



member of  Sanlam group

# Investment-Linked Fund Performance Report February 2023

## **General Advice Warning**

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

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

MCIS Life has received on behalf of the funds, soft commissions from our investment fund bankers/brokers, in the form of research materials and investment-related publications which are incidental to the investment management of the funds. This report, among others, incorporate consolidated contents for the benefit of MCIS Life's policyholders.

## **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

FBMKLCI Index posted its second consecutive month of decline in the month of February 2023 to close lower by 2.1% MoM at 1,454.19 points. The decline was due to concerns over steeper-than-expected hikes in US rates as well as selling by both local institution and foreign investors during the month. The market's reaction was also neutral to Revised Budget 2023 which being tabled on 24<sup>th</sup> February 2023. The average daily value was traded 21% MoM higher to MYR2.5bil in February 2023. Average daily trading volume fell 15% MoM to 4.2bil units.

Malaysia Government Securities ("MGS") yields reverted back to upward trending, reflecting the higher global bond yields across the major world economies. Brent crude oil prices continued to slide lower to USD83.89/barrel (Jan'23: USD84.49/barrel), while ringgit weakened against dollar to MYR4.487/USD (Jan'23: MYR4.268/USD).

On the local economic data, Malaysia saw its overall 2022 GDP grew strongly by +8.7% YoY, despite of the moderated 4Q'22 GDP growth at +7.0% YoY (3Q'22: +14.2% YoY). Domestic demand growth also eased to +6.8% YoY (3Q'22: +13.1% YoY), taking cue from slower growth in both private expenditure and public expenditure.

For equity market, we expect global economy to slow down into the year 2023, after showing strong recovery in 2022. US Federal Reserve will continue to raise its fund rate in the 1H2023 to fight against inflation. Similar move is expected in Malaysia where BNM may raise OPR in the 1H2023 to the pre-pandemic level. This will be negatively impact to the local equity market during the period. However, for longer term, we expect there will be recovery in the 2H2023 when the inflation started to inch lower. Historical analysis is suggesting that lower interest rates due to lower inflation will be positive for the equity market.

Meanwhile for fixed income, BNM is anticipated to increase interest rates towards 2023 in order to combat the inflationary pressure and macroeconomic uncertainties. The external risk factors such as Russia-Ukraine geopolitical tension and the fluctuation in crude oil prices will continue to weigh on the local market, but we believe corporate bond space still provides attractive yields. As such, our fixed income strategy will remain defensive to shelter from the market volatilities in the near term.

Based on table below, on monthly basis, all of the funds managed to outperformed the benchmarks.

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 (%)	1.77%	-6.55%	-0.72%	-1.16%	-1.79%	-2.11%	-1.92%	-2.11%	3.81%	-3.04%	0.24%	-0.22%	-2.00%	-2.51%	8.56%	-2.00%
3 Months (%)	4.13%	2.84%	0.18%	0.41%	-1.77%	-2.32%	-1.81%	-2.32%	1.64%	-1.94%	2.17%	3.20%	-1.38%	0.14%	5.09%	-2.62%
6 Months (%)	2.76%	-0.41%	-0.33%	-0.40%	-1.83%	-3.83%	-2.49%	-3.83%	3.73%	3.84%	1.92%	3.00%	-2.68%	-0.15%	-2.99%	-3.87%
12 Months (%)	-1.21%	-13.18%	-1.38%	-3.14%	-3.83%	-9.58%	-4.03%	-9.58%	-3.52%	-8.04%	2.01%	3.38%	-6.25%	-10.89%	-4.91%	-14.04%

Source: MCIS Insurance Berhad

## AsiaPac Fund Monthly Report (February 2023)

### 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.

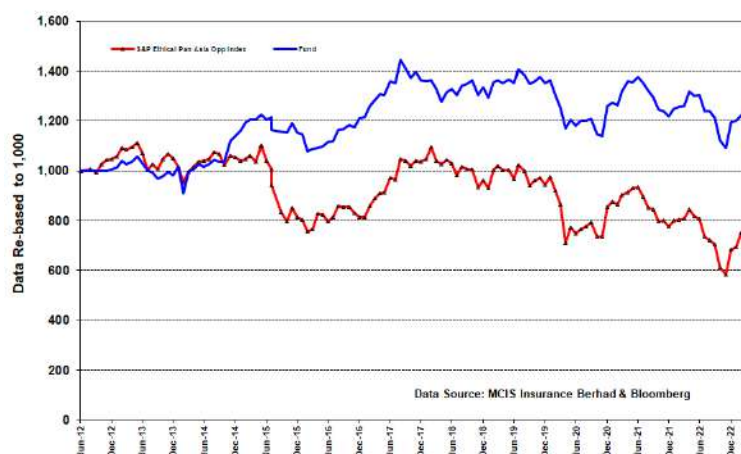
The following factors can potentially affect the value of the Fund; economic and political developments in related countries, foreign exchange fluctuation, illiquid and inefficient securities in the Emerging Markets, and the financial performance of the underlying companies.

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 February 2023, the fund had outperformed the benchmark by 832bps MoM (month-on-month). The fund had outperformed the benchmark since inception.

AsiaPac Fund Performance Since Inception



### Top Ten Holdings

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

### Fund Information

NAV (28.02.23)	RM0.6226
Fund Size	RM77.64 million
Inception Date	15-July-2012
Fund Management Fee	0.85% p.a.
Pricing	Daily
Price Quote	Major Newspaper, or <a href="http://www.mcis.my">http://www.mcis.my</a>
Fund Manager	MCIS Insurance Berhad (MCIS Life)
Exceptional Circumstances	Refer to your Policy Document

### Asset Allocation Ranges

Asset Class	Min	Max	Current Actual
ETF	80%	100%	93%
Cash	0%	20%	7%

### Performance Table

Period	Fund	Index*
1 month (%)	1.77%	-6.55%
3 months (%)	4.13%	2.84%
6 months (%)	2.76%	-0.41%
12 months (%)	-1.21%	-13.18%
2 years (% pa)	-2.80%	-11.84%
3 years (% pa)	-0.23%	-6.74%
5 years (% pa)	-1.29%	-7.57%
Since Inception (% pa)	2.08%	-3.27%

**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 (February 2023)

### 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

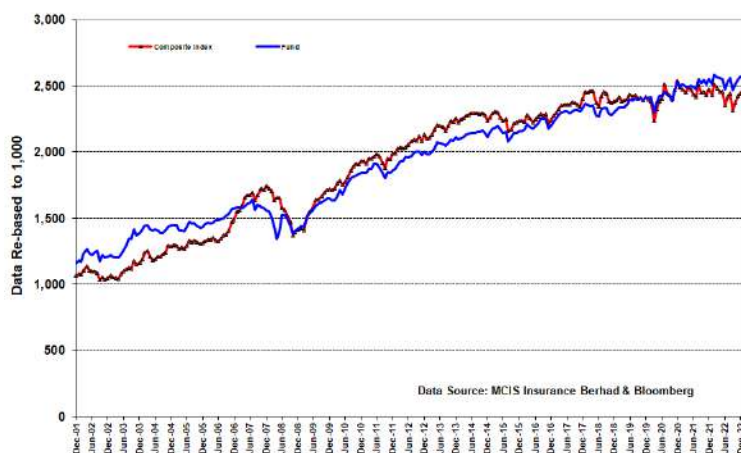
The Fund is considered medium risk given the mixed exposure of equity securities, fixed income and cash. The following factors can potentially affect the value of the Fund; consumer sentiment, financial performance of the underlying companies, industry and economy development, social and political factors, 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 February 2023, the fund had outperformed the benchmark by 44bps 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

- Malayan Banking Berhad (Equity)
- CIMB Bank Berhad (Equity)
- Edotco Malaysia Sdn Berhad (Bond)
- Cello Capital Berhad (Bond)
- Public Bank Berhad (Equity)
- Sabah Development Bank Berhad (Bond)
- Point Zone (M) Sdn Berhad (Bond)
- Public Bank Berhad (Bond)
- Telekosang Hydro One Sdn Bhd (Bond)
- Edra Solar Sdn Bhd (Bond)

### Fund Information

NAV (28.02.23)	RM1.2741
Fund Size	RM12.25 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%	41%
Fixed Income	40%	60%	44%
Cash	0%	20%	15%

### Performance Table

Period	Fund	Index*
1 month (%)	-0.72%	-1.16%
3 months (%)	0.18%	0.41%
6 months (%)	-0.33%	-0.40%
12 months (%)	-1.38%	-3.14%
2 years (% pa)	0.75%	-0.84%
3 years (% pa)	1.82%	0.65%
5 years (% pa)	1.55%	-0.16%
Since Inception (% pa)	4.46%	4.23%

**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% FBMKLCI Index and 50% of Markit iBoxx ALBI Malaysia TR Index (Since June '16). 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 (February 2023)

### 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 FBMKLCI 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

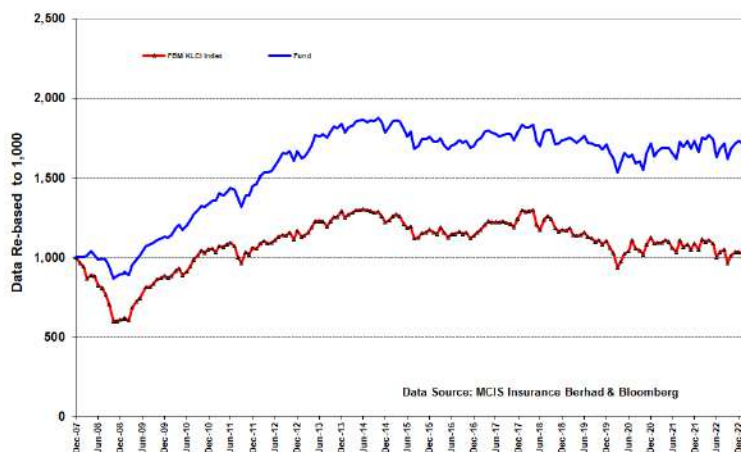
The Fund is considered high risk given the exposure to equity securities. The following factors can potentially affect the value of the Fund; consumer sentiment, financial performance of the underlying companies, the performance of the industry and economy, and the share market in general, social and 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 February 2023, the fund had outperformed the benchmark by 32bps 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

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

### Fund Information

NAV (28.02.23)	RM0.7997
Fund Size	RM28.75 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%	97%
Cash	0%	20%	3%

### Performance Table

Period	Fund	Index*
1 month (%)	-1.79%	-2.11%
3 months (%)	-1.77%	-2.32%
6 months (%)	-1.83%	-3.83%
12 months (%)	-3.83%	-9.58%
2 years (% pa)	0.46%	-4.00%
3 years (% pa)	1.25%	-0.64%
5 years (% pa)	-1.49%	-4.76%
Since Inception (% pa)	3.49%	0.04%
Yield #	3.60%	4.30%

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\* Index is FBMKLCI 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 (February 2023)

### 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 FBMKLCI 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

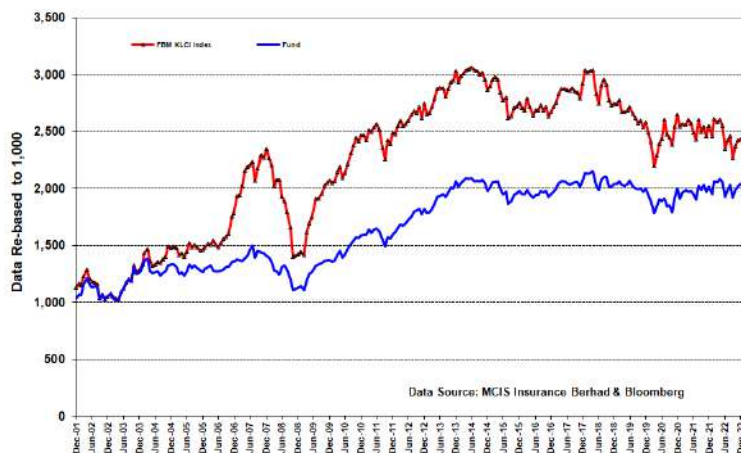
The Fund is considered high risk given the exposure to equity securities. The following factors can potentially affect the value of the Fund; consumer sentiment, financial performance of the underlying companies, the performance of the industry and economy, and the share market in general, social and 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 February 2023, the fund had outperformed the benchmark by 19bps 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

Malayan Banking Berhad  
 CIMB Bank Berhad  
 Public Bank Berhad  
 Petronas Chemicals Group Berhad  
 Tenaga Nasional Berhad  
 IOI Corporation Berhad  
 DiGi.Com Berhad  
 Sime Darby Plantation Berhad  
 IHH Healthcare Berhad  
 Telekom Malaysia Berhad

### Fund Information

NAV (28.02.23)	RM0.9903
Fund Size	RM13.43 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 (%)	-1.92%	-2.11%
3 months (%)	-1.81%	-2.32%
6 months (%)	-2.49%	-3.83%
12 months (%)	-4.03%	-9.58%
2 years (% pa)	0.52%	-4.00%
3 years (% pa)	1.56%	-0.64%
5 years (% pa)	-1.42%	-4.76%
Since Inception (% pa)	3.24%	4.10%
Yield #	3.70%	4.30%

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

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\* Index is FBMKLCI 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 (February 2023)

### 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 abrdn Islamic World Equity Fund ("AIWEF") (formerly known as Aberdeen Standard Islamic World Equity Fund) which managed by abrdn Islamic Malaysia Sdn Bhd (formerly known as Aberdeen Standard Investments (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.

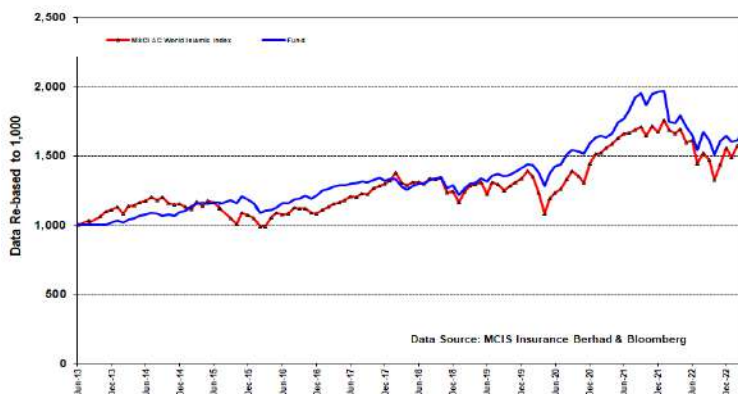
The following factors can potentially affect the value of the Fund; economic and political developments in related countries, foreign exchange fluctuation, illiquid and inefficient securities in the Emerging Markets, and the financial performance of the underlying companies.

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 February 2023, the fund had outperformed the benchmark by 685bps 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

abrdn Islamic World Equity Fund (AIWEF)

### Fund Information

NAV (28.02.23)	RM0.8367
Fund Size	RM108.13 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
AIWEF	80%	100%	92%
Cash	0%	20%	8%

### Performance Table

Period	Fund	Index*
1 month (%)	3.81%	-3.04%
3 months (%)	1.64%	-1.94%
6 months (%)	3.73%	3.84%
12 months (%)	-3.52%	-8.04%
2 years (% pa)	1.18%	-0.93%
3 years (% pa)	6.58%	7.44%
5 years (% pa)	5.54%	4.09%
Since Inception (% pa)	5.47%	4.48%

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

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

\* Index is MSCI AC World Islamic sourced from Bloomberg.

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

# Income Fund

## Monthly Report (February 2023)

### 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 Markit iBoxx ALBI Malaysia TR 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.

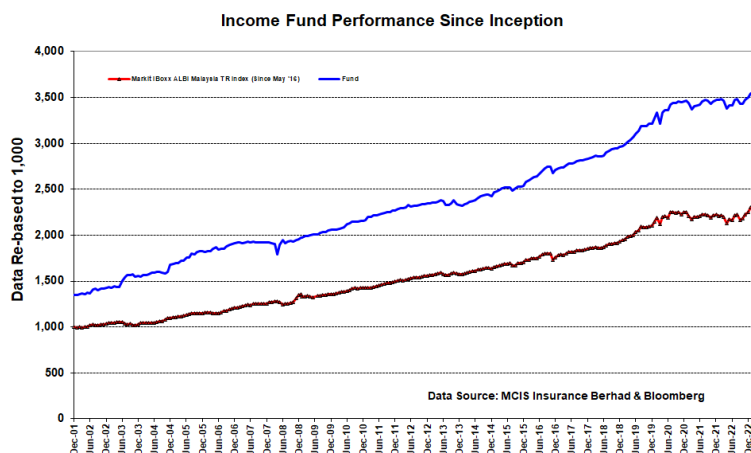
### Risks

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 February 2023, the fund had outperformed the benchmark by 46bps MoM (month-on-month). The outperformance was due to outperforming of the fixed income securities compared to the benchmark index.



### Top Ten Holdings

Malaysian Government Securities  
 Leader Energy Sdn Berhad  
 Cello Capital Berhad  
 Telekom Hydro One Sdn Bhd  
 Edra Solar Sdn Bhd  
 Sabah Development Bank Berhad  
 Swirl Assets Berhad  
 UiTM Solar Power Sdn Berhad  
 Malayan Banking Berhad  
 SAJ Capital Sdn Bhd

### Fund Information

NAV (28.02.23)	RM1.7767
Fund Size	RM50.15 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%	93%
Cash	0%	25%	7%

### Performance Table

Period	Fund	Index*
1 month (%)	0.24%	-0.22%
3 months (%)	2.17%	3.20%
6 months (%)	1.92%	3.00%
12 months (%)	2.01%	3.38%
2 years (% pa)	1.66%	2.02%
3 years (% pa)	2.16%	1.54%
5 years (% pa)	4.52%	4.27%
Since Inception (% pa)	6.10%	3.95%

**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 June '16). 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 (February 2023)

### 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

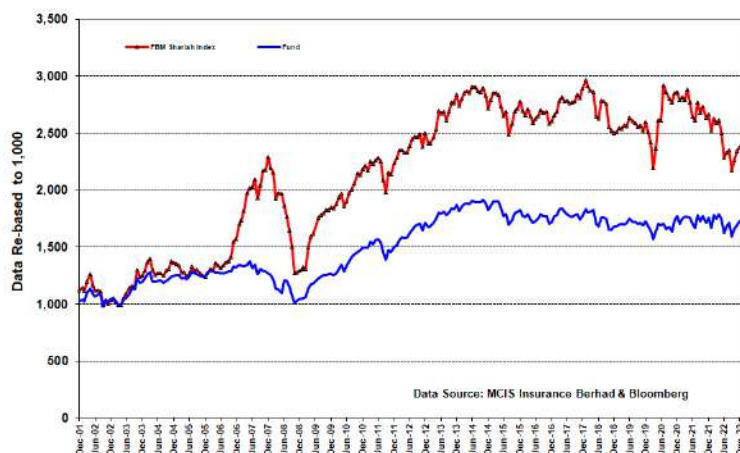
The Fund is considered high risk given the exposure to equity securities. The following factors can potentially affect the value of the Fund; consumer sentiment, financial performance of the underlying companies, the performance of the industry and economy, and the share market in general, social and 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 February 2023, the fund had outperformed the benchmark by 51bps 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

Telekom Malaysia Berhad  
Sime Darby Plantation Berhad  
Petronas Gas Berhad  
Tenaga Nasional Berhad  
IOI Corporation Berhad  
Inari Amertron Berhad  
MISC Berhad  
Maxis Berhad  
Axiata Group Berhad  
DiGi.Com Berhad

### Fund Information

NAV (28.02.23)	RM0.8349
Fund Size	RM19.67 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%	94%
Cash	0%	20%	6%

### Performance Table

Period	Fund	Index*
1 month (%)	-2.00%	-2.51%
3 months (%)	-1.38%	0.14%
6 months (%)	-2.68%	-0.15%
12 months (%)	-6.25%	-10.89%
2 years (% pa)	-2.37%	-8.79%
3 years (% pa)	0.57%	-0.98%
5 years (% pa)	-1.52%	-4.27%
Since Inception (% pa)	2.42%	4.06%
Yield #	3.60%	3.64%

**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 (February 2023)

### Investment Objective

The Fund invests in MyETF Dow Jones U.S. Titans 50 ("MyETF-US50") 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.

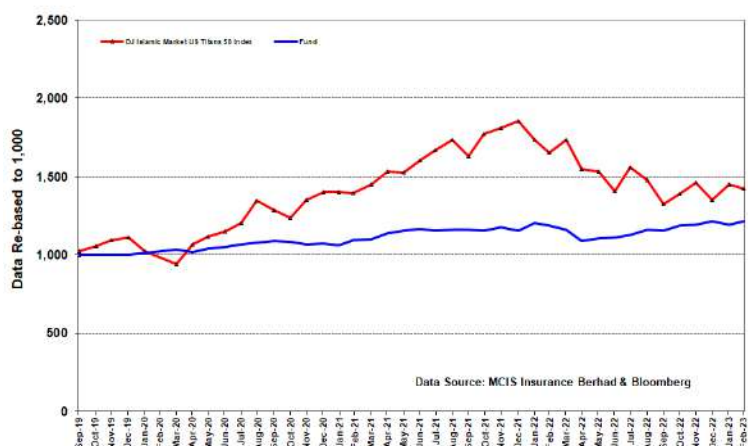
The following factors can potentially affect the value of the Fund; economic and political developments in related countries, foreign exchange fluctuation, illiquid and inefficient securities in the Emerging Markets, and the financial performance of the underlying companies.

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 February 2023, the fund had outperformed the benchmark by 1056bps MoM (month-on-month).

Titan Fund Performance Since Inception



### Fund Information

NAV (28.02.23)	RM0.6702
Fund Size	RM111.70 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%	96%
Cash	0%	20%	4%

### Performance Table

Period	Fund	Index*
1 month (%)	8.56%	-2.00%
3 months (%)	5.09%	-2.62%
6 months (%)	-2.99%	-3.87%
12 months (%)	-4.91%	-14.04%
2 years (% pa)	6.67%	1.02%
3 years (% pa)	9.00%	11.52%
5 years (% pa)	n/a	n/a
Since Inception (% pa)	8.73%	10.57%

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

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

\* Index 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.

### Top Ten Holdings

MyETF Dow Jones U.S. Titans 50 (MyETF-US50)

# Equity Market Review and Outlook

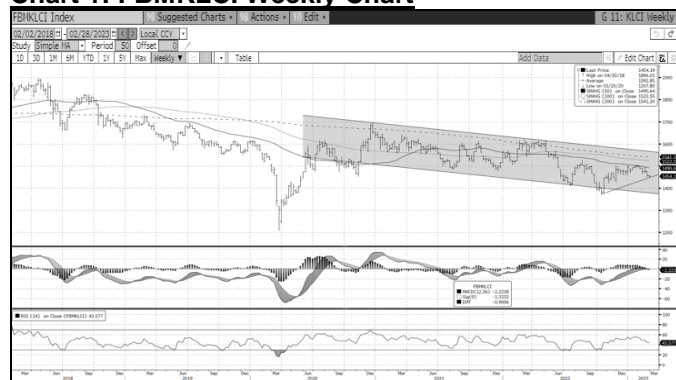
## Market Review

FBMKLCI Index posted its second consecutive month of decline in the month of February 2023 to close lower by 2.1% MoM at 1,454.19 points. The decline was likely due to concerns over steeper-than-expected hikes in US rates as well as selling by both local institution and foreign investors during the month. The market's reaction was also neutral to Revised Budget 2023 which being tabled on 24<sup>th</sup> February 2023. The average daily value was traded 21% MoM higher to MYR2.5bil in February 2023. Average daily trading volume fell 15% MoM to 4.2bil units.

Local institutional investors turned net sellers in February after five consecutive months of net buys. They net sold MYR1.09bil of equities in February 2023 against net buys of MYR916mil in January 2023. Foreign investors' net selling of equities fell 16% MoM to MYR169mil of Malaysian equities. This represents their sixth consecutive monthly net sell. Local retailers turned net buyers of MYR428mil of equities.

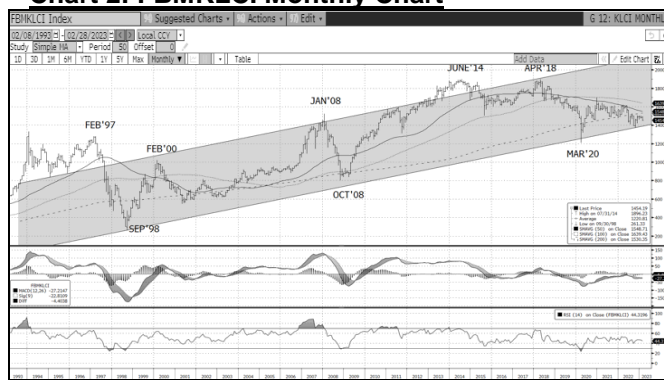
Global equity markets declined in February after the strong advance seen in January. Resilient economic data suggested that any hoped-for pause in interest rate rises may still be some way off. The Federal Reserve, European Central Bank and Bank of England all raised rates in the month. In the US, Dow Jones Industrial Index closed -4.2% MoM and the broader S&P 500 index closed by -2.6% MoM. Meanwhile the Eurozone shares gained in February with Bloomberg European 500 index closed 1.4% MoM. In Asia, the performances were mix with negative bias, driven lower by sharp declines in China and Hong Kong. MSCI Asia APEX 50 ex-Japan closed -8.4% MoM during the month.

**Chart 1: FBMKLCI Weekly Chart**



Source: MCIS/Bloomberg

**Chart 2: FBMKLCI Monthly Chart**



Source: MCIS/Bloomberg

## Market Outlook & Strategy

Traditionally, FBMKLCI index's performance tends to be negative in March in February, with average -0.4%/-0.5% MoM returns over the past 10 years/45 years. We expect the market to be supportive by its attractive valuations at current levels of 1.43x as it is now below its 13-year historical average of P/B (1.93x) and 15.0x PER compared to the 13-year historical average of PER (17.2x).

Technically, the FBMKLCI's continued to weaken following the break below the 1,475-1,510 range. This breakdown likely means that more downside may follow in the months ahead, given the longer-term view is still negative. With the benchmark trading below all the weekly SMAs now, coupled with the lower lows and lower highs sequence from the 1,695 high, the market is likely to remain under pressure. Support is seen at 1,450 followed by the critical 1,430 level. A move below the critical support level would boost the idea that the market is heading back below the 1,400 psychological level in the coming months. The 1,500-1,505 psychological level is the immediate resistance followed by 1,527-1,531.

We expect global economy to slow down into the year 2023, after showing strong recovery in 2022. US Federal Reserve will continue to raise its fund rate in the 1H2023 to fight against inflation. Similar move is expected in Malaysia where BNM may raise OPR in the 1H2023 to the pre-pandemic level. This will be negatively impact to the local equity market during the period. However, for longer term, we expect there will be recovery in the 2H2023 when the inflation started to inch lower. Historical analysis is suggesting that lower interest rates due to lower inflation will be positive for the equity market.

# Fixed Income Review and Outlook

## Market Review

Malaysia Government Securities (“MGS”) yields reverted back to upward trending, reflecting the higher global bond yields across the major world economies. Brent crude oil prices continued to slide lower to USD83.89/barrel (Jan’23: USD84.49/barrel), while ringgit weakened against dollar to MYR4.487/USD (Jan’23: MYR4.268/USD).

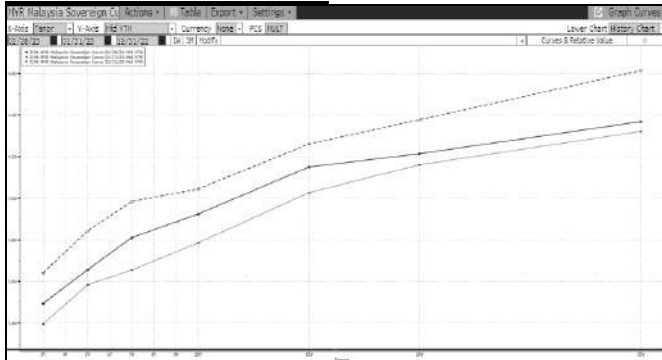
Malaysia saw its overall 2022 GDP grew strongly by +8.7% YoY, despite of the moderated 4Q’22 GDP growth at +7.0% YoY (3Q’22: +14.2% YoY). Domestic demand growth also eased to +6.8% YoY (3Q’22: +13.1% YoY), taking cue from slower growth in both private expenditure and public expenditure. Net external demand gained momentum to +23.4% YoY (3Q’22: +18.7% YoY) as Exports growth outpaced Imports growth. The headline inflation remained largely unchanged at +3.7% YoY in Jan’23 (Dec’22: +3.8% YoY). The inflation for Food and Non-Alcoholic Beverages (FNAB) remained high at +6.7% YoY (Dec’22: +6.8% YoY) while transportation inflation moderated to +4.0% YoY (Dec’22: +4.9% YoY). On the other hand, Malaysia Exports and Imports growth decelerated further to +1.6% YoY and +2.3% YoY respectively in Jan’23 (Dec’22: +5.9% YoY and +11.5% YoY respectively). The slower Exports growth was mainly dragged by the decline in rubber product exports and lower crude palm oil prices. Imports growth was mainly supported by the strong growth in imports for re-exports. In summary, the trade surplus tightened sharply to +MYR18.2b (Dec’22: +MYR27.8b). Malaysia’s international reserve declined slightly to USD114.3b as at end-Feb’23 (end-Jan’23: USD115.2b), mainly due to the stronger Dollar. The reserve is sufficient to cover 5.0 months of retained imports and is 1.0 times short-term external debts.

The auctions unveiled in February ’23 is as follow;

Government Auctions		Auction Amount + PP	Bid-cover	Avg Yield
Issue	Issue Date	(RM million)	(times)	(%)
7-yr Reopening of MGS 04/30 4.498%	7/2/2023	5,000.00	2.46	3.66
20.5-yr New Issue of MGII (Mat on 08/43)	14/2/2023	5,000.00	2.66	4.29
3-yr Reopening of MGS 07/26 3.906%	21/2/2023	5,500.00	1.69	3.46
Sustainability 15-yr Reopening of MGII 03/38 4.662%	28/2/2023	5,500.00	1.99	4.18

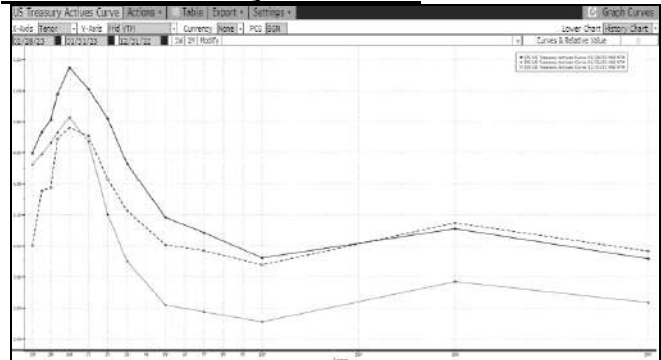
Source: Bank Negara Malaysia

Chart 1: MGS Yield Curve



Source: Bloomberg

Chart 2: US Treasury Yield Curve



Source: Bloomberg

The 10-year US Treasury yield spiked up to 3.92% as at end-Feb’23 (end-Jan: 3.51%), as the US Fed continued to hike Fed Fund Rate by another 25bps. The rate hike is supported by the strong job-related economic data and resilient inflation.

## Market Outlook & Strategy

BNM is anticipated to increase interest rates towards 2023 in order to combat the inflationary pressure and macroeconomic uncertainties. The external risk factors such as Russia-Ukraine geopolitical tension and the fluctuation in crude oil prices will continue to weigh on the local market, but we believe corporate bond space still provides attractive yields. As such, our fixed income strategy will remain defensive to shelter from the market volatilities in the near term.