



Investment Linked Fund Performance Report May 2016

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AsiaPac Fund Monthly Report (May 2016)

Investment Objective

To achieve steady income stream with potential growth in the Asia Pacific Region over medium to long term. The aim of the Fund is to outperform the S&P Ethical Pan Asia Select Dividend Opportunities Index over periods of five or more years.

Investment Strategy

To invest in Asia Pacific Ethical Dividend Exchange Traded Fund (ETF), managed by CIMB Principal Asset Management where the ETF is listed on the Singapore Stock Exchange.

The ETF focuses on top 40 ethical and high yielding stocks in the Asia Pacific Region excluding India, Taiwan, Japan, New Zealand and Philippines. The fund provides country diversification across the industry that is traded in US Dollar.

Risks

The Fund is considered low risk given the exposure to only one underlying securities with no attempt to select stocks individually or to take defensive positions in declining markets. Risk is managed at the management level, where the asset allocation of the fund to be reviewed on regular basis, and adjusted to commensurate with the Investment Team view on the relative attractiveness of each asset class.

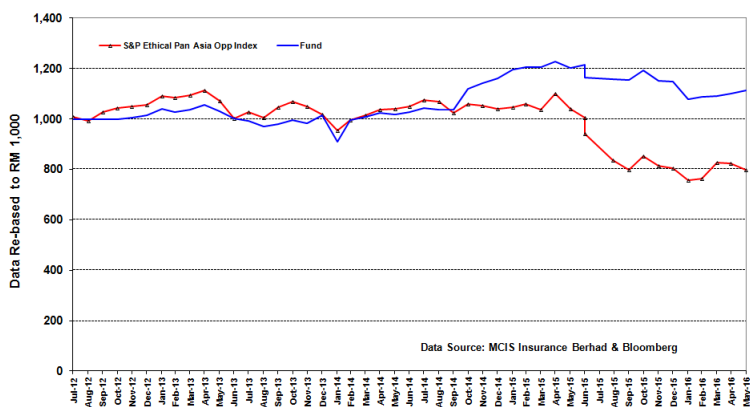
The following factors can potentially affect the value of the Fund; economic and political developments in related countries, foreign exchange fluctuation, illiquid and inefficient securities in the Emerging Markets, and the financial performance of the underlying companies.

The target market is for investors who are seeking regional exposure from investment and at the same time, seeking for medium to long term capital appreciation with moderate market risk.

Fund Performance

For the month ended May 2016, the fund had outperformed the benchmark by 455bps MoM (month on month). The fund had also outperformed the benchmark since inception.

AsiaPac Fund Performance Since Inception



Top Ten Holdings

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

Fund Information

| | |
|---------------------------|--|
| NAV (31.5.16) | RM0.5572 |
| Fund Size | RM25.2 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 |
| Exceptional Circumstances | Refer to your Policy Document |

Asset Allocation Ranges

| Asset Class | Min | Max | Current Actual |
|-------------|-----|------|----------------|
| ETF | 80% | 100% | 72% |
| Cash | 0% | 20% | 28% |

Performance Table

| Period | Fund | Index* |
|-----------------|--------|---------|
| 1 month (%) | 1.38% | -3.17% |
| 3 months (%) | 2.48% | 4.34% |
| 6 months (%) | -3.23% | -1.91% |
| 12 months (%) | -7.38% | -23.22% |
| 2 years (% pa) | 9.58% | -23.22% |
| 3 years (% pa) | 2.65% | -9.37% |
| 5 years (% pa) | - | - |
| Since Inception | 2.80% | -5.61% |

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

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

* Index is S&P Ethical Pan Asia Select Dividend Opportunities sourced from Bloomberg.

Other Charges: Switching Fee, you are entitled to four free switches per policy year. Additional switches within the same year will be charged at 1% of the value of units switched, subject to a maximum of RM 50; and all taxes, duties and other charges incurred in the purchase, sale, valuation and maintenance of the investments of the Fund.

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 (May 2016)

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

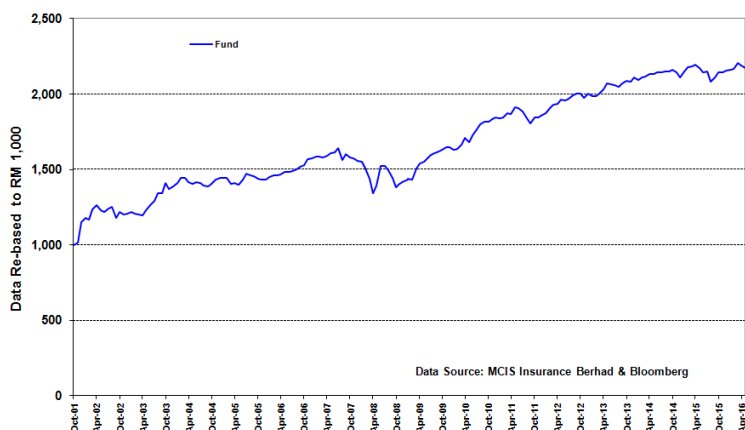
The Fund is considered medium risk given the mixed exposure of equity securities, fixed income and cash. The following factors can potentially affect the value of the Fund; consumer sentiment, financial performance of the underlying companies, industry and economy development, social and political factors, 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 May 2016, the fund dropped by 67bps MoM (month on month).

Balanced Fund Performance Since Inception



Top Ten Holdings

Malaysian Government Securities (Bond)
 Projek Lebuhraya Utara-Selatan (Bond)
 Jimah East Power Sdn Bhd (Bond)
 Sabah Credit Corporation (Bond)
 Tenaga Nasional Berhad (Equity)
 Malayan Banking Berhad (Equity)
 Telekom Malaysia Berhad (Equity)
 CIMB Bank Berhad (Equity)
 Maxis Berhad (Equity)
 Amanahraya Real Estate Investment Trust

Fund Information

| | |
|---------------------------|---|
| NAV (31.5.16) | RM1.0872 |
| Fund Size | RM7.5 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 |
| Exceptional Circumstances | Refer to your Policy Document |

Asset Allocation Ranges

| Asset Class | Min | Max | Current Actual |
|------------------|-----|-----|----------------|
| Malaysian Equity | 40% | 60% | 43% |
| Fixed Income | 40% | 60% | 41% |
| Cash | 0% | 20% | 16% |

Performance Table

| Period | Fund | Index* |
|-----------------|--------|--------|
| 1 month (%) | -0.67% | NA |
| 3 months (%) | 0.23% | NA |
| 6 months (%) | 1.35% | NA |
| 12 months (%) | 0.06% | NA |
| 2 years (% pa) | 0.89% | NA |
| 3 years (% pa) | 1.62% | NA |
| 5 years (% pa) | 2.62% | NA |
| Since Inception | 5.44% | NA |

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

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

* Previously, the benchmark index is a composite of 50% FBM KLCI Index and 50% HSBC Malaysia All Bond Index. To note that HSBC Malaysia All Bond index is presently no longer available and the benchmark will be replaced with a new index to be announced later. As such, the benchmark return is not available at this point of reporting.

Other Charges: Switching Fee, you are entitled to four free switches per policy year. Additional switches within the same year will be charged at 1% of the value of units switched, subject to a maximum of RM 50; and all taxes, duties and other charges incurred in the purchase, sale, valuation and maintenance of the investments of the Fund.

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 (May 2016)

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

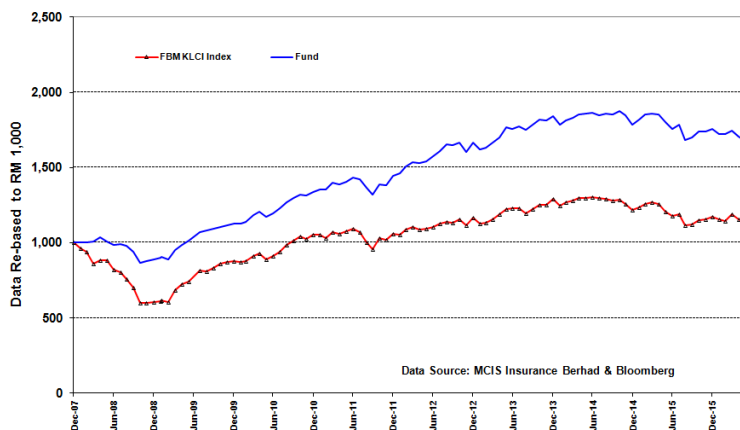
The Fund is considered high risk given the exposure to equity securities. The following factors can potentially affect the value of the Fund; consumer sentiment, financial performance of the underlying companies, the performance of the industry and economy, and the share market in general, social and 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 May 2016, the fund had outperformed the benchmark by 132bps MoM (month on month). The outperformance was mainly driven by higher exposure of outperforming stocks in the portfolio compared to benchmark.

Dividend Fund Performance Since Inception



Top Ten Holdings

Public Bank Berhad
Telekom Malaysia Berhad
Sime Darby Berhad
Petronas Gas Berhad
Malayan Banking Berhad
Maxis Berhad
Petronas Chemicals Group Berhad
Axiata Group Berhad
DiGi.Com Berhad
Tenaga Nasional Berhad

Fund Information

| | |
|---------------------------|--|
| NAV (31.5.16) | RM0.7971 |
| Fund Size | RM40.7 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 |
| 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 (%) | -1.47% | -2.79% |
| 3 months (%) | -2.73% | -1.74% |
| 6 months (%) | -3.46% | -2.76% |
| 12 months (%) | -6.96% | -6.95% |
| 2 years (% pa) | -4.92% | -6.84% |
| 3 years (% pa) | -1.71% | -2.77% |
| 5 years (% pa) | 3.60% | 0.85% |
| Since Inception | 6.34% | 1.41% |
| Yield # | 2.67% | 3.13% |

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

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

* Index is FBM KLCI sourced from Bloomberg.

Yield data is sourced from Bloomberg, and MCIS.

Other Charges: Switching Fee, you are entitled to four free switches per policy year. Additional switches within the same year will be charged at 1% of the value of units switched, subject to a maximum of RM 50; and all taxes, duties and other charges incurred in the purchase, sale, valuation and maintenance of the investments of the Fund.

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 (May 2016)

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

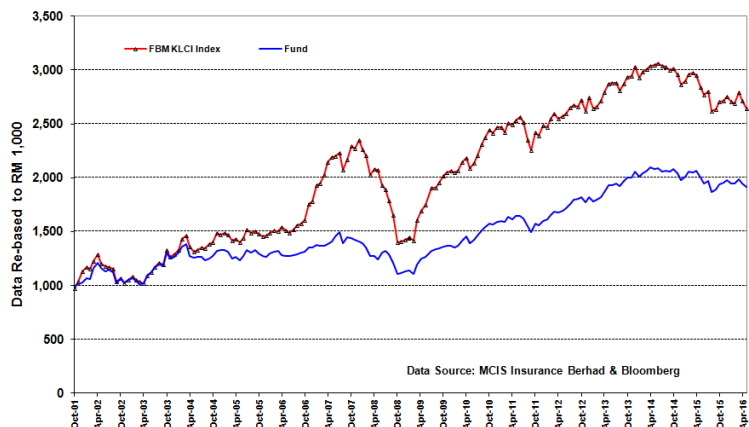
The Fund is considered high risk given the exposure to equity securities. The following factors can potentially affect the value of the Fund; consumer sentiment, financial performance of the underlying companies, the performance of the industry and economy, and the share market in general, social and 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 May 2016, the fund had outperformed the benchmark by 112bps MoM (month on month). The outperformance was mainly driven by higher exposure of outperforming stocks in the portfolio compared to benchmark.

Equity Fund Performance Since Inception



Top Ten Holdings

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

Fund Information

| | |
|---------------------------|--|
| NAV (31.5.16) | RM0.9588 |
| Fund Size | RM8.7 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 |
| 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 (%) | -1.67% | -2.79% |
| 3 months (%) | -1.63% | -1.74% |
| 6 months (%) | -2.07% | -2.76% |
| 12 months (%) | -4.06% | -6.95% |
| 2 years (% pa) | -4.07% | -6.84% |
| 3 years (% pa) | -0.18% | -2.77% |
| 5 years (% pa) | 3.13% | 0.85% |
| Since Inception | 4.54% | 6.85% |
| Yield # | 2.81% | 3.13% |

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

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

* Index is FBM KLCI sourced from Bloomberg.

Yield data is sourced from Bloomberg, and MCIS.

Other Charges: Switching Fee, you are entitled to four free switches per policy year. Additional switches within the same year will be charged at 1% of the value of units switched, subject to a maximum of RM 50; and all taxes, duties and other charges incurred in the purchase, sale, valuation and maintenance of the investments of the Fund.

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 (May 2016)

Investment Objective

The fund aims for capital appreciation in the long term by investing in an international portfolio of Shariah-compliant equities and equity-related securities of companies with good growth potential.

Investment Strategy

The Fund is to feed into Aberdeen Islamic World Equity Fund (AIWEF) which managed by Aberdeen Islamic Asset Management Sdn Bhd. The Fund invests in shariah approved securities across the globe.

The Fund seeks to achieve its objective by investing in an international portfolio of Shariah-compliant equities and equity-related securities of companies with good growth potential. The countries that the Fund will invest in will include, but not limited to Canada, United States of America, United Kingdom, France, Germany, Italy, Netherlands, Sweden, Switzerland, Japan, Australia, China, Hong Kong, Korea, Singapore, Taiwan, Brazil and Mexico.

Risks

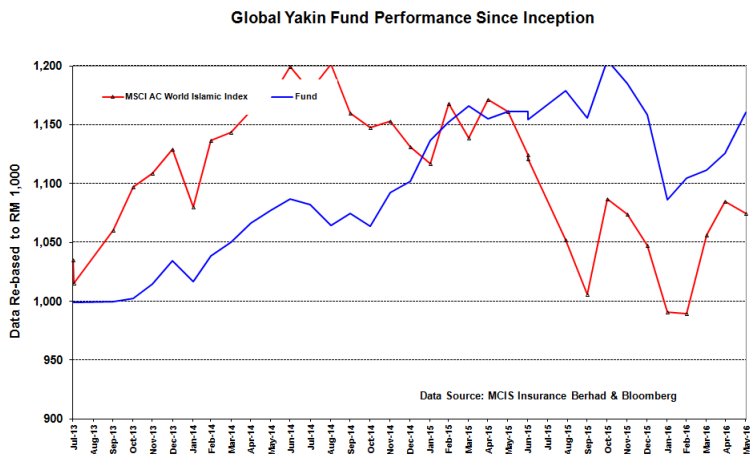
The Fund is considered low risk given the exposure to only one underlying securities with no attempt to select stocks individually or to take defensive positions in declining markets. Risk is managed at the management level, where the asset allocation of the fund to be reviewed on regular basis, and adjusted to commensurate with the Investment Team view on the relative attractiveness of each asset class.

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

The Fund is suitable for investors who seek capital appreciation over a long term investment horizon and who are willing to accept high level of risk.

Fund Performance

For the month ended May 2016, the fund had outperformed the benchmark by 406bps MoM (month on month). The outperformance was mainly due to outperforming of underlying security compared to benchmark index.



Top Ten Holdings

Aberdeen Islamic World Equity Fund (AIWEF)

Fund Information

| | |
|---------------------------|---|
| NAV (31.5.16) | RM0.5802 |
| Fund Size | RM24.0 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 |
| Exceptional Circumstances | Refer to your Policy Document |

Asset Allocation Ranges

| Asset Class | Min | Max | Current Actual |
|-------------|-----|------|----------------|
| AIWEF | 80% | 100% | 89% |
| Cash | 0% | 20% | 11% |

Performance Table

| Period | Fund | Index* |
|-----------------|--------|--------|
| 1 month (%) | 3.09% | -0.97% |
| 3 months (%) | 5.05% | 8.60% |
| 6 months (%) | -2.08% | 0.08% |
| 12 months (%) | -0.08% | -7.48% |
| 2 years (% pa) | 3.79% | -4.28% |
| 3 years (% pa) | - | - |
| 5 years (% pa) | - | - |
| Since Inception | 5.23% | 2.50% |

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

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

* Index is MSCI AC World Islamic sourced from Bloomberg.

Other Charges: Switching Fee, you are entitled to four free switches per policy year. Additional switches within the same year will be charged at 1% of the value of units switched, subject to a maximum of RM 50; and all taxes, duties and other charges incurred in the purchase, sale, valuation and maintenance of the investments of the Fund.

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 (May 2016)

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.

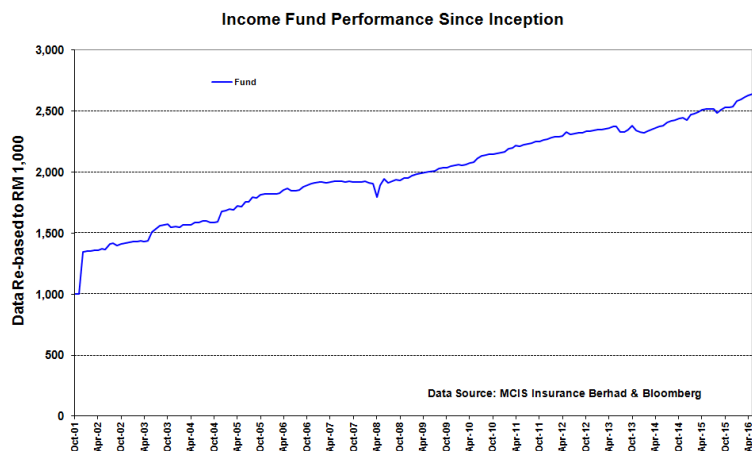
Risks

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 May 2016, the fund rose by 43bps MoM (month on month).



Top Ten Holdings

Malaysian Government Securities
 Projek Lebuhraya Utara-Selatan Berhad
 Jimah East Power Sdn Bhd
 Government Investment Issue
 PBFIN Berhad
 Sabah Credit Corporation
 Sarawak Energy Berhad
 Perdana Petroleum Berhad
 CIMB Bank Berhad

Fund Information

| | |
|---------------------------|---|
| NAV (31.5.16) | RM1.3209 |
| Fund Size | RM25.0 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 |
| Exceptional Circumstances | Refer to your Policy Document |

Asset Allocation Ranges

| Asset Class | Min | Max | Current Actual |
|--------------|-----|------|----------------|
| Fixed Income | 75% | 100% | 89% |
| Cash | 0% | 25% | 11% |

Performance Table

| Period | Fund | Index* |
|-----------------|-------|--------|
| 1 month (%) | 0.43% | NA |
| 3 months (%) | 1.76% | NA |
| 6 months (%) | 4.34% | NA |
| 12 months (%) | 4.97% | NA |
| 2 years (% pa) | 5.49% | NA |
| 3 years (% pa) | 3.57% | NA |
| 5 years (% pa) | 3.59% | NA |
| Since Inception | 6.85% | NA |

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

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

* Index is HSBC Malaysia All Bond FBM KLCI Index, sourced from Bloomberg. To note that HSBC Malaysia All Bond index is presently no longer available and the benchmark will be replaced with a new index to be announced later. As such, the benchmark return is not available at this point of reporting.

Other Charges: Switching Fee, you are entitled to four free switches per policy year. Additional switches within the same year will be charged at 1% of the value of units switched, subject to a maximum of RM 50; and all taxes, duties and other charges incurred in the purchase, sale, valuation and maintenance of the investments of the Fund.

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 (May 2016)

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

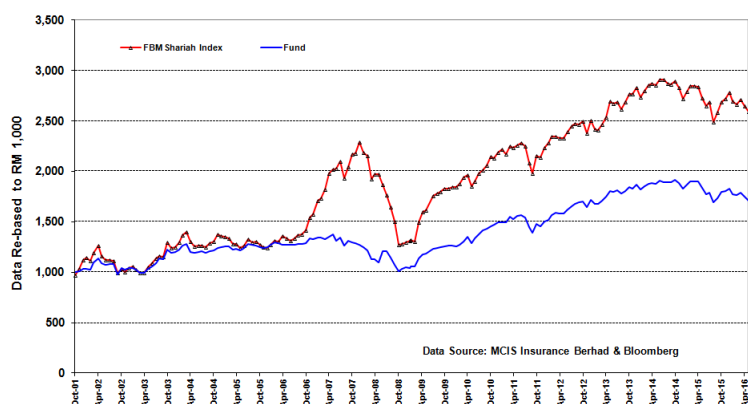
The Fund is considered high risk given the exposure to equity securities. The following factors can potentially affect the value of the Fund; consumer sentiment, financial performance of the underlying companies, the performance of the industry and economy, and the share market in general, social and 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 May 2016, the fund had outperformed the benchmark by 22bps MoM (month on month). The outperformance was mainly driven by higher exposure of outperforming stocks in the portfolio compared to benchmark.

Jati Fund Performance Since Inception



Top Ten Holdings

Tenaga Nasional Berhad
Sime Darby Berhad
Petronas Chemicals Group Berhad
Telekom Malaysia Berhad
Petronas Dagangan Berhad
Axiata Group Berhad
MISC Berhad
SapuraKencana Petroleum Berhad
IHH Healthcare Berhad
MyETF Dow Jones Islamic Market Titan 25

Fund Information

| | |
|---------------------------|--|
| NAV (31.5.16) | RM0.8547 |
| Fund Size | RM10.9 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 |
| Exceptional Circumstances | Refer to your Policy Document |

Asset Allocation Ranges

| Asset Class | Min | Max | Current Actual |
|------------------|-----|------|----------------|
| Malaysian Equity | 80% | 100% | 84% |
| Cash | 0% | 20% | 16% |

Performance Table

| Period | Fund | Index* |
|-----------------|--------|--------|
| 1 month (%) | -2.13% | -2.35% |
| 3 months (%) | -2.99% | -2.67% |
| 6 months (%) | -5.43% | -4.67% |
| 12 months (%) | -6.96% | -5.20% |
| 2 years (% pa) | -4.58% | -4.73% |
| 3 years (% pa) | -1.82% | -1.31% |
| 5 years (% pa) | 1.84% | 2.77% |
| Since Inception | 3.72% | 6.70% |
| Yield # | 2.32% | 2.70% |

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

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

* Index is FBMS Index sourced from Bloomberg.

Yield data is sourced from Bloomberg, and MCIS.

Other Charges: Switching Fee, you are entitled to four free switches per policy year. Additional switches within the same year will be charged at 1% of the value of units switched, subject to a maximum of RM 50; and all taxes, duties and other charges incurred in the purchase, sale, valuation and maintenance of the investments of the Fund.

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 local bourse consolidated further in May on more follow through selling by foreign funds. The outflow sent the Malaysian Ringgit tumbling again, back above the RM4.00 to the Dollar psychological mark. At the end of May, the Ringgit stood at RM4.1305. The benchmark FBM KLCI declined another 47pts (45pts in April) or 2.8% mom to close at 1,626. However, the broader market outperformed the KLCI, with the FBM Emas down 2.1% mom to 11,391pts. Average daily value traded on Bursa in May surged 6% mom to RM2.147bn and 3.6% above the YTD average value.

On the domestic economic front, the headline inflation rate decelerated to 2.1% y-o-y in April, (2.6% in March and 4.2% in February). This was attributed to a broad-based decrease in the price inflation of major items due to base effects with the exception of transport, which saw a MYR0.10-0.20 increase in retail fuel prices. In tandem with the headline rate, the core inflation rate eased to 2.3% y-o-y in April, the lowest in 12 months. Looking ahead, the adjustments in administered prices and the weaker ringgit exchange rate will likely push up prices but this is expected to be mitigated by the continued low energy prices and a slowdown in domestic demand. As a result, we envisage the headline inflation rate to remain manageable at 2.0-2.5% level for this year, compared with +2.1% in 2015.

Meanwhile globally, the World Bank revised lower its forecast for 2016 global economic growth to 2.4%, down from a +2.9% projection in January. This was attributed to weakening business spending in advanced economies including the US, while commodity exporters in emerging markets struggle to adjust to low prices. Downside risks have become more pronounced since the start of the year, with a range of challenges looming including deteriorating conditions in commodity-exporting economies, rising private-sector debt in large emerging markets and heightened policy and geopolitical uncertainties, according to the bank

Chart 1: FBMKLCI Daily Chart



Source: Bloomberg

Chart 2: FBMKLCI Monthly Pattern and Cycle Analysis



Source: Bloomberg

Market Outlook & Strategy

Technically the index is now undergoing a multi-month or even multi-year correction. In May, we saw the benchmark come under selling pressure with the index falling to a low of 1,611 before the current sideways movement. We think that it can go either way in the near term. The outright long term picture would turn bearish on a break below 1,600 while anything below 1,503 would confirm the head & shoulders pattern, potentially targeting a move to 1,200 next.

We believe that the local bourse is likely to undergo further consolidation in the months to come but in the immediate term, the selling over the past couple of months maybe over done. The release of corporate results last month failed to ignite the market as we had mentioned last month that we do not expect companies surprise on the upside. For the immediate term, we believe that the equity market will remain volatile as investors are becoming more cautious after the recent recovery.

Fixed Income Review and Outlook

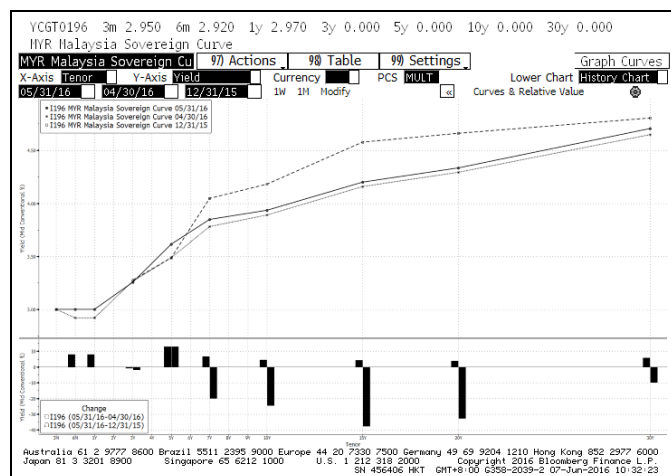
Market Review

Ringgit government bonds weakened end-May, reversing gains registered in April. At the beginning of May, bond prices gained given the increased expectations of a rate cut by Bank Negara Malaysia (BNM) during the Monetary Policy Committee (MPC) meet in anticipation of a slower GDP for Malaysia as the economy slows. However, the odds of an OPR cut was slashed considerably when BNM held the Overnight Policy Rate (OPR) unchanged at 3.25%. The no change in OPR was also supported by better-than-expected 1Q2016 GDP (+4.2% against consensus +4.0%), negating the earlier consensus view of a sharper slowdown for Malaysia. In addition, losses came as global markets turned more cautious on the US Federal Reserve's hawkish statements based on the minutes released from the latest Federal Open Market Committee (FOMC) meeting. The Ringgit, which was firmer end-April/early May as crude oil price rebounded, had instead trended weaker for the rest of May as a result of these combination of events.

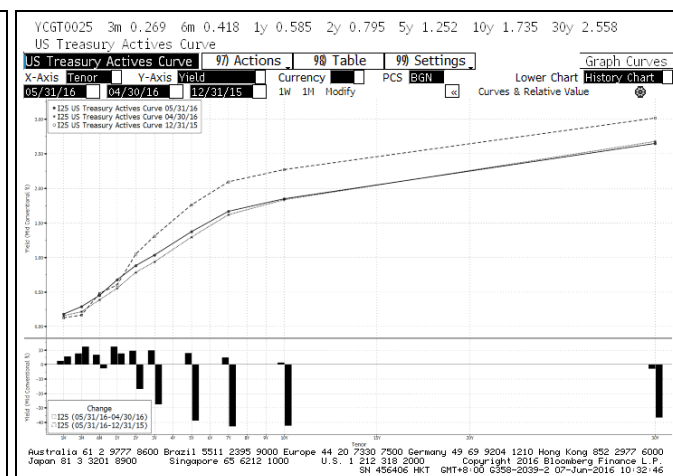
The auctions unveiled in May 2016 are as follows:

| Government Auctions in May 2016 | | | | |
|---|------------|---------------------|-------------------|---------------|
| Issue | Issue Date | Amount (RM million) | Bid-cover (times) | Avg Yield (%) |
| 15-year Re-opening of MGII (Mat on 09/30) | 6-May-16 | 2,500 | 2.621 | 4.417 |
| 10-year New Issue of MGS (Mat on 11/26) | 24-May-16 | 4,000 | 2.193 | 3.900 |
| 5.5-year New Issue of MGS (Mat on 11/21) | 31-May-16 | 4,000 | 1.420 | 3.620 |

Table 1: Government Auctions May 2016. Source: Bank Negara Malaysia



Source: Bloomberg



Source: Bloomberg

Foreign holdings surged from 32.6% of total outstanding MGS and Gil to 33.4% for the month of April 2016. Foreign players were net buyers of both MGS and Gil amounted to RM7.78 billion of net inflows on a month-on-month basis after RM10.0 billion of inflows in Mar 2016. Pending new data, we reckon that the Ringgit govies may see further inflows in May but in a smaller tick sizes.

Market Outlook & Strategy

We still see pressure on the Ringgit currency (currently at USD/MYR4.1287) in the short term period especially when crude oil failed to break the US\$50 per barrel and OPEC leaders failed to agree on fresh output limitations. To recap based on the most recent MPC statement, BNM still thinks the domestic economy will hold up well and to rebound in 2H2016. BNM said it expects private consumption expenditure to be well-supported, even with slower income growth going forward. At the same time, it expects fixed investment that slumped in 1Q2016 to rebound significantly in 2H2016. In aggregate, BNM expects real GDP to range 4.0-4.5% for this year. We will continue to buy into dips of MGS and PDS as we do not see any change in OPR in the medium term.