



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

### **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

It was third negative month in a row for the Malaysian market as FBMKLCI fell another 1.7% m-o-m to close at 1,679 in November. We believe the decline could be due to multiple factors including persistent foreign selling, weaker than expected corporate earnings and expectation of slower economic growth. Average daily value traded on Bursa Malaysia in November improved 3.4% m-o-m to RM2.23billion.

MGS was seen flattening in November. The ringgit moved weaker to 1-year high at RM4.20/USD due to the strengthening of US Dollar, but eased to RM4.184/USD by end of the month. Concerns on supply glut and geopolitical tension sent Brent crude oil price to 1-year low, ending the month at USD58.68/barrel.

On the local economic front, Malaysia's export growth surged to a strong 17.7% y-o-y in October (6.5% in September). This came in on the back of frontloading demand from China ahead of the anticipated US tariff hike to 25% from 10% on USD250billion worth of Chinese exports by 1 January 2019.

We maintain our cautious outlook on the local equity market. We expect the global geopolitical tension on trade war will continue after the 90-days of truce ends in March 2019. Locally, FBMKLCI Index semi-annual review has also announced recently which saw expected TM and surprisingly KLCC Property were out from the list. We will gradually reposition our portfolio holdings according to the new constituents. 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. 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.

Based on the performance table below, on monthly basis, most MCIS Investment-Linked Funds had outperformed their benchmarks return, except for Asiapac and Income Funds.

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 (%)	2.14%	2.60%	-0.31%	-0.70%	0.32%	-1.72%	-0.15%	-1.72%	1.67%	0.97%	0.03%	0.32%	0.02%	-1.18%
3 Months (%)	-2.11%	-4.65%	-2.23%	-3.57%	-4.97%	-7.68%	-3.99%	-7.68%	-3.57%	-6.47%	0.67%	0.65%	-5.61%	-9.16%
6 Months (%)	2.16%	-2.28%	0.25%	-0.27%	-1.13%	-3.49%	-0.55%	-3.49%	-1.06%	-4.86%	3.04%	2.91%	-3.07%	-4.46%
12 Months (%)	-1.94%	-8.42%	-0.97%	1.00%	-1.31%	-2.21%	-0.15%	-2.21%	-2.44%	-4.12%	4.29%	3.95%	-5.06%	-9.96%

Source: MCIS Insurance Berhad

# AsiaPac Fund Monthly Report (November 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.

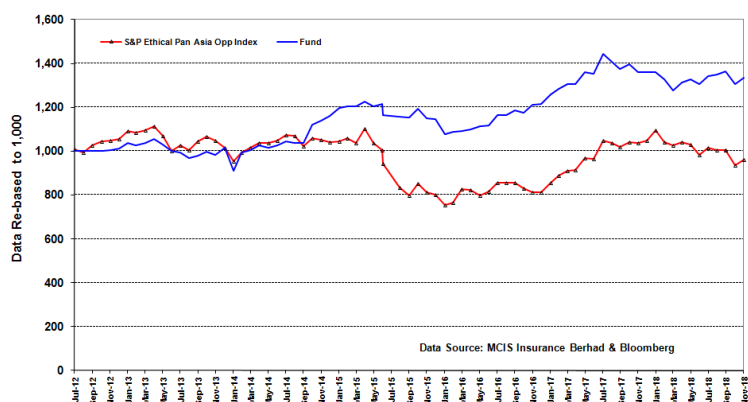
The following factors can potentially affect the value of the Fund; economic and political developments in related countries, foreign exchange fluctuation, illiquid and inefficient securities in the Emerging Markets, and the financial performance of the underlying companies.

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 November 2018, the fund had underperformed the benchmark by 46bps 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 (30.11.18)	RM0.6668
Fund Size	RM45.20 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%	86%
Cash	0%	20%	14%

## Performance Table

Period	Fund	Index*
1 month (%)	2.14%	2.60%
3 months (%)	-2.11%	-4.65%
6 months (%)	2.16%	-2.28%
12 months (%)	-1.94%	-8.42%
2 years (% pa)	9.82%	18.09%
3 years (% pa)	5.15%	6.13%
5 years (% pa)	5.60%	-1.14%
Since Inception	4.53%	-0.63%

**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 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 (November 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

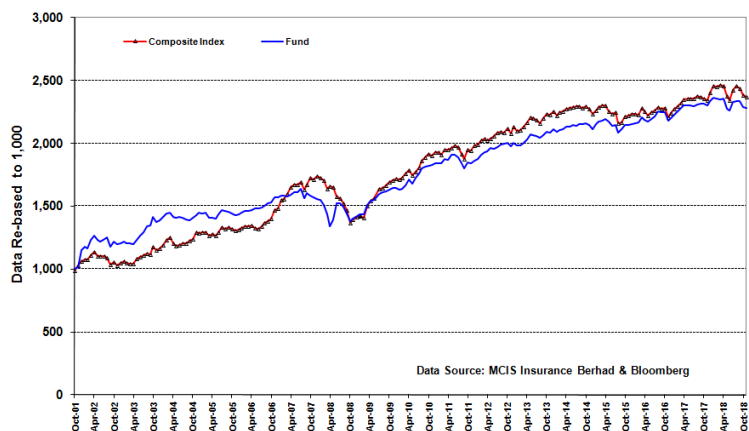
The Fund is considered medium risk given the mixed exposure of equity securities, fixed income and cash. The following factors can potentially affect the value of the Fund; consumer sentiment, financial performance of the underlying companies, industry and economy development, social and political factors, 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 November 2018, the fund had outperformed the benchmark by 39bps 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)  
Sabah Development Bank Berhad (Bond)  
Sabah Credit Corporation (Bond)  
Projek Lebuhraya Utara-Selatan (Bond)  
Tenaga Nasional Berhad (Equity)  
Malayan Banking Berhad (Equity)  
CIMB Bank Berhad (Equity)  
AmanahRaya Real Estate Investment Trust (Reits)

### Fund Information

NAV (30.11.18)	RM1.1410
Fund Size	RM7.67 million
Inception Date	15-Oct-01
Fund Management Fee	1.25% p.a.
Pricing	Daily
Price Quote	Major Newspaper, or <a href="http://www.mcis.my">http://www.mcis.my</a>
Fund Manager	MCIS Insurance Berhad
Exceptional Circumstances	Refer to your Policy Document

### Asset Allocation Ranges

Asset Class	Min	Max	Current Actual
Malaysian Equity	40%	60%	44%
Fixed Income	40%	60%	53%
Cash	0%	20%	3%

### Performance Table

Period	Fund	Index*
1 month (%)	-0.31%	-0.70%
3 months (%)	-2.23%	-3.57%
6 months (%)	0.25%	-0.27%
12 months (%)	-0.97%	1.00%
2 years (% pa)	2.36%	3.59%
3 years (% pa)	2.08%	2.17%
5 years (% pa)	1.82%	1.24%
Since Inception	4.92%	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 (November 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

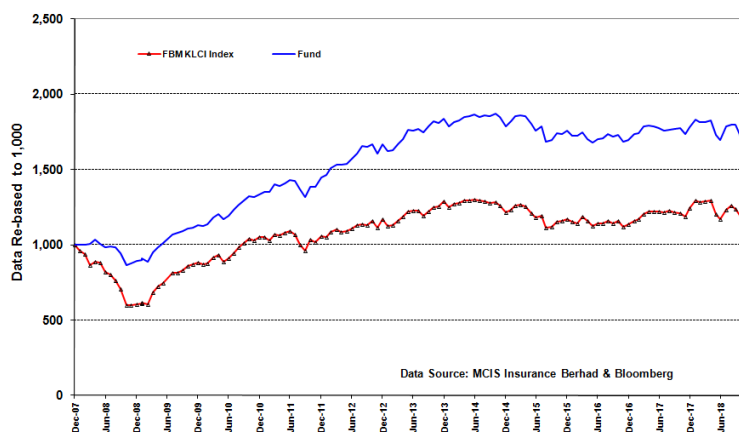
The Fund is considered high risk given the exposure to equity securities. The following factors can potentially affect the value of the Fund; consumer sentiment, financial performance of the underlying companies, the performance of the industry and economy, and the share market in general, social and 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 November 2018, the fund had outperformed the benchmark by 140bps 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 Chemicals Group Berhad  
 Petronas Gas Berhad  
 Public Bank Berhad  
 Tenaga Nasional Berhad  
 Maxis Berhad  
 Malayan Banking Berhad  
 DiGi.Com Berhad  
 Petronas Dagangan Berhad  
 IOI Corporation Berhad  
 Sime Darby Plantation Berhad

### Fund Information

NAV (30.11.18)	RM0.8131
Fund Size	RM31.37 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%	97%
Cash	0%	20%	3%

### Performance Table

Period	Fund	Index*
1 month (%)	0.32%	-1.72%
3 months (%)	-4.97%	-7.68%
6 months (%)	-1.13%	-3.49%
12 months (%)	-1.31%	-2.21%
2 years (% pa)	0.71%	1.86%
3 years (% pa)	-0.51%	0.15%
5 years (% pa)	-1.12%	-1.51%
Since Inception	5.05%	1.39%
Yield #	3.52%	3.44%

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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 (November 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

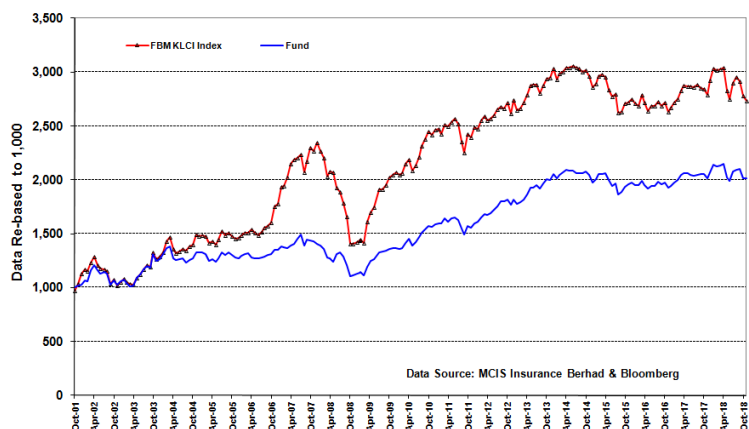
The Fund is considered high risk given the exposure to equity securities. The following factors can potentially affect the value of the Fund; consumer sentiment, financial performance of the underlying companies, the performance of the industry and economy, and the share market in general, social and 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 November 2018, the fund had outperformed the benchmark by 157bps 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  
 Petronas Chemicals Group Berhad  
 IOI Corporation Berhad  
 Petronas Gas Berhad  
 Petronas Dagangan Berhad  
 Sime Darby Plantation Berhad  
 CIMB Bank Berhad  
 Maxis Berhad

### Fund Information

NAV (30.11.18)	RM1.0066
Fund Size	RM9.54 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 (%)	-0.15%	-1.72%
3 months (%)	-3.99%	-7.68%
6 months (%)	-0.55%	-3.49%
12 months (%)	-0.15%	-2.21%
2 years (% pa)	2.22%	1.86%
3 years (% pa)	0.93%	0.15%
5 years (% pa)	0.13%	-1.51%
Since Inception	4.16%	6.02%
Yield #	3.54%	3.44%

**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 (November 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.

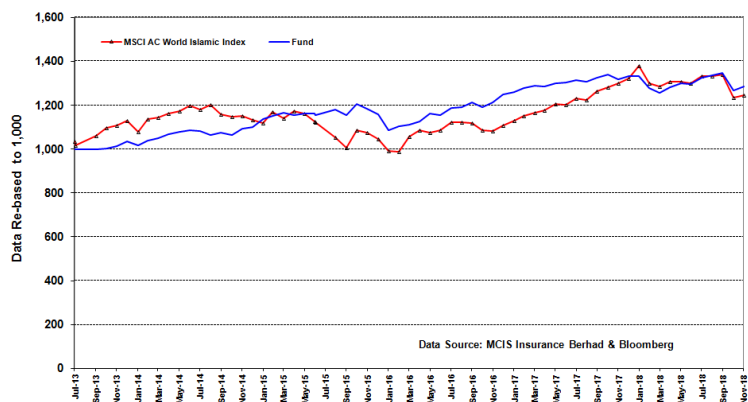
The following factors can potentially affect the value of the Fund; economic and political developments in related countries, foreign exchange fluctuation, illiquid and inefficient securities in the Emerging Markets, and the financial performance of the underlying companies.

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 November 2018, the fund had outperformed the benchmark by 70bps MoM (month on month). The outperformance was mainly driven by higher exposure of outperforming securities in the portfolio compared to benchmark.

Global Yakin Fund Performance Since Inception



### Top Ten Holdings

Aberdeen Islamic World Equity Fund (AIWEF)

### Fund Information

NAV (30.11.18)	RM0.6436
Fund Size	RM37.91 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%	82%
Cash	0%	20%	18%

### Performance Table

Period	Fund	Index*
1 month (%)	1.67%	0.97%
3 months (%)	-3.57%	-6.47%
6 months (%)	-1.06%	-4.86%
12 months (%)	-2.44%	-4.12%
2 years (% pa)	3.02%	7.21%
3 years (% pa)	2.80%	5.07%
5 years (% pa)	4.87%	2.95%
Since Inception	4.77%	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 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 (November 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.

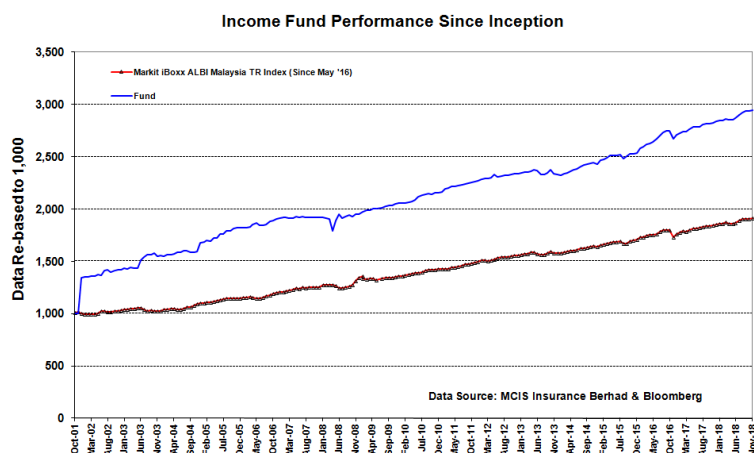
### Risks

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 November 2018, the fund had underperformed the benchmark by 29bps 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  
 UiTM Solar Power Sdn Berhad  
 Northern Gateway Infrastructure Sdn Bhd  
 SAJ Capital Sdn Bhd  
 Malaysia Steel Works (KL) Berhad  
 YTL Corporation Berhad  
 CIMB Bank Berhad  
 Quantum Solar Park Malaysia Sdn Bhd  
 Sabah Development Bank Berhad  
 Asian Finance Bank Berhad

### Fund Information

NAV (30.11.18)	RM1.4712
Fund Size	RM28.67 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%	96%
Cash	0%	25%	4%

### Performance Table

Period	Fund	Index*
1 month (%)	0.03%	0.32%
3 months (%)	0.67%	0.65%
6 months (%)	3.04%	2.91%
12 months (%)	4.29%	3.95%
2 years (% pa)	4.92%	5.14%
3 years (% pa)	5.14%	4.04%
5 years (% pa)	4.69%	3.92%
Since Inception	6.49%	3.85%

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

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\* 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 (November 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

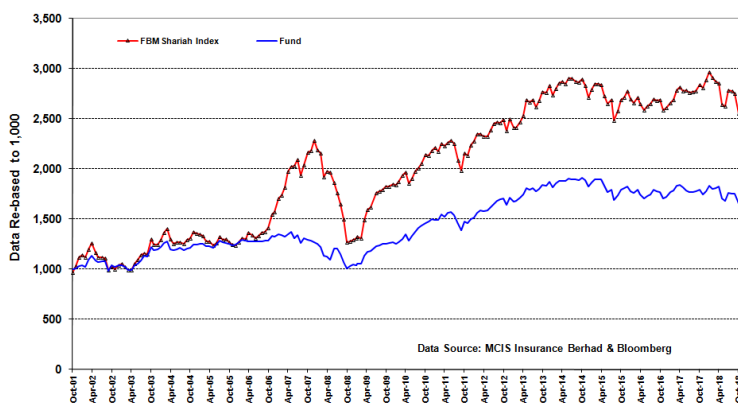
The Fund is considered high risk given the exposure to equity securities. The following factors can potentially affect the value of the Fund; consumer sentiment, financial performance of the underlying companies, the performance of the industry and economy, and the share market in general, social and 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 November 2018, the fund had outperformed the benchmark by 120bps 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  
 Petronas Chemicals Group Berhad  
 Petronas Gas Berhad  
 Perlis Plantation Berhad  
 Sime Darby Plantation Berhad  
 Axiata Group Berhad  
 Maxis Berhad  
 Kuala Lumpur Kepong Berhad  
 Sime Darby Berhad  
 IOI Corporation Berhad

### Fund Information

NAV (30.11.18)	RM0.8281
Fund Size	RM12.75 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%	90%
Cash	0%	20%	10%

### Performance Table

Period	Fund	Index*
1 month (%)	0.02%	-1.18%
3 months (%)	-5.61%	-9.16%
6 months (%)	-3.07%	-4.46%
12 months (%)	-5.06%	-9.96%
2 years (% pa)	-1.45%	-1.13%
3 years (% pa)	-2.87%	-2.38%
5 years (% pa)	-1.99%	-1.79%
Since Inception	2.98%	5.55%
Yield #	2.95 %	3.05%

**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 third negative month in a row for the Malaysian market as FBMKLCI fell another 1.7% m-o-m to close below 1,700 points at 1,679 in November. It brought the local market losses widened to 6.5% YTD. We believe the decline could be due to multiple factors including persistent foreign selling, weaker than expected corporate earnings and expectation of slower economic growth. FBMKLCI Index underperformed the broader market, FBM EMAS Index which closed lower by -1.41% m-o-m. Average daily value traded on Bursa Malaysia in November improved 3.4% m-o-m to RM2.23billion as trading activities picked up following Malaysia's Budget 2019 and portfolio adjustments by fund managers.

On the local economic front, Malaysia's export growth surged to a strong 17.7% y-o-y in October, from 6.5% in September. This came in on the back of frontloading demand from China ahead of the anticipated US tariff hike to 25% from 10% on USD250billion worth of Chinese exports by 1 January 2019. Exports were also buoyed by oil prices that climbed above USD80/bbl in October, pushing commodity export values higher.

Globally, U.S. President Donald Trump and Chinese President Xi Jinping declared a temporary truce in their trade war in early December, after Washington agreed to a 90-day extension on the imposition of additional tariffs and Beijing pledged to buy a "substantial amount" of U.S. products to reduce the trade imbalance. The cease-fire came on the sideline of the Group of 20 summit, where the two leaders discussed ways to de-escalate trade tensions between the world's top two economies. This was a temporary relief to global and local markets.

**Chart 1: FBMKLCI Weekly Chart**



Source: Bloomberg

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



Source: Bloomberg

## Market Outlook & Strategy

Technically, correction in the month of November was less volatile compared to October. November was basically a sideways market where the index consolidated the sharp losses suffered in October. The short term downtrend is not over just yet and December is likely to be another month for consolidation. In the longer term, there's the head and shoulders pattern taking form with prices slowly edging towards the downward sloping neckline support at 1,640- 1,650. A break below the neckline will be very negative for the market. Cycle-wise, most of the longer term cycles that CIMB Research track are still on a downtrend, which could continue to put pressure on the local market.

We maintain our cautious outlook on the local equity market. We expect the global geopolitical tension on trade war will continue after the 90-days of truce ends in March 2019. Locally, Malaysian market is also watching out for several internal corporate issues inclusive of Felda and Lembaga Tabung Haji. FBMKLCI Index semi-annual review has also announced recently which saw expected TM and surprisingly KLCC Property out from the list. We will gradually reposition our portfolio holdings according to the new constituents. 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”) was seen flattening in November. The ringgit moved weaker to 1-year high at RM4.20/USD due to the strengthening of US Dollar, but eased to RM4.184/USD by end of the month. Concerns on supply glut and geopolitical tension sent Brent crude oil price to 1-year low, ending the month at USD58.68/barrel.

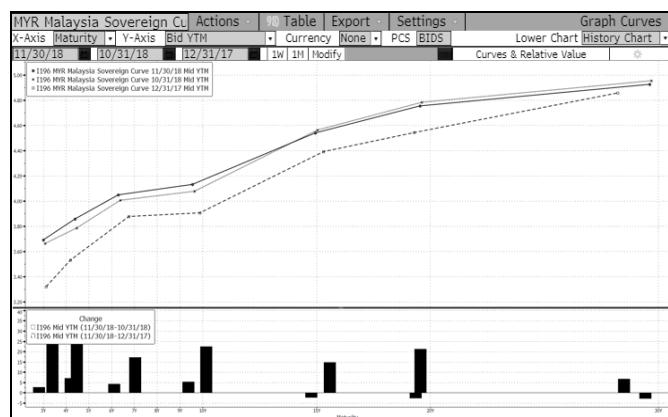
On local economic data, Malaysia’s third quarter GDP grew at 4.4% (2Q18:4.5%), mainly driven by strong domestic demand. Private consumption was the key contributor, which was the fastest in 6 years due to the 0%-GST tax holiday in July and August. Malaysia’s Consumer Price Index maintained below 1% mark for the fifth consecutive month at 0.6% in October’18 (September’18:0.3%) despite of the implementation of new SST effective in September’18. Imports fell by -2.7% (Aug’18: 11.2%). This has resulted in a jump in trade surplus to a 10-year high at RM15.3 billion (Aug’18: RM1.6 billion).

External reserve declined to USD102.1 billion (mid-Oct’18: USD102.8 billion) following the continued capital outflows by foreign investors. The reserve is sufficient to cover 7.7 months of retained import and 1.0 times short term external debt, and is above the IMF’s estimate of adequate reserve level of USD 93.5b.

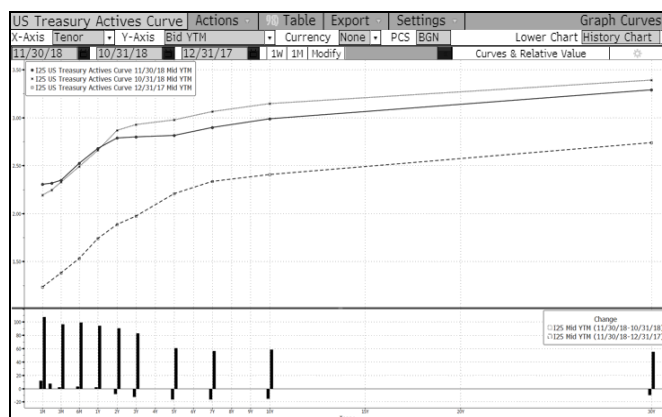
The auctions unveiled in November 2018 are as follows;

Government Auctions				
Issue	Issue Date	Amount (RM million)	Bid-cover (times)	Avg Yield (%)
7Year Re-Issuance of Gil(Mat 08/25)	15/11/2018	5,500.00	2.81	4.21
5Year Re-Issuance of MGS(Mat 04/23)	30/11/2018	4,500.00	2.32	3.87

Source: Bank Negara Malaysia



Source: Bloomberg



Source: Bloomberg

The 10-year US Treasury yield hit a 7-year high at 3.23% in November as the Fed’s statement listed a range of positive economic signals, but it started to take a U-turn when the Fed stated that the tightening cycle may be soon ended as the interest rate level is nearing to the central bank neutral rate level.

### 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.