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Investment Link Fund Performance Report February 2020

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EXECUTIVE SUMMARY

The FBMKLCI Index continued its negative performance in the second month of the year to close at 1,482 points, lost 3.2% m-o-m. Other than the fear of Covid-19 outbreak, we had also witnessed local political scene turbulence in February which resulted in appointment of a new Prime Minister and a new cabinet line-up. The weaker-than-expected earnings results also dampened the sentiment on local equity market. Historically, FBMKLCI Index had posted an average gain of 0.4% in February over the past 10 years. The benchmark index had outperformed the FBM EMAS Index, which fell at a higher rate of -3.8% m-o-m and closed at 10,478.77 points.

Meanwhile, on the fixed income market, Malaysia Government Securities (“MGS”) experienced strong rally again, mainly driven by the expectation of another 25bps Overnight Policy Rate (“OPR”) cut in March as well as the worries of global economic slowdown arising from the Novel Coronavirus outbreak globally. In line, the Ringgit weakened to MYR4.2000/USD (Jan’20: MYR4.0965/USD) as the foreign investor flee the country. Weaker economic activities in China moved the Brent crude oil prices lower to USD50.52/barrel compared to a month earlier at USD58.16/barrel.

On the local economic front, Malaysia 4Q’19 GDP registered at +3.6% YoY (3Q’19: +4.4% YoY), the lowest point since 2009 global financial crisis. Inflation the other hand rose to +1.6% YoY (Dec’19: +1.0% YoY), mainly due to the higher domestic fuel prices.

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

For fixed income, following the OPR cut by 50bps in 1Q2020 amid escalating US-China trade tension, BNM is expected to stay dovish monetary stance for the remaining of 2020, in line with the weaker economic prospect arising from the Novel Coronavirus outbreak in China. 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.

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 (%)	-3.92%	-6.04%	0.22%	-0.57%	-1.95%	-3.16%	-2.75%	-3.16%	-3.51%	-8.82%	1.68%	2.03%	-2.49%	-3.74%	-1.37%	-7.80%
3 Months (%)	-7.18%	-8.45%	0.67%	-0.17%	-3.24%	-5.06%	-4.11%	-5.06%	-2.14%	-7.93%	3.83%	4.81%	-2.99%	-4.07%	3.44%	-2.93%
6 Months (%)	-7.00%	-8.19%	0.41%	-1.75%	-5.30%	-8.03%	-5.42%	-8.03%	2.17%	-1.65%	4.65%	4.76%	-4.57%	-6.64%	n/a	n/a
12 Months (%)	-7.92%	-15.15%	3.23%	-1.25%	-7.46%	-13.18%	-8.31%	-13.18%	6.46%	-3.96%	11.43%	11.97%	-3.50%	-5.21%	n/a	n/a

Source: MCI/S Insurance Berhad

AsiaPac Fund Monthly Report (February 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.

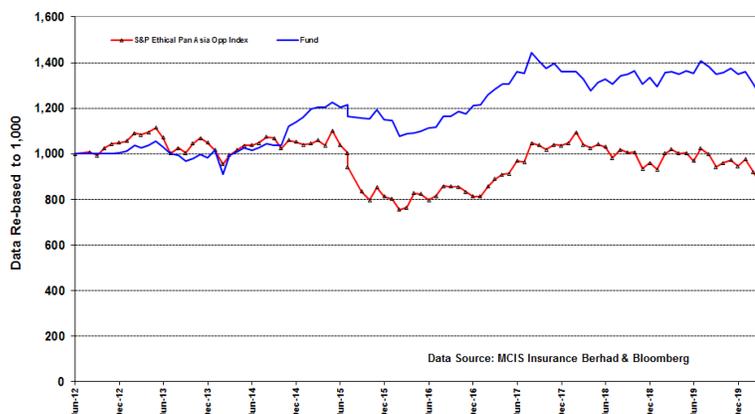
The following factors can potentially affect the value of the Fund; economic and political developments in related countries, foreign exchange fluctuation, illiquid and inefficient securities in the Emerging Markets, and the financial performance of the underlying companies.

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 February 2020, the fund had outperformed the benchmark by 212bps 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 (28.02.20)	RM0.6269
Fund Size	RM48.46 million
Inception Date	15-July-2012
Fund Management Fee	0.85% p.a.
Pricing	Daily
Price Quote	Major Newspaper, or http://www.mcis.my
Fund Manager	MCIS Insurance Berhad (MCIS Life)
Exceptional Circumstances	Refer to your Policy Document

Asset Allocation Ranges

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

Performance Table

Period	Fund	Index*
1 month (%)	-3.92%	-6.04%
3 months (%)	-7.18%	-8.45%
6 months (%)	-7.00%	-8.19%
12 months (%)	-7.92%	-15.15%
2 years (% pa)	-2.85%	-8.81%
3 years (% pa)	-0.81%	-0.90%
5 years (% pa)	0.82%	-3.98%
Since Inception (% pa)	2.99%	-1.87%

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

The Fund returns are calculated by MCIS 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 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

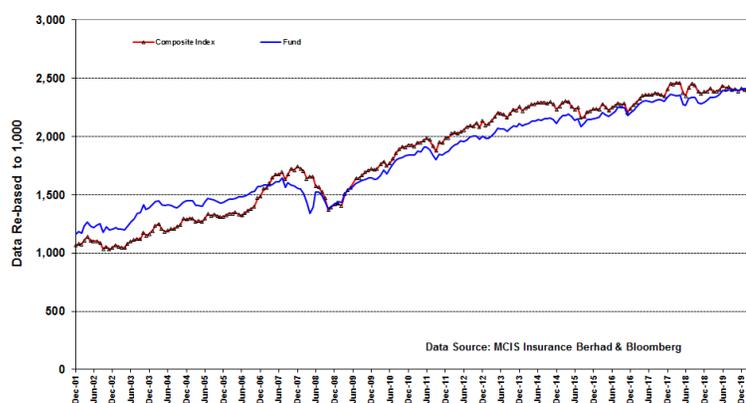
The Fund is considered medium risk given the mixed exposure of equity securities, fixed income and cash. The following factors can potentially affect the value of the Fund; consumer sentiment, financial performance of the underlying companies, industry and economy development, social and political factors, 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 February 2020, the fund had outperformed the benchmark by 79bps 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

Edra Solar Sdn Bhd (Bond)
Telekosang Hydro One 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 ((28.02.20)	RM1.2069
Fund Size	RM8.19 million
Inception Date	15-Oct-01
Fund Management Fee	1.25% p.a.
Pricing	Daily
Price Quote	Major Newspaper, or http://www.mcis.my
Fund Manager	MCIS Insurance Berhad (MCIS Life)
Exceptional Circumstances	Refer to your Policy Document

Asset Allocation Ranges

Asset Class	Min	Max	Current Actual
Malaysian Equity	40%	60%	39%
Fixed Income	40%	60%	50%
Cash	0%	20%	11%

Performance Table

Period	Fund	Index*
1 month (%)	0.22%	-0.57%
3 months (%)	0.67%	-0.17%
6 months (%)	0.41%	-1.75%
12 months (%)	3.23%	-1.25%
2 years (% pa)	1.15%	-1.38%
3 years (% pa)	2.34%	1.29%
5 years (% pa)	2.09%	0.80%
Since Inception (% pa)	4.90%	4.83%

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 (February 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

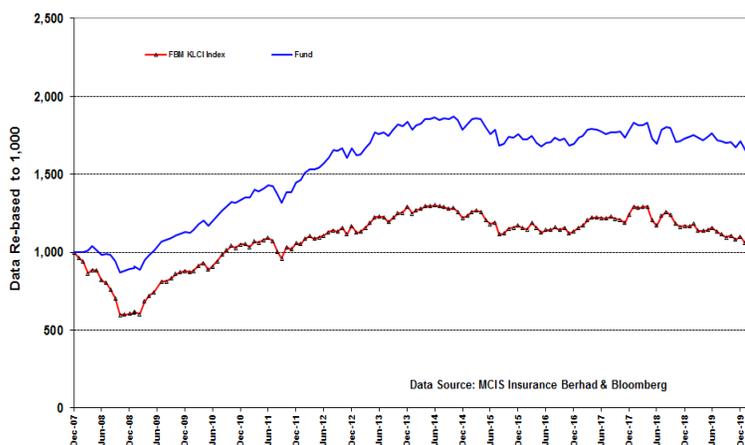
The Fund is considered high risk given the exposure to equity securities. The following factors can potentially affect the value of the Fund; consumer sentiment, financial performance of the underlying companies, the performance of the industry and economy, and the share market in general, social and 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 February 2020, the fund had outperformed the benchmark by 121bps 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
Petronas Chemicals Group Berhad
DiGi.Com Berhad
Tenaga Nasional Berhad
Malayan Banking Berhad
Public Bank Berhad
IOI Corporation Berhad
Sime Darby Plantation Berhad
Petronas Dagangan Berhad

Fund Information

NAV ((28.02.20)	RM0.7705
Fund Size	RM28.64 million
Inception Date	21-Jan-08
Fund Management Fee	1.5% p.a.
Pricing	Daily
Price Quote	Major Newspaper, or http://www.mcis.my
Fund Manager	MCIS Insurance Berhad (MCIS Life)
Exceptional Circumstances	Refer to your Policy Document

Asset Allocation Ranges

Asset Class	Min	Max	Current Actual
Malaysian Equity	80%	100%	91%
Cash	0%	20%	9%

Performance Table

Period	Fund	Index*
1 month (%)	-1.95%	-3.16%
3 months (%)	-3.24%	-5.06%
6 months (%)	-5.30%	-8.03%
12 months (%)	-7.46%	-13.18%
2 years (% pa)	-5.46%	-10.63%
3 years (% pa)	-2.40%	-4.34%
5 years (% pa)	-2.62%	-4.03%
Since Inception (% pa)	4.06%	0.21%
Yield #	3.76%	3.90%

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.

Equity Fund

Monthly Report (February 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

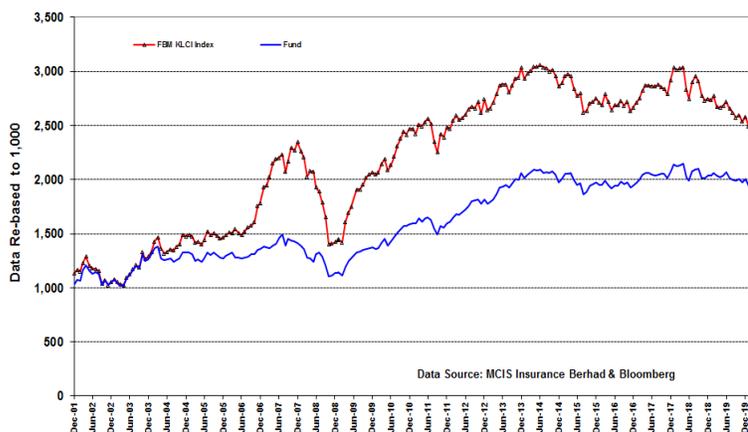
The Fund is considered high risk given the exposure to equity securities. The following factors can potentially affect the value of the Fund; consumer sentiment, financial performance of the underlying companies, the performance of the industry and economy, and the share market in general, social and 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 February 2020, the fund had outperformed the benchmark by 41bps 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
Petronas Dagangan Berhad
Maxis Berhad
Petronas Chemicals Group Berhad
CIMB Bank Berhad

Fund Information

NAV ((28.02.20)	RM0.9453
Fund Size	RM8.79 million
Inception Date	15-Oct-01
Fund Management Fee	1.40% p.a.
Pricing	Daily
Price Quote	Major Newspaper, or http://www.mcis.my
Fund Manager	MCIS Insurance Berhad (MCIS Life)
Exceptional Circumstances	Refer to your Policy Document

Asset Allocation Ranges

Asset Class	Min	Max	Current Actual
Malaysian Equity	80%	100%	91%
Cash	0%	20%	9%

Performance Table

Period	Fund	Index*
1 month (%)	-2.75%	-3.16%
3 months (%)	-4.11%	-5.06%
6 months (%)	-5.42%	-8.03%
12 months (%)	-8.31%	-13.18%
2 years (% pa)	-5.73%	-10.63%
3 years (% pa)	-1.86%	-4.34%
5 years (% pa)	-1.67%	-4.03%
Since Inception (% pa)	3.52%	4.89%
Yield #	3.62%	3.90%

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 (February 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.

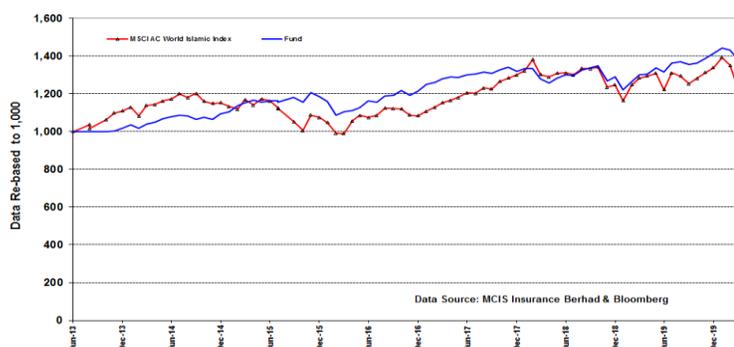
The following factors can potentially affect the value of the Fund; economic and political developments in related countries, foreign exchange fluctuation, illiquid and inefficient securities in the Emerging Markets, and the financial performance of the underlying companies.

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 February 2020, the fund had outperformed the benchmark by 531bps 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 ((28.02.20)	RM0.6910
Fund Size	RM50.31 million
Inception Date	8-July-2013
Fund Management Fee	0.85% p.a.
Pricing	Daily
Price Quote	Major Newspaper, or http://www.mcis.my
Fund Manager	MCIS Insurance Berhad (MCIS Life)
Exceptional Circumstances	Refer to your Policy Document

Asset Allocation Ranges

Asset Class	Min	Max	Current Actual
ASIWEF	80%	100%	81%
Cash	0%	20%	19%

Performance Table

Period	Fund	Index*
1 month (%)	-3.51%	-8.82%
3 months (%)	-2.14%	-7.93%
6 months (%)	2.17%	-1.65%
12 months (%)	6.46%	-3.96%
2 years (% pa)	3.98%	-2.72%
3 years (% pa)	2.66%	2.27%
5 years (% pa)	3.70%	1.33%
Since Inception (% pa)	4.97%	3.17%

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 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.

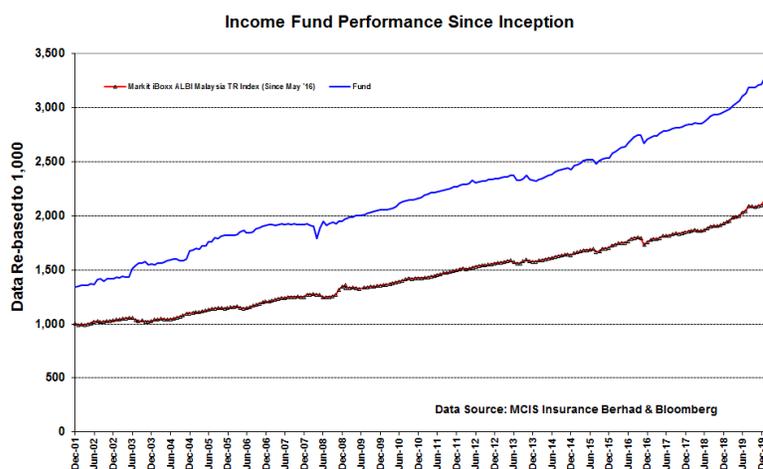
Risks

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 February 2020, the fund had underperformed the benchmark by 35bps MoM (month on month). The underperformance was due to underperforming of the fixed income securities compared to the benchmark index.



Top Ten Holdings

Danum Capital Berhad
 Edra Solar Sdn Bhd
 Sabah Development Bank Berhad
 Telekomang Hydro One 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

Fund Information

NAV ((28.02.20)	RM1.6665
Fund Size	RM35.22 million
Inception Date	15-Oct-01
Fund Management Fee	0.5% p.a.
Pricing	Daily
Price Quote	Major Newspaper, or http://www.mcis.my
Fund Manager	MCIS Insurance Berhad (MCIS Life)
Exceptional Circumstances	Refer to your Policy Document

Asset Allocation Ranges

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

Performance Table

Period	Fund	Index*
1 month (%)	1.68%	2.03%
3 months (%)	3.83%	4.81%
6 months (%)	4.65%	4.76%
12 months (%)	11.43%	11.97%
2 years (% pa)	8.16%	8.51%
3 years (% pa)	6.74%	6.99%
5 years (% pa)	6.12%	5.67%
Since Inception (% pa)	6.76%	4.35%

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 (February 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

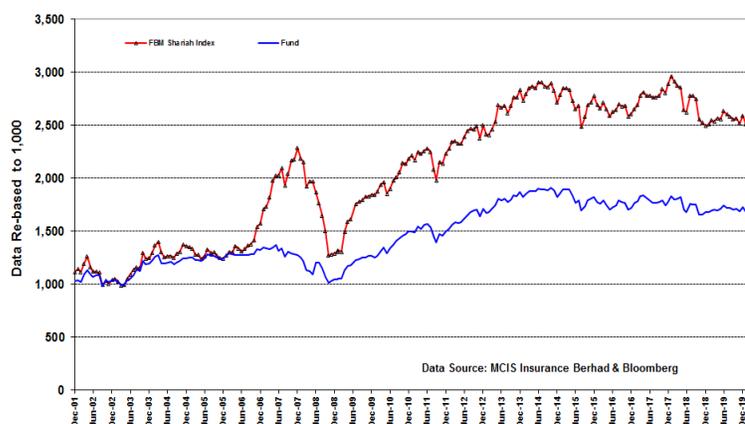
The Fund is considered high risk given the exposure to equity securities. The following factors can potentially affect the value of the Fund; consumer sentiment, financial performance of the underlying companies, the performance of the industry and economy, and the share market in general, social and 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 February 2020, the fund had outperformed the benchmark by 125bps 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
 Axiata Group Berhad
 Perlis Plantation Berhad
 Sime Darby Plantation Berhad
 Petronas Gas Berhad
 Telekom Malaysia Berhad
 Petronas Chemicals Group Berhad
 MISC Berhad
 Maxis Berhad
 IHH Healthcare Berhad

Fund Information

NAV ((28.02.20)	RM0.8209
Fund Size	RM14.72 million
Inception Date	15-Oct-01
Fund Management Fee	1.35% p.a.
Pricing	Daily
Price Quote	Major Newspaper, or http://www.mcis.my
Fund Manager	MCIS Insurance Berhad (MCIS Life)
Exceptional Circumstances	Refer to your Policy Document

Asset Allocation Ranges

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

Performance Table

Period	Fund	Index*
1 month (%)	-2.49%	-3.74%
3 months (%)	-2.99%	-4.07%
6 months (%)	-4.57%	-6.64%
12 months (%)	-3.50%	-5.21%
2 years (% pa)	-4.58%	-8.99%
3 years (% pa)	-2.71%	-3.53%
5 years (% pa)	-2.85%	-3.25%
Since Inception (% pa)	2.73%	4.90%
Yield #	2.43%	3.47%

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 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.

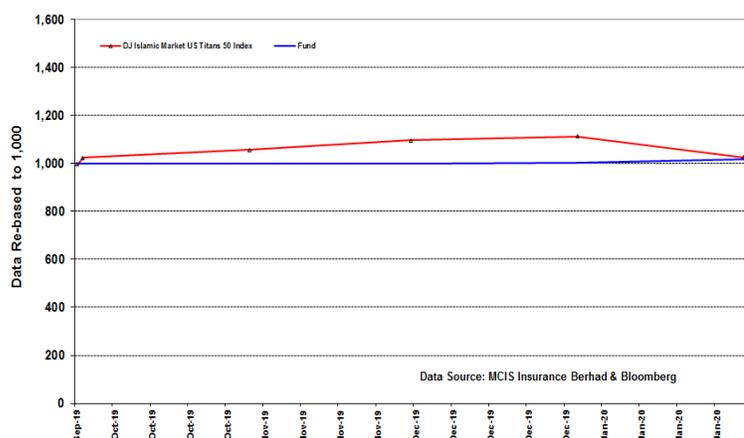
The following factors can potentially affect the value of the Fund; economic and political developments in related countries, foreign exchange fluctuation, illiquid and inefficient securities in the Emerging Markets, and the financial performance of the underlying companies.

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 February 2020, the fund had outperformed the benchmark by 643bps MoM (month on month).

Titan Fund Performance Since Inception



Top Ten Holdings

MyETFDJ50

Fund Information

NAV ((28.02.20)	RM0.5175
Fund Size	RM3.6 million
Inception Date	17-Sept-2019
Fund Management Fee	0.85% p.a.
Pricing	Daily
Price Quote	Major Newspaper, or http://www.mcis.my
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%	19%
Cash	0%	20%	81%

Performance Table

Period	Fund	Index*
1 month (%)	-1.37%	-7.80%
3 months (%)	3.44%	-2.93%
6 months (%)	-	-
12 months (%)	-	-
2 years (% pa)	-	-
3 years (% pa)	-	-
5 years (% pa)	-	-
Since Inception (% pa)	22.93%	15.91%

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

The Fund returns are calculated by MCIS 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

The FBMKLCI Index continued its negative performance in the second month of the year to close at 1,482 points, lost 3.2% m-o-m. Other than the fear of Covid-19 outbreak, we had also witnessed local political scene turbulence in February which resulted in appointment of a new Prime Minister and a new cabinet line-up. The weaker-than-expected earnings results also dampened the sentiment on local equity market. Historically, FBMKLCI Index had posted an average gain of 0.4% in February over the past 10 years. The benchmark index had outperformed the FBM EMAS Index, which fell at a higher rate of -3.8% m-o-m and closed at 10,478.77 points.

The average daily value traded on the Malaysian equity market improved 25% m-o-m and 16% y-o-y to RM2.6 billion during the month. The monthly increase in trading value could be partly due to higher trading participation by foreign investors due to the country's political upheaval and sell-off in global markets during the last week of Feb due to concerns over the Covid-19's impact on the global economy. Foreign investors sold a total of RM 2 billion of Malaysian equities, the highest outflow in six month. This was a negative development as foreign net outflow appeared to be subsiding in January. Foreign investors accounted for 26% if the average daily trading participation.

The global equity performances were also affected by the Covid-19 fears which sent the stocks into correction territory in February. In the US, Dow Jones and S&P 500 lost -10.1% and -8.4% to close at 25,409.36 points and 2,954.22 points respectively. Meanwhile, Bloomberg European 500 index closed lower by -8.6% on monthly basis and MSCI Asia APEX 50 ex-Japan closed lower by -1.5% m-o-m. Brent crude oil price closed at USD50.52 per barrel, lower by 13.1% m-o-m.

Chart 1: FBMKLCI Weekly Chart



Source: CIMB Research/Bloomberg

Chart 2: FBMKLCI Monthly Chart



Source: MCIS/Bloomberg

Market Outlook & Strategy

Technically, the FBMKLCI had breached the psychological support of 1,500 during the month to 1,482.64 points, its lowest level in eight years. The outbreak continued to dampen the global sentiment financially. Support was seen at Fibonacci target of 1,430 and 1,380 levels and near-term upside capped at 1,500-1,530. Based on historical data, the FBMKLCI's performance tends to be mixed in March, having registered an average monthly gain of 1.6% over the past 10 years.

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

Fixed Income Review and Outlook

Market Review

Malaysia Government Securities (“MGS”) experienced strong rally again, mainly driven by the expectation of another 25bps Overnight Policy Rate (“OPR”) cut in March as well as the worries of global economic slowdown arising from the Novel Coronavirus outbreak globally. In line, the Ringgit weakened to MYR4.2000/USD (Jan’20: MYR4.0965/USD) as the foreign investor flee the country. Weaker economic activities in China moved the Brent crude oil prices lower to USD50.52/barrel compared to a month earlier at USD58.16/barrel.

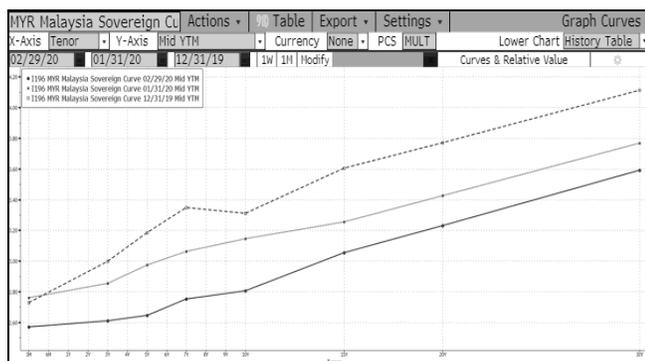
On the local economic front, Malaysia 4Q’19 GDP registered at +3.6% YoY (3Q’19: +4.4% YoY), the lowest point since 2009 global financial crisis. Inflation the other hand rose to +1.6% YoY (Dec’19: +1.0% YoY), mainly due to the higher domestic fuel prices (RON95: MYR2.08 in Jan’20 vs MYR2.00 in Jan’19). Malaysia’s exports and imports dropped by -1.5% YoY and -2.4% YoY respectively (Dec’19: +2.7% YoY and +1.0% YoY respectively) due to the Lunar New Year and emergence of Covid-19 outbreak. All in all, the trade balance was last seen at +MYR12.0 billion (Dec’19: +MYR12.5 billion).

External reserve fell to USD103.4 billion as at end-Feb’20 (end-Jan’20: USD104.2 billion) on the back of portfolio capital outflows arising from market risk-off sentiment amid Novel Coronavirus outbreak and local political uncertainties. The reserve is sufficient to cover 7.4 months of retained imports and 1.1x short term external debt and is above the IMF’s adequate reserve level of USD90.2 billion.

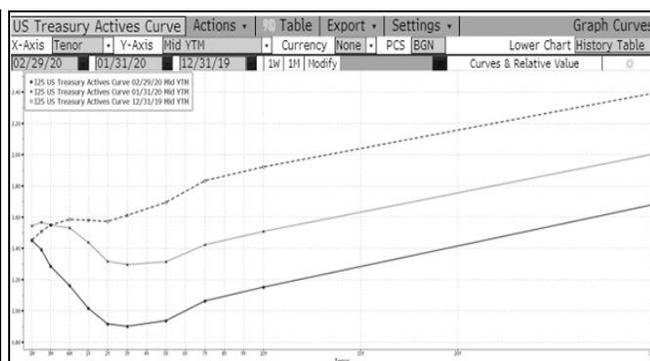
The auctions unveiled in February 2020 are as follows;

Government Auctions				
Issue	Issue Date	Amount	Bid-cover	Avg Yield
		(RM million)	(times)	(%)
30year Re-Issuance of GII(Mat 11/49)	5/2/2020	4,000.00	2.33	3.78
10year Re-Issuance of MGS(Mat 08/29)	14/2/2020	4,000.00	2.04	2.89
5year Re-Issuance of GII(Mat 10/24)	21/2/2020	4,000.00	2.78	2.85

Source: Bank Negara Malaysia



Source: Bloomberg



Source: Bloomberg

The 10-year US Treasury (“UST”) continued to rally, driving the yield lower to 1.15% (Jan’20: 1.51%) as the investors seeking safe-haven assets on the back of worsening global economic outlook, on-going US-China trade war, geopolitical tension in Middle-East region, and the increasing risk of Novel Coronavirus outbreak globally

Market Outlook & Strategy

Following the OPR cut by 50bps in 1Q2020 amid escalating US-China trade tension, BNM is expected to stay dovish monetary stance for the remaining of 2020, in line with the weaker economic prospect arising from the Novel Coronavirus outbreak in China. 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.