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# Investment Link Fund Performance Report March 2020

## **General Advice Warning**

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## **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

Month of March 2020 was another negative month for the Bursa Malaysia. The FBMKLCI Index fell by 8.9% m-o-m to end the month at 1,350.89 points, lowest monthly closing since June 2010. On 18<sup>th</sup> March, to contain the COVID-19 outbreak, the Malaysian government has started Movement Control Order (MCO) which has negatively impacted the domestic economic activities. The local benchmark index however, had outperformed the FBM EMAS Index, which fell at a higher rate of -11.82% m-o-m and closed at 9,239.81 points.

Meanwhile, on the fixed income market, Malaysia Government Securities (“MGS”) experienced strong selling pressure, driven by crude oil price crash and the pandemic COVID-19 outbreak. Investor sentiment turned into risk-off mode, triggering capital flight to safe heaven countries. In line with the capital outflow, Ringgit weakened to a 3-year low at MYR4.4047/USD before closing the month at 4.3370/USD, compared to a month earlier at MYR4.2150. Brent crude oil prices saw a massive drop to USD22.74/barrel compared to USD50.52/barrel a month earlier, as a result of price war after a dialogue for oil production cuts between OPEC and Russia failed.

On the economic front, lower transport cost has eased the Malaysia’s inflation rate to +1.3% YoY (Jan’20: +1.6% YoY) in Feb’20. Malaysia’s exports and imports rebounded in Feb’20 to +11.8% YoY (Jan’20: -1.5% YoY) and +11.3% YoY (Jan’20: -2.4% YoY) respectively.

Moving forward, we continue to remain cautious on the equity market. Given rising concerns over the outbreak of COVID-19 in Malaysia and globally, we expect the FBMKLCI to remain volatile. The effects will soon turn into weak corporate earnings in the next quarters. We will weight on the defensive stocks amid uncertainty.

For fixed income, following the OPR cut by 50bps and SRR cut by 100bps in 1Q2020, 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 geopolitical tension in the Middle-East and 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 outperformed 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 (%)	-6.75%	-17.84%	-4.76%	-6.12%	-5.52%	-8.89%	-5.60%	-8.89%	-7.35%	-12.27%	-3.49%	-3.35%	-4.45%	-9.14%	-13.00%	-8.26%
3 Months (%)	-14.12%	-27.22%	-4.57%	-7.27%	-10.43%	-14.97%	-10.98%	-14.97%	-11.07%	-22.36%	-0.06%	0.88%	-9.12%	-15.42%	-9.82%	-14.21%
6 Months (%)	-13.89%	-25.95%	-4.07%	-6.84%	-10.03%	-14.71%	-10.40%	-14.71%	-5.99%	-15.70%	0.97%	1.49%	-8.20%	-14.13%	-9.93%	-5.61%
12 Months (%)	-13.44%	-29.13%	-1.70%	-6.19%	-11.77%	-17.81%	-12.26%	-17.81%	-1.64%	-16.48%	6.57%	6.72%	-7.95%	-13.54%	n/a	n/a

Source: MCI S Insurance Berhad

# AsiaPac Fund Monthly Report (March 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.

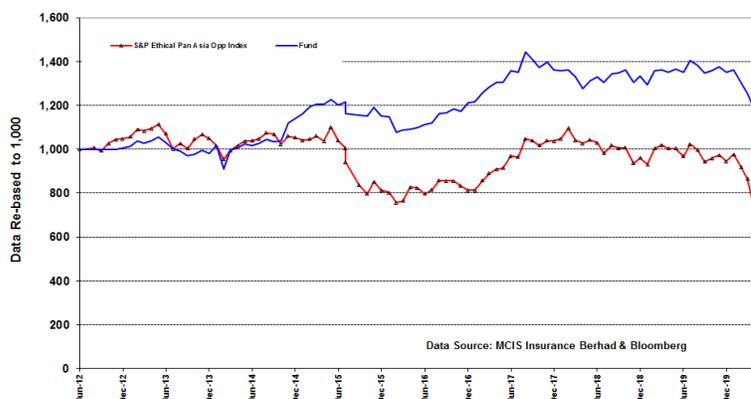
The following factors can potentially affect the value of the Fund; economic and political developments in related countries, foreign exchange fluctuation, illiquid and inefficient securities in the Emerging Markets, and the financial performance of the underlying companies.

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 March 2020, the fund had outperformed the benchmark by 1109bps MoM (month on month). The fund also 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 (31.03.20)	RM0.5846
Fund Size	RM45.18 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 (MCIS Life)
Exceptional Circumstances	Refer to your Policy Document

## Asset Allocation Ranges

Asset Class	Min	Max	Current Actual
ETF	80%	100%	79.7%
Cash	0%	20%	20.3%

## Performance Table

Period	Fund	Index*
1 month (%)	-6.75%	-17.84%
3 months (%)	-14.12%	-27.22%
6 months (%)	-13.89%	-25.95%
12 months (%)	-13.44%	-29.13%
2 years (% pa)	-4.31%	-16.76%
3 years (% pa)	-3.63%	-7.90%
5 years (% pa)	-0.58%	-7.27%
Since Inception (% pa)	2.04%	-4.31%

**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 (March 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

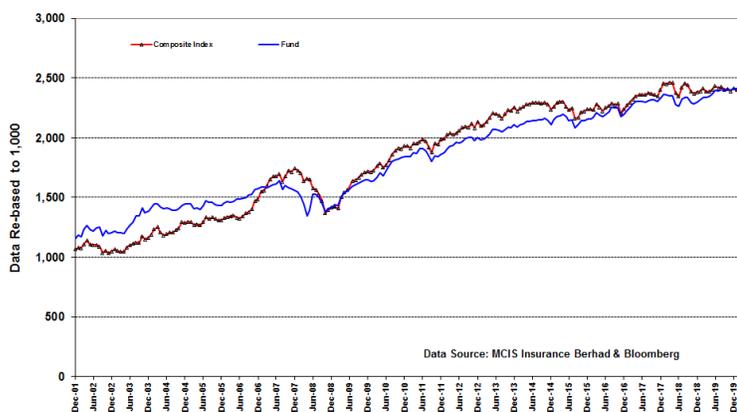
The Fund is considered medium risk given the mixed exposure of equity securities, fixed income and cash. The following factors can potentially affect the value of the Fund; consumer sentiment, financial performance of the underlying companies, industry and economy development, social and political factors, 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 March 2020, the fund had outperformed the benchmark by 136bps 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

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

### Fund Information

NAV (31.03.20)	RM1.1494
Fund Size	RM7.77 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 (MCIS Life)
Exceptional Circumstances	Refer to your Policy Document

### Asset Allocation Ranges

Asset Class	Min	Max	Current Actual
Malaysian Equity	40%	60%	38%
Fixed Income	40%	60%	50%
Cash	0%	20%	12%

### Performance Table

Period	Fund	Index*
1 month (%)	-4.76%	-6.12%
3 months (%)	-4.57%	-7.27%
6 months (%)	-4.07%	-6.84%
12 months (%)	-1.70%	-6.19%
2 years (% pa)	-1.05%	-4.67%
3 years (% pa)	0.26%	-1.24%
5 years (% pa)	1.05%	-0.57%
Since Inception (% pa)	4.60%	4.45%

**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 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 (March 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

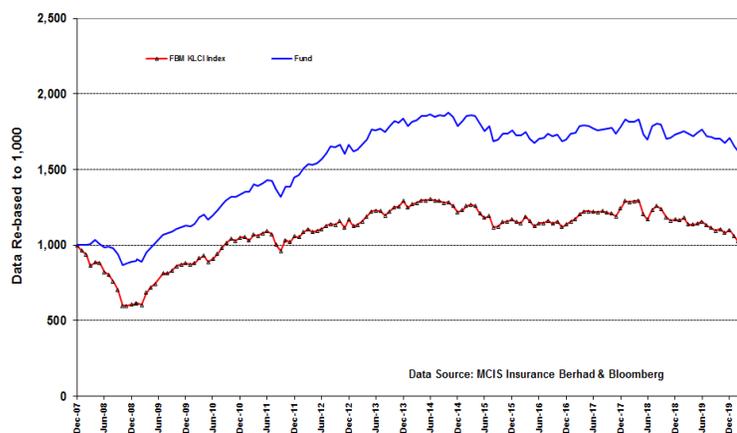
The Fund is considered high risk given the exposure to equity securities. The following factors can potentially affect the value of the Fund; consumer sentiment, financial performance of the underlying companies, the performance of the industry and economy, and the share market in general, social and 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 March 2020, the fund had outperformed the benchmark by 337bps 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  
Maxis Berhad  
DiGi.Com Berhad  
Tenaga Nasional Berhad  
Petronas Chemicals Group Berhad  
Public Bank Berhad  
IOI Corporation Berhad  
Sime Darby Plantation Berhad  
Malayan Banking Berhad  
Petronas Dagangan Berhad

### Fund Information

NAV (31.03.20)	RM0.7280
Fund Size	RM27.07 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 (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 (%)	-5.52%	-8.89%
3 months (%)	-10.43%	-14.97%
6 months (%)	-10.03%	-14.71%
12 months (%)	-11.77%	-17.81%
2 years (% pa)	-8.14%	-14.86%
3 years (% pa)	-5.02%	-8.09%
5 years (% pa)	-3.78%	-5.90%
Since Inception (% pa)	3.55%	-0.55%
Yield #	3.76%	4.63%

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\* 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 (March 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

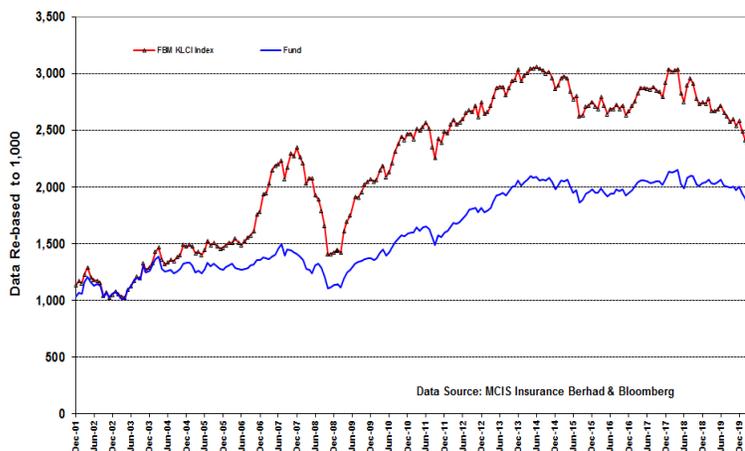
The Fund is considered high risk given the exposure to equity securities. The following factors can potentially affect the value of the Fund; consumer sentiment, financial performance of the underlying companies, the performance of the industry and economy, and the share market in general, social and 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 March 2020, the fund had outperformed the benchmark by 329bps 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

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

### Fund Information

NAV (31.03.20)	RM0.8924
Fund Size	RM8.32 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 (MCIS Life)
Exceptional Circumstances	Refer to your Policy Document

### Asset Allocation Ranges

Asset Class	Min	Max	Current Actual
Malaysian Equity	80%	100%	88%
Cash	0%	20%	12%

### Performance Table

Period	Fund	Index*
1 month (%)	-5.60%	-8.89%
3 months (%)	-10.98%	-14.97%
6 months (%)	-10.40%	-14.71%
12 months (%)	-12.26%	-17.81%
2 years (% pa)	-8.53%	-14.86%
3 years (% pa)	-4.43%	-8.09%
5 years (% pa)	-2.75%	-5.90%
Since Inception (% pa)	3.18%	4.34%
Yield #	3.62%	4.63%

**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 (March 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.

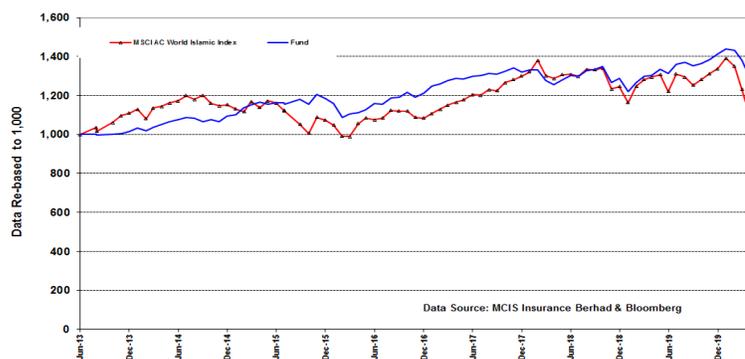
The following factors can potentially affect the value of the Fund; economic and political developments in related countries, foreign exchange fluctuation, illiquid and inefficient securities in the Emerging Markets, and the financial performance of the underlying companies.

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 March 2020, the fund had outperformed the benchmark by 492bps 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 Standard Islamic World Equity Fund (ASIWEF)

### Fund Information

NAV (31.03.20)	RM0.6402
Fund Size	RM46.77 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 (MCIS Life)
Exceptional Circumstances	Refer to your Policy Document

### Asset Allocation Ranges

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

### Performance Table

Period	Fund	Index*
1 month (%)	-7.35%	-12.27%
3 months (%)	-11.07%	-22.36%
6 months (%)	-5.99%	-15.70%
12 months (%)	-1.64%	-16.48%
2 years (% pa)	0.95%	-8.39%
3 years (% pa)	-0.21%	-2.48%
5 years (% pa)	1.89%	-1.31%
Since Inception (% pa)	3.73%	1.15%

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

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\* 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 (March 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.

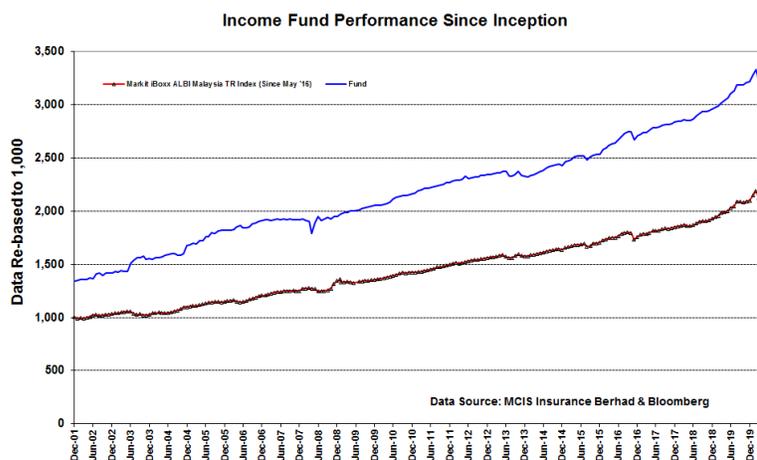
### Risks

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 March 2020, the fund had underperformed the benchmark by 14bps MoM (month on month). The underperformance was due to underperforming of the fixed income securities compared to the benchmark index.



### Top Ten Holdings

Sabah Development Bank Berhad  
 Telekom Hydro One Sdn Bhd  
 Edra Solar 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  
 CIMB Bank Berhad

### Fund Information

NAV (31.03.20)	RM1.6084
Fund Size	RM35.05 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 (MCIS Life)
Exceptional Circumstances	Refer to your Policy Document

### Asset Allocation Ranges

Asset Class	Min	Max	Current Actual
Fixed Income	75%	100%	82%
Cash	0%	25%	18%

### Performance Table

Period	Fund	Index*
1 month (%)	-3.49%	-3.35%
3 months (%)	-0.06%	0.88%
6 months (%)	0.97%	1.49%
12 months (%)	6.57%	6.72%
2 years (% pa)	5.96%	6.37%
3 years (% pa)	5.49%	5.86%
5 years (% pa)	5.23%	4.84%
Since Inception (% pa)	6.52%	4.14%

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

The Fund returns are calculated by MCIS 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 (March 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

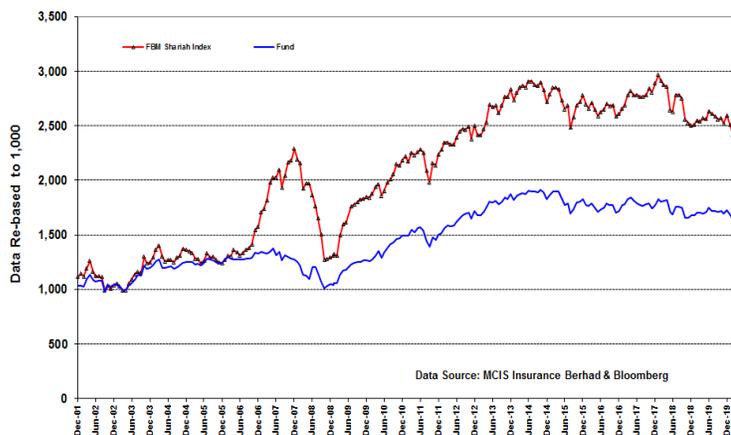
The Fund is considered high risk given the exposure to equity securities. The following factors can potentially affect the value of the Fund; consumer sentiment, financial performance of the underlying companies, the performance of the industry and economy, and the share market in general, social and 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 March 2020, the fund had outperformed the benchmark by 469bps MoM (month on month). The outperformance was mainly driven by higher exposure of outperforming securities in the portfolio compared to benchmark.

Jati Fund Performance Since Inception



### Top Ten Holdings

Tenaga Nasional Berhad  
 Telekom Malaysia Berhad  
 Sime Darby Plantation Berhad  
 Perlis Plantation Berhad  
 Petronas Gas Berhad  
 MISC Berhad  
 Maxis Berhad  
 Axiata Group Berhad  
 Petronas Chemicals Group Berhad  
 IHH Healthcare Berhad

### Fund Information

NAV (31.03.20)	RM0.7844
Fund Size	RM14.25 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 (MCIS Life)
Exceptional Circumstances	Refer to your Policy Document

### Asset Allocation Ranges

Asset Class	Min	Max	Current Actual
Malaysian Equity	80%	100%	75%
Cash	0%	20%	25%

### Performance Table

Period	Fund	Index*
1 month (%)	-4.45%	-9.14%
3 months (%)	-9.12%	-15.42%
6 months (%)	-8.20%	-14.13%
12 months (%)	-7.95%	-13.54%
2 years (% pa)	-6.89%	-12.61%
3 years (% pa)	-5.01%	-7.61%
5 years (% pa)	-3.74%	-5.09%
Since Inception (% pa)	2.46%	4.34%
Yield #	2.43%	4.12%

**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 (March 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.

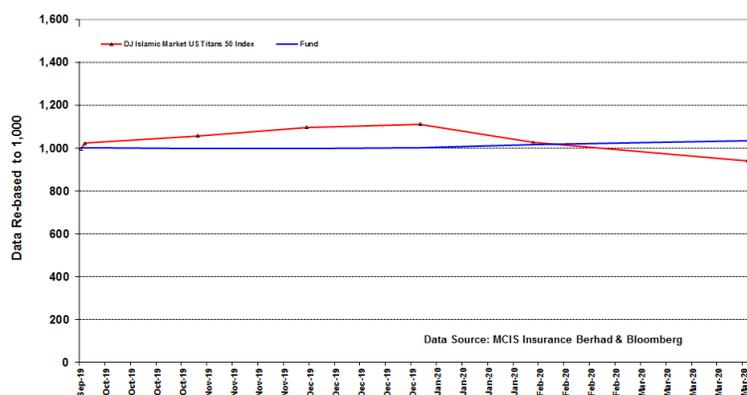
The following factors can potentially affect the value of the Fund; economic and political developments in related countries, foreign exchange fluctuation, illiquid and inefficient securities in the Emerging Markets, and the financial performance of the underlying companies.

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 March 2020, the fund had underperformed the benchmark by 474bps MoM (month on month).

Titan Fund Performance Since Inception



### Top Ten Holdings

MyETFDJ50

### Fund Information

NAV (31.03.20)	RM0.4502
Fund Size	RM3.4 million
Inception Date	17-Sept-2019
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 (MCIS Life)
Exceptional Circumstances	Refer to your Policy Document

### Asset Allocation Ranges

Asset Class	Min	Max	Current Actual
MyETFDJ50	80%	100%	70%
Cash	0%	20%	30%

### Performance Table

Period	Fund	Index*
1 month (%)	-13.00%	-8.26%
3 months (%)	-9.82%	-14.21%
6 months (%)	-9.93%	-5.61%
12 months (%)	-	-
2 years (% pa)	-	-
3 years (% pa)	-	-
5 years (% pa)	-	-
Since Inception (% pa)	-16.46%	-10.02%

**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.

\* 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

Month of March 2020 was another negative month for Bursa Malaysia. The FBMKLCI Index fell lower by 8.9% m-o-m to close at 1,350.89 points, its lowest monthly closing since June 2010. On 18<sup>th</sup> March, to contain the COVID-19 outbreak, the Malaysian government has started Movement Control Order (MCO), which has negatively impacted the domestic economic activities. We also saw the collapse in crude oil price and fears of a looming global recession not only for Malaysia, but also around the world. The local benchmark index however, had outperformed the FBM EMAS Index, which fell at a higher rate of -11.82% m-o-m and closed at 9,239.81 points.

The average daily value traded on the Malaysian equity market improved 13% m-o-m and 20% y-o-y to RM2.97 billions during the month. The monthly increase in trading value could be partly due to higher trading participation by foreign investors, which offloaded some of their position in line with the sell-off in global markets, concerns over the weaker ringgit and negative earnings impact from the Movement Control Order (MCO) from 18 March to 14 April 2020. During the month, foreign investors sold RM5.5bn worth of Malaysian equities (highest monthly net outflow since May 2018's net outflow of RM5.6bn).

The global equity performances, which were also affected by the COVID-19 fears, sent the stocks into further correction territory in March. In the US, Dow Jones and S&P 500 lost -13.7% and -12.5% to close at 21,917.16 points and 2,584.59 points respectively. Meanwhile, Bloomberg European 500 index closed lower by -15.0% on monthly basis and MSCI Asia APEX 50 ex-Japan closed lower by -8.7% m-o-m. Brent crude oil price closed at USD22.74 per barrel, lower by 55% m-o-m, as Covid-19 slashed demand.

**Chart 1: FBMKLCI Weekly Chart**



Source: CIMB Research/Bloomberg

**Chart 2: FBMKLCI Monthly Chart**



Source: MCIS/Bloomberg

## Market Outlook & Strategy

Technically, the FBMKLCI sell-down is likely part of the extension of the 10.5-year cycle. The weak close at the end of February also saw the benchmark confirmed that the index followed a double-top pattern. Even at this moment, the index is faced with strong resistance at the 1,348-1,350 levels. The next possible support level to be tested is likely at 1,150-1,165. Based on historical data, we observe that the FBMKLCI's performance tended to be positive in April, with an average monthly gain of 0.2% over the past 10 years. However, it is uncertain if this trend can prevail in view of the MCO and uncertainties in the global equity sentiment.

Moving forward, we continue to remain cautious on the equity market. Given rising concerns over the outbreak of COVID-19 in Malaysia and globally, we expect the FBMKLCI to remain volatile. The effects will soon turn into weak corporate earnings in the next quarters. We will weight on the defensive stocks amid uncertainty.

# Fixed Income Review and Outlook

## Market Review

Malaysia Government Securities (“MGS”) experienced strong selling pressure, driven by crude oil price crash and the pandemic COVID-19 outbreak. Investor sentiment turned into risk-off mode, triggering capital flight to safe heaven countries. In line with the capital outflow, Ringgit weakened to a 3-year low at MYR4.4047/USD before closing the month at 4.3370/USD, compared to a month earlier at MYR4.2150. Brent crude oil prices saw a massive drop to USD22.74/barrel compared to USD50.52/barrel a month earlier, as a result of price war after a dialogue for oil production cuts between OPEC and Russia failed.

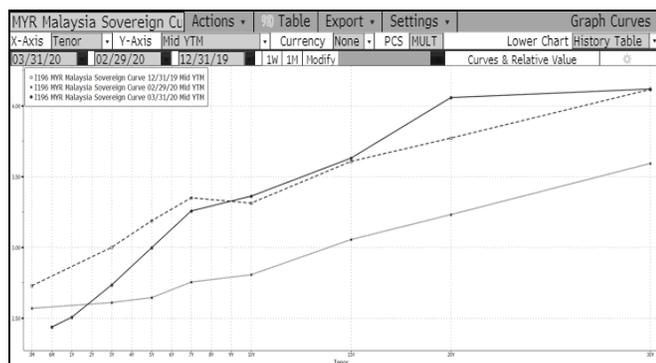
On the economic front, lower transport cost has eased the Malaysia’s inflation rate to +1.3% YoY (Jan’20: +1.6% YoY) in Feb’20. Malaysia’s exports and imports rebounded in Feb’20 to +11.8% YoY (Jan’20: -1.5% YoY) and +11.3% YoY (Jan’20: -2.4% YoY) respectively. Global manufacturing purchasing managers index (PMI) remained weak at 47.6 in Mar’20 (Feb’20: 47.1), despite the sharp rebound in China’s PMI (Mar’20: 51.1; Feb’20: 38.0).

External reserve fell further to USD101.7bil as at end-Mar’20 (end-Feb’20: USD103.4bil) on the back of portfolio capital outflows arising from global market risk-off sentiment and crude oil price crash. The reserve is sufficient to cover 7.7 months of retained imports and 1.1x short term external debt. The reserve is above the IMF’s adequate level of USD90.2 billion.

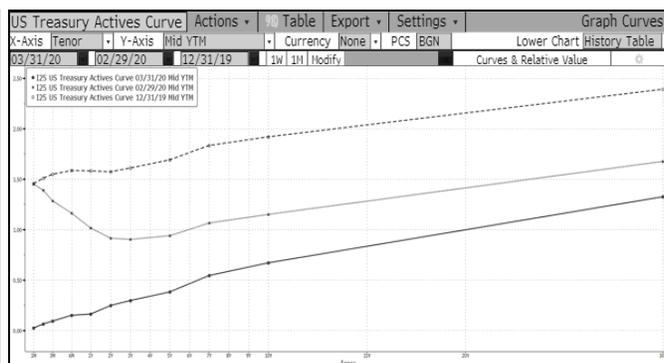
The auctions unveiled in March 2020 are as follows;

Government Auctions				
Issue	Issue Date	Amount	Bid-cover	Avg Yield
		(RM million)	(times)	(%)
15year Re-Issuance of MGS(Mat 07/34)	6/3/2020	4,000.00	2.25	3.03
20year Re-Issuance of GII(Mat 9/39)	13/3/2020	4,300.00	2.18	3.34
5year Re-Issuance of MGS(Mat 09/25)	23/3/2020	4,000.00	2.08	3.45
7year Re-Issuance of GII(Mat 09/27)	31/3/2020	4,500.00	2.87	3.42

Source: Bank Negara Malaysia



Source: Bloomberg



Source: Bloomberg

The 10-year US Treasury (“UST”) yield dived to historical low at 0.54% in Mar’20 (Feb’20: 1.15%) following an emergency US Fed rate cut by 50bps and another 100bps rate cut in the month. US economy is signalling a strong recession after COVID-19 pandemic is taken place in the country. The 10-year UST was last seen moderating back to 0.67% at the end of month.

## Market Outlook & Strategy

Following the OPR cut by 50bps and SRR cut by 100bps in 1Q2020, 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 geopolitical tension in the Middle-East and 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.