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# Investment Link Fund Performance Report June 2020

## **General Advice Warning**

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## **Past performance is not a reliable indicator of future performance**

The information in this presentation should not be considered a personal recommendation on any of the securities or stocks mentioned.

## EXECUTIVE SUMMARY

The FBMKLCI Index continued its positive performance in the month of June to close at 1,500.97 points, 1.9% higher on month-on-month basis (MoM). We believe the gain was due to positive sentiment and liquidity in the market. Investors are positive on the gradual reopening of the economy and the expectation of recovery in corporate earnings in the next quarters and liquidity released from the stimulus packages by the government. The benchmark index had outperformed the FBM EMAS Index, which gain at a lower rate of 0.84% MoM and closed at 10,551.98 points.

Meanwhile, on the fixed income market, Malaysia Government Securities (“MGS”) curve steepened further in Jun’20 as the market expects further Overnight Policy Rate (“OPR”) cuts from BNM while the longer-end yields were pushed higher arising from the negative outlook on Malaysian sovereign rating by S&P Global Ratings. Brent crude oil prices continue to recover to USD41.15/barrel and the Ringgit strengthened to MYR4.2863/USD.

On local economic data, the headline inflation remained unchanged at -2.9% YoY in May’20, mainly driven by the double digit drop in transport cost which was due to the lower global crude oil prices and 18% toll rate cut for PLUS highways effective in Feb’20.

Moving forward, we continue to remain cautious on the equity market. Concerns over the effects of the outbreak of COVID-19 in Malaysia and globally, we expect the FBMKLCI to remain volatile. We will weight on the defensive stocks amid uncertainty.

For fixed income, the OPR cut by 100bps and SRR cut by 100bps in 1H2020, BNM is expected to stay dovish monetary stance for the remaining of 2020, in line with the weaker economic prospect arising from the COVID-19 outbreak globally. The external risk factors such as geopolitical tension in the Middle-East and fluctuation in crude oil prices will continue to weigh on the local market, but we believe corporate bond space still provides attractive yields. As such, we will keep looking to buy on dips of corporate bonds if the opportunity arises.

Based on the performance table below, on monthly basis, most of the funds had underperformed the benchmarks, except for Income Fund and Titan Fund.

Policyholders are encouraged to focus into regular premium given the current risk and volatile period of the economic and market condition. Risk adverse investors should focus into income fund due to its less volatile as compared to equity related funds.

Performance Table: Funds vs Benchmarks

	Asiapac Fund		Balanced Fund		Dividend Fund		Equity Fund		Global Yakin Fund		Income Fund		Jati Fund		Titan Fund	
	Fund	Benchmark	Fund	Benchmark	Fund	Benchmark	Fund	Benchmark	Fund	Benchmark	Fund	Benchmark	Fund	Benchmark	Fund	Benchmark
Monthly (%)	1.80%	2.48%	-0.07%	0.66%	-1.65%	1.88%	-0.49%	1.88%	1.22%	2.06%	-0.10%	-0.56%	-0.94%	0.12%	14.05%	2.82%
3 Months (%)	2.72%	7.85%	5.39%	7.24%	6.11%	11.11%	6.02%	11.11%	12.54%	16.53%	4.41%	3.44%	7.59%	19.14%	20.44%	22.34%
6 Months (%)	-11.78%	-21.50%	0.58%	-0.56%	-4.96%	-5.53%	-5.63%	-5.53%	0.08%	-9.52%	4.36%	4.36%	-2.22%	0.76%	8.61%	4.96%
12 Months (%)	-14.57%	-25.14%	1.04%	-1.40%	-7.79%	-10.24%	-8.39%	-10.24%	5.92%	-3.94%	8.26%	7.89%	-3.49%	-0.77%	n/a	n/a

Source: MCI/S Insurance Berhad

# AsiaPac Fund Monthly Report (June 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.

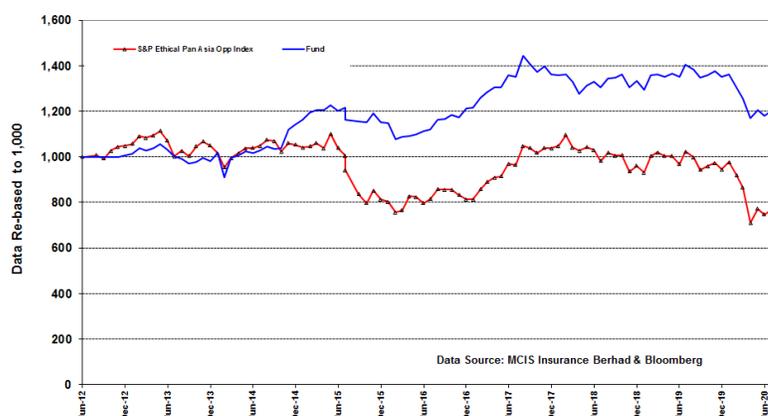
The following factors can potentially affect the value of the Fund; economic and political developments in related countries, foreign exchange fluctuation, illiquid and inefficient securities in the Emerging Markets, and the financial performance of the underlying companies.

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 June 2020, the fund had underperformed the benchmark by 68bps MoM (month on month). However, 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 (30.06.20)	RM0.6005
Fund Size	RM48.91 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%	83%
Cash	0%	20%	17%

## Performance Table

Period	Fund	Index*
1 month (%)	1.80%	2.48%
3 months (%)	2.72%	7.85%
6 months (%)	-11.78%	-21.50%
12 months (%)	-14.57%	-25.14%
2 years (% pa)	-4.08%	-11.66%
3 years (% pa)	-3.88%	-7.36%
5 years (% pa)	-0.23%	-5.27%
Since Inception (% pa)	2.32%	-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 (June 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

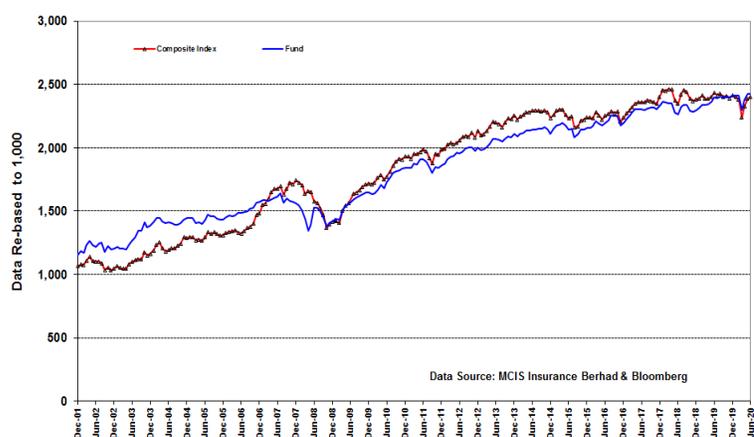
The Fund is considered medium risk given the mixed exposure of equity securities, fixed income and cash. The following factors can potentially affect the value of the Fund; consumer sentiment, financial performance of the underlying companies, industry and economy development, social and political factors, 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 June 2020, the fund had underperformed the benchmark by 73bps MoM (month on month). The underperformance was mainly driven by higher exposure of underperforming securities in the portfolio compared to benchmark.

Balanced Fund Performance Since Inception



### Top Ten Holdings

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

### Fund Information

NAV (30.06.20)	RM1.2114
Fund Size	RM8.26 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%	49%
Cash	0%	20%	10%

### Performance Table

Period	Fund	Index*
1 month (%)	-0.07%	0.66%
3 months (%)	5.39%	7.24%
6 months (%)	0.58%	-0.56%
12 months (%)	1.04%	-1.40%
2 years (% pa)	3.43%	1.14%
3 years (% pa)	1.69%	0.58%
5 years (% pa)	2.49%	1.46%
Since Inception (% pa)	4.83%	4.78%

**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 (June 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 June 2020, the fund had underperformed the benchmark by 353bps MoM (month on month). The underperformance was mainly driven by higher exposure of underperforming 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  
IOI Corporation Berhad  
Tenaga Nasional Berhad  
Public Bank Berhad  
Sime Darby Plantation Berhad  
MyETF Dow Jones  
Malayan Banking Berhad

### Fund Information

NAV (30.06.20)	RM0.7725
Fund Size	RM28.91 million
Inception Date	21-Jan-08
Fund Management Fee	1.5% p.a.
Pricing	Daily
Price Quote	Major Newspaper, or <a href="http://www.mcis.my">http://www.mcis.my</a>
Fund Manager	MCIS Insurance Berhad (MCIS Life)
Exceptional Circumstances	Refer to your Policy Document

### Asset Allocation Ranges

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

### Performance Table

Period	Fund	Index*
1 month (%)	-1.65%	1.88%
3 months (%)	6.11%	11.11%
6 months (%)	-4.96%	-5.53%
12 months (%)	-7.79%	-10.24%
2 years (% pa)	-2.06%	-5.80%
3 years (% pa)	-2.84%	-5.23%
5 years (% pa)	-1.53%	-2.54%
Since Inception (% pa)	3.97%	0.30%
Yield #	3.57%	3.98%

**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 (June 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

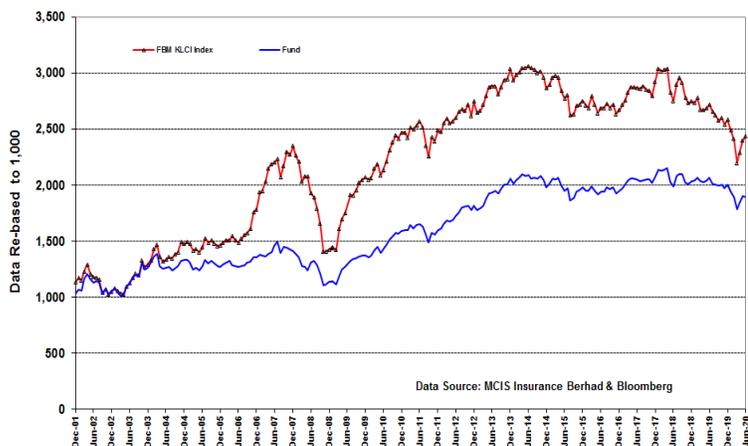
The Fund is considered high risk given the exposure to equity securities. The following factors can potentially affect the value of the Fund; consumer sentiment, financial performance of the underlying companies, the performance of the industry and economy, and the share market in general, social and 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 June 2020, the fund had underperformed the benchmark by 237bps MoM (month on month). The underperformance was mainly driven by higher exposure of underperforming 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 Chemicals Group Berhad  
Petronas Gas Berhad  
Telekom Malaysia Berhad  
Maxis Berhad  
Petronas Dagangan Berhad

### Fund Information

NAV (30.06.20)	RM0.9461
Fund Size	RM8.85 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%	86%
Cash	0%	20%	14%

### Performance Table

Period	Fund	Index*
1 month (%)	-0.49%	1.88%
3 months (%)	6.02%	11.11%
6 months (%)	-5.63%	-5.53%
12 months (%)	-8.39%	-10.24%
2 years (% pa)	-2.47%	-5.80%
3 years (% pa)	-2.62%	-5.23%
5 years (% pa)	-0.57%	-2.54%
Since Inception (% pa)	3.46%	4.87%
Yield #	3.59%	3.98%

**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 (June 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

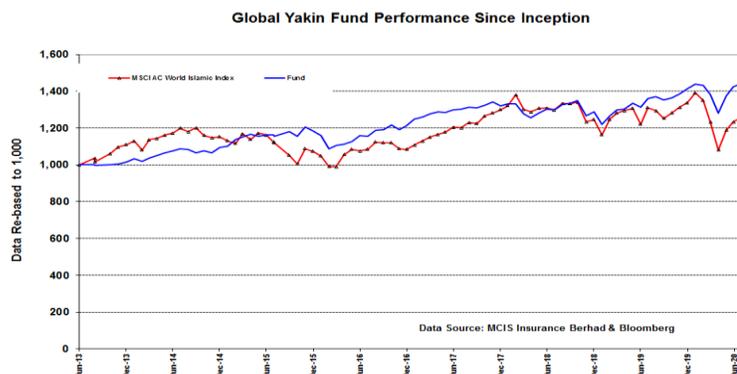
The Fund is considered low risk given the exposure to only one underlying securities with no attempt to select stocks individually or to take defensive positions in declining markets. Risk is managed at the management level, where the asset allocation of the fund to be reviewed on regular basis, and 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 June 2020, the fund had underperformed the benchmark by 84bps MoM (month on month). The underperformance was mainly due to underperforming of the underlying securities compared to the benchmark index.



### Top Ten Holdings

Aberdeen Standard Islamic World Equity Fund (ASIWEF)

### Fund Information

NAV (30.06.20)	RM0.7205
Fund Size	RM55.39 million
Inception Date	8-July-2013
Fund Management Fee	0.85% p.a.
Pricing	Daily
Price Quote	Major Newspaper, or <a href="http://www.mcis.my">http://www.mcis.my</a>
Fund Manager	MCIS Insurance Berhad (MCIS Life)
Exceptional Circumstances	Refer to your Policy Document

### Asset Allocation Ranges

Asset Class	Min	Max	Current Actual
ASIWEF	80%	100%	84%
Cash	0%	20%	16%

### Performance Table

Period	Fund	Index*
1 month (%)	1.22%	2.06%
3 months (%)	12.54%	16.53%
6 months (%)	0.08%	-9.52%
12 months (%)	5.92%	-3.94%
2 years (% pa)	5.41%	-1.54%
3 years (% pa)	3.39%	1.58%
5 years (% pa)	4.41%	2.86%
Since Inception (% pa)	5.36%	3.34%

**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 (June 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.

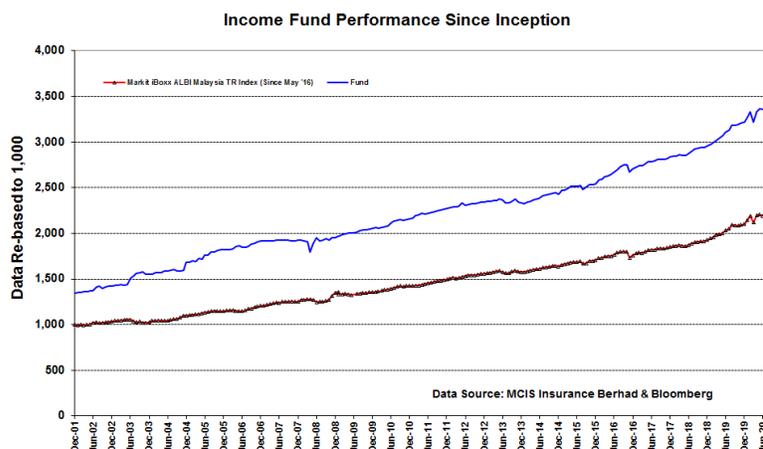
### Risks

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 June 2020, 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

Danum Capital Berhad  
 Sabah Development Bank Berhad  
 Edra Solar Sdn Bhd  
 Telekom 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 (30.06.20)	RM1.6794
Fund Size	RM37.27 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%	88%
Cash	0%	25%	12%

### Performance Table

Period	Fund	Index*
1 month (%)	-0.10%	-0.56%
3 months (%)	4.41%	3.44%
6 months (%)	4.36%	4.36%
12 months (%)	8.26%	7.89%
2 years (% pa)	8.18%	8.27%
3 years (% pa)	6.46%	6.45%
5 years (% pa)	5.95%	5.40%
Since Inception (% pa)	6.68%	4.27%

**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.

\* 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 (June 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

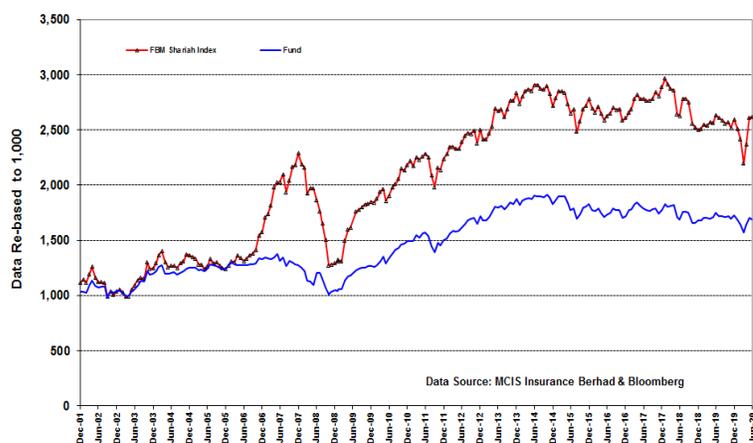
The Fund is considered high risk given the exposure to equity securities. The following factors can potentially affect the value of the Fund; consumer sentiment, financial performance of the underlying companies, the performance of the industry and economy, and the share market in general, social and 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 June 2020, the fund had underperformed the benchmark by 106bps MoM (month on month). The underperformance was mainly driven by higher exposure of underperforming securities in the portfolio compared to benchmark.

Jati Fund Performance Since Inception



### Top Ten Holdings

Tenaga Nasional Berhad  
 Petronas Chemicals Group Berhad  
 Telekom Malaysia Berhad  
 Axiata Group Berhad  
 Maxis Berhad  
 IOI Corporation Berhad  
 Petronas Gas Berhad  
 Sime Darby Berhad  
 Sime Darby Plantation Berhad  
 Perlis Plantation Berhad

### Fund Information

NAV (30.06.20)	RM0.8439
Fund Size	RM16.1 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%	82%
Cash	0%	20%	18%

### Performance Table

Period	Fund	Index*
1 month (%)	-0.94%	0.12%
3 months (%)	7.59%	19.14%
6 months (%)	-2.22%	0.76%
12 months (%)	-3.49%	-0.77%
2 years (% pa)	0.13%	-0.22%
3 years (% pa)	-1.93%	-2.08%
5 years (% pa)	-0.96%	-0.28%
Since Inception (% pa)	2.83%	5.26%
Yield #	2.59%	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 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 (June 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.

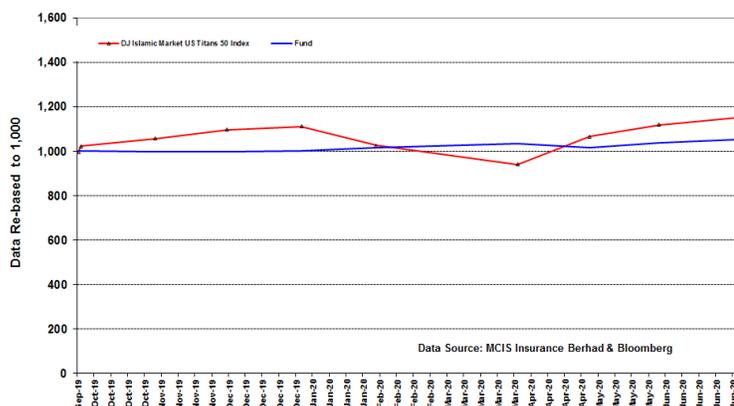
The following factors can potentially affect the value of the Fund; economic and political developments in related countries, foreign exchange fluctuation, illiquid and inefficient securities in the Emerging Markets, and the financial performance of the underlying companies.

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 June 2020, the fund had outperformed the benchmark by 1123bps MoM (month on month).

Titan Fund Performance Since Inception



### Top Ten Holdings

MyETFDJ50

### Fund Information

NAV (30.06.20)	RM0.5422
Fund Size	RM4.46 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%	78%
Cash	0%	20%	22%

### Performance Table

Period	Fund	Index*
1 month (%)	14.05%	2.82%
3 months (%)	20.44%	22.34%
6 months (%)	8.61%	4.96%
12 months (%)	n/a	n/a
2 years (% pa)	n/a	n/a
3 years (% pa)	n/a	n/a
5 years (% pa)	n/a	n/a
Since Inception (% pa)	11.41%	20.54%

**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.

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# Equity Market Review and Outlook

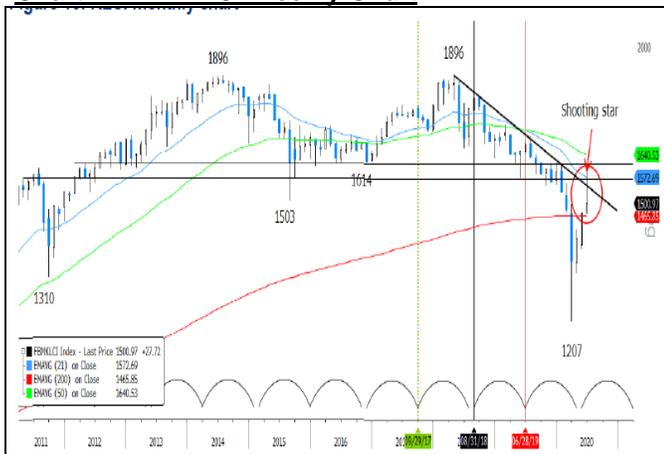
## Market Review

The FBMKLCI Index continued its positive performance in the month of June to close at 1,500.97 points, 1.9% higher on month-on-month basis (MoM). We believe the gain was due to positive sentiment and liquidity in the market. Investors are positive on the gradual reopening of the economy and the expectation of recovery in corporate earnings in the next quarters and liquidity released from the stimulus packages by the government. The benchmark index had outperformed the FBM EMAS Index, which gain at a lower rate of 0.84% MoM and closed at 10,551.98 points.

The average daily value traded on the Malaysian equity market improved 6.2% MoM to RM4.7bil during the month, supported by strong interest from retail participants. This is significantly higher than the average daily trading value of RM2.15 bil achieved in 2019. In June, foreign investors sold RM3bil worth of Malaysian equities, which unchanged MoM. This brings the 1H20 net foreign outflow to RM16.2bil, which is 47% higher than the RM11bil outflow registered in 2019. As a result, the cumulative net foreign fund outflows from Malaysia in the equity market (since 2010) expanded to RM25.1bil.

The global equity markets were also closed positively during the month. In the US, Dow Jones and S&P 500 gained 1.69% and 1.84% MoM to close at 25,812.88 points and 3,100.29 points respectively. Meanwhile, Bloomberg European 500 index closed higher by 3.0% on MoM and MSCI Asia APEX 50 ex-Japan closed higher by 9.8% MoM.

**Chart 1: FBMKLCI Weekly Chart**



Source: CIMB Research/Bloomberg

**Chart 2: FBMKLCI Monthly Chart**



Source: MCIS/Bloomberg

## Market Outlook & Strategy

Technically, June was a volatile month where the FBMKLCI Index soared to a high of 1,590 and later fell to 1,476 before ending the month just above the psychological 1,500 level. The bulls managed to briefly push the index above the falling resistance trendline. The weak close saw the index formed a shooting star pattern, which is deemed to be a reversal signal. Closing below June's low of 1,473 points may suggest that more weakness may follow, at least for the next couple of months. Support is seen at 1,470 (-2.1% from June closing points), while upside resistance is seen at the 1,570-1,620 range.

Based on historical data, we note that the FBMKLCI's performance tends to be positive in June, having registered an average monthly positive return of 0.7% over the past 10 years. Moving forward, we continue to remain cautious on the equity market. Concerns over the effects of the outbreak of COVID-19 in Malaysia and globally, we expect the FBMKLCI to remain volatile. We will weight on the defensive stocks amid uncertainty.

# Fixed Income Review and Outlook

## Market Review

Malaysia Government Securities (“MGS”) curve steepened further in Jun’20 as the market expects further Overnight Policy Rate (“OPR”) cuts from BNM while the longer-end yields were pushed higher arising from the negative outlook on Malaysian sovereign rating by S&P Global Ratings. Brent crude oil prices continue to recover to USD41.15/barrel (May’20: USD35.33/barrel) as OPEC+ agreed to extend the production cut of 9.7 million barrels per day until end-July in addition to the on-going global commodity demand recovery. In line with the higher oil prices, the Ringgit strengthened to MYR4.2863/USD, as compared to a month earlier at MYR4.3465/USD.

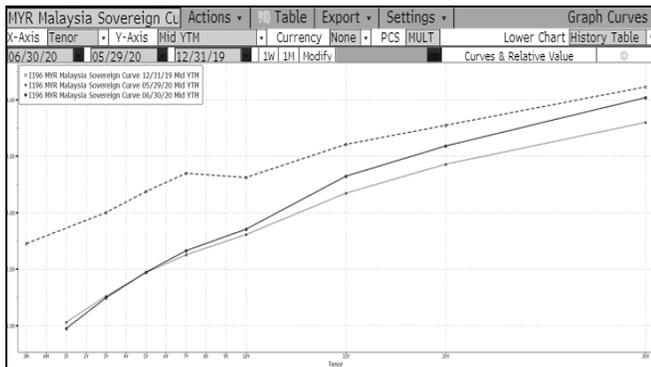
On local economic data, the headline inflation remained unchanged at -2.9% YoY in May’20, mainly driven by the double digit drop in transport cost which was due to the lower global crude oil prices and 18% toll rate cut for PLUS highways effective in Feb’20. Malaysia’s trade volume continued to slump in May’20 as the exports dropped further to -25.5% YoY in May’20 (Apr’20: -23.9% YoY). Decline in exports was seen across all the segments, except for rubber gloves (May’20: +20.5% YoY; Apr’20: +33.8% YoY). Similarly, the imports also fell further to -30.4% YoY (Apr’20: -8.0% YoY), whereby the capital goods, consumption and intermediate imports were down by -27.8% YoY, -21.9% YoY and -27.8% YoY respectively (Apr’20: +68.9% YoY, -12.0% YoY and -30.6% YoY respectively). All-in-all, the trade balance is back to black at +MYR10.4bil, as compared to a deficit of MYR3.6bil in a month earlier.

External reserve continues its upward trend to USD103.4bil as at end-June’20 (end-May’20: USD102.5bil), supported by the portfolio capital inflow into local bond market. Foreign investors bought a net total +MYR11.6bil (May’20: +MYR1.5bil) of local bonds compared to a net sell MYR3.0bil (May’20: -MYR3.0bil) of local equities during the month. The reserve is sufficient to cover 8.3 months of retained imports and 1.1x short term external debt and 14.6% above the minimum requirement of USD90.2bil IMF Reserve Adequacy.

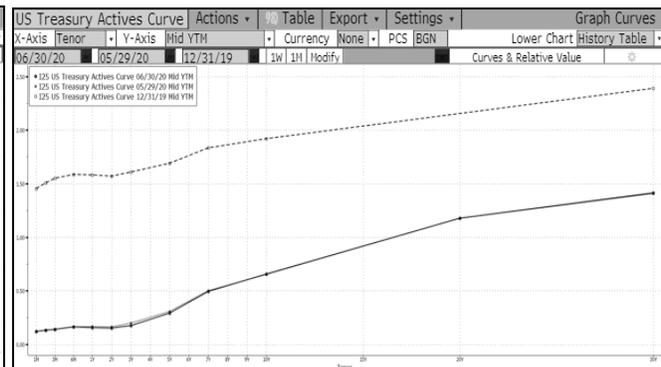
The auctions unveiled in June 2020 are as follows;

Government Auctions				
Issue	Issue Date	Amount	Bid-cover	Avg Yield
		(RM million)	(times)	(%)
3year Re-Issuance of GII(Mat 05/23)	02/06/2020	4,500.00	2.50	2.31
30year Re-Issuance of MGS(Mat 06/50)	11/06/2020	5,500.00	2.17	4.07
20year Re-Issuance of GII(Mat 09/39)	26/06/2020	5,500.00	2.06	3.76
3year Re-Issuance of MGS(Mat 03/23)	08/07/2020	5,000.00	2.51	2.00

Source: Bank Negara Malaysia



Source: Bloomberg



Source: Bloomberg

The 10-year US Treasury (“UST”) yield remained unchanged at 0.65%, maintaining its historical low level, reflecting the worries of high unemployment and economic recession arising from the COVID-19 global pandemic. The Federal Reserve policy-makers pledges to keep the interest rate low until they see a broader economic recovery.

## **Market Outlook & Strategy**

Following the OPR cut by 100bps and SRR cut by 100bps in 1H2020, BNM is expected to stay dovish monetary stance for the remaining of 2020, in line with the weaker economic prospect arising from the COVID-19 outbreak globally. The external risk factors such as geopolitical tension in the Middle-East and fluctuation in crude oil prices will continue to weigh on the local market, but we believe corporate bond space still provides attractive yields. As such, we will keep looking to buy on dips of corporate bonds if the opportunity arises.