MGS (Mat 07/26)	15/1/2019	4,000.00	2.22	3.91
5Year Re-Issuance of GII (Mat 11/23)	31/1/2019	4,000.00	1.97	3.86

Source: Bank Negara Malaysia



Source: Bloomberg



Source: Bloomberg

The 10-year US Treasury (“UST”) yield dipped to 2.55% in January prior to the end of longest US government shutdown of 35 days and global market uncertainties. The US Fed has also toned down their hawkish stance and has reduced their projection of overnight rate hikes from 3 to 2 times in 2019.

Market Outlook & Strategy

Following the low inflation and slow economic growth prospect, BNM is likely to maintain a neutral monetary policy until the end of 2019 despite the major central banks are still showing signal towards policy tightening. The external risk factors such as geopolitical tension in the Middle-East, 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.