



Investment Linked Fund Performance Report May 2018

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EXECUTIVE SUMMARY

It was a volatile month of May for Malaysian equity market due to the surprise win by the opposition bloc, Pakatan Harapan, in the GE14. The local benchmark index registered a monthly decline of 6.9% m-o-m to close at 1,740 points. The FBMKLCI fall mirrored exactly that of the FBM EMAS decline of 6.9% m-o-m in May. Average daily value traded on Bursa Malaysia in May rose 58% mom and 19% y-o-y to RM3.73billion, its highest monthly turnover since Jan 2007.

Local bond market continued to see foreign sell-off in May. The Election outcome poses uncertainties on changes in policies and Government personnel, moving the yield curve higher by 5-17 basis points. For the same reason, the Ringgit was seen weakening slightly to RM3.9780/USD from RM3.922/USD in the end of last month. Brent crude oil price has been steadily increasing in the past few months, mainly driven by the effect of US sanctions on Russia, Iran and potentially Venezuela, not to mention OPEC output cuts. Oil prices were last seen at high of USD80.35/bbl before stabilizing back to USD78.79/bbl.

On the local economic front, exports hit a double digit growth to highest ever, expanded by 14% y-o-y to RM84.2 billion in Apr-18, following a single digit growth in the preceding month. Acceleration in exports was mainly due to growth in manufactured goods and mining goods.

Going forward, post election the ongoing issue of national debt and uncertainty of the recovery plan have dampened the sentiment which foreign investors also became net seller. As global and domestic macro fundamentals remain sound, we would look for bottom-fishing opportunities to accumulate quality stocks at lower levels. For fixed income, post OPR rate hike in Jan'18, BNM is likely to maintain a neutral monetary policy for the remaining of 2018 despite the major central banks are still showing signal towards policy tightening. The external risk factors will continue to weigh on the local market, but we believe corporate bond space still provides attractive yields given stable monetary stance from BNM and strong fundamentals in local market. As such, we will keep looking to buy on dips of corporate bonds if the opportunity arises.

Based on the performance table below, on monthly basis, all Funds had outperformed the their respective benchmarks.

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

Performance Table: Funds vs Benchmarks

	Asiapac Fund		Balanced Fund		Dividend Fund		Equity Fund		Global Yakin Fund		Income Fund		Jati Fund	
	Fund	Benchmark	Fund	Benchmark	Fund	Benchmark	Fund	Benchmark	Fund	Benchmark	Fund	Benchmark	Fund	Benchmark
Monthly (%)	1.19%	-1.15%	-3.28%	-3.52%	-5.37%	-6.94%	-5.91%	-6.94%	1.47%	0.10%	-0.03%	-0.11%	-6.25%	-7.54%
3 Months (%)	0.05%	-0.94%	-3.51%	-3.14%	-4.59%	-6.23%	-4.84%	-6.23%	1.78%	0.59%	0.22%	-0.08%	-5.25%	-9.32%
6 Months (%)	-2.35%	-0.59%	-1.22%	1.27%	-0.18%	1.32%	0.41%	1.32%	-1.39%	0.78%	1.21%	1.02%	-2.05%	-5.76%
12 Months (%)	-2.27%	6.23%	-1.28%	0.65%	-3.09%	-1.43%	-1.69%	-1.43%	0.06%	8.62%	2.59%	2.54%	-5.80%	-4.91%

Source: MCIS Insurance Berhad

AsiaPac Fund Monthly Report (May 2018)

Investment Objective

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

Investment Strategy

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

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

Risks

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

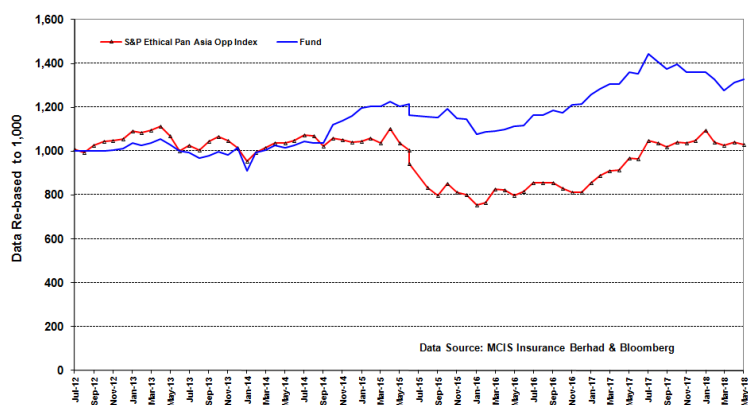
The following factors can potentially affect the value of the Fund; economic and political developments in related countries, foreign exchange fluctuation, illiquid and inefficient securities in the Emerging Markets, and the financial performance of the underlying companies.

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

Fund Performance

For the month ended May 2018, the fund had outperformed the benchmark by 234bps 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 (31.05.18)	RM0.6645
Fund Size	RM42.75 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%	86%
Cash	0%	20%	14%

Performance Table

Period	Fund	Index*
1 month (%)	1.19%	-1.15%
3 months (%)	0.05%	-0.94%
6 months (%)	-2.35%	-0.59%
12 months (%)	-2.27%	6.23%
2 years (% pa)	19.26%	29.17%
3 years (% pa)	3.37%	-0.28%
5 years (% pa)	5.22%	-0.78%
Since Inception	4.92%	0.51%

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

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

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

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

Balanced Fund Monthly Report (May 2018)

Investment Objective

The objective of the Balanced Fund is to provide security and income, while maintaining and potentially increasing the value of capital over the medium to long-term, through exposure across a range of asset classes. The Fund aims to outperform the performance benchmark over periods of three or more years.

Investment Strategy

To invest in Malaysian equities and fixed income securities, including government bonds and corporate debt securities. The asset allocation is reviewed on a regular basis, and is adjusted commensurate with our view on the relative attractiveness of each asset class.

Risks

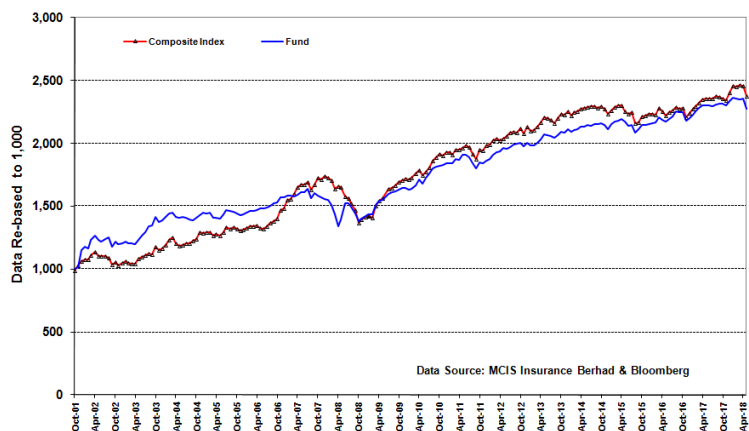
The Fund is considered medium risk given the mixed exposure of equity securities, fixed income and cash. The following factors can potentially affect the value of the Fund; consumer sentiment, financial performance of the underlying companies, industry and economy development, social and political factors, and the liquidity of the underlying assets. Additionally, levels of interest rates, and credit downgrades of defaults can affect the value of fixed income securities

The target market is clients wanting the surety of insurance protection, with an element of potential upside investment exposure.

Fund Performance

For the month ended May 2018, the fund had outperformed the benchmark by 24bps MoM (month on month). The outperformance was mainly driven by higher exposure of outperforming securities in the portfolio compared to benchmark.

Balanced Fund Performance Since Inception



Top Ten Holdings

Malaysian Government Securities (Bond)
CIMB Bank Berhad (Bond)
Tenaga Nasional Berhad (Equity)
Northern Gateway Infrastructure Sdn Bhd (Bond)
Malayan Banking Berhad (Equity)
Sabah Development Bank Berhad
Sabah Credit Corporation (Bond)
Projek Lebuhraya Utara-Selatan (Bond)
CIMB Bank Berhad (Equity)
AmanahRaya Real Estate Investment Trust (Reits)

Fund Information

NAV (31.05.18)	RM1.1381
Fund Size	RM7.82 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%	45%
Fixed Income	40%	60%	47%
Cash	0%	20%	8%

Performance Table

Period	Fund	Index*
1 month (%)	-3.28%	-3.52%
3 months (%)	-3.51%	-3.14%
6 months (%)	-1.22%	1.27%
12 months (%)	-1.28%	0.65%
2 years (% pa)	2.31%	3.35%
3 years (% pa)	1.56%	1.68%
5 years (% pa)	1.90%	1.49%
Since Inception	5.06%	5.32%

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

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

* The benchmark index is a composite of 50% FBM KLCI Index and 50% of Markit iBoxx ALBI Malaysia TR Index (Since Dec '12). Prior to that, the index used was HSBC Malaysia All Bond Index for the fixed income portion. Benchmark return is calculated on re-based basis. The source is from the subscription of Markit Indices.

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

Dividend Fund Monthly Report (May 2018)

Investment Objective

To achieve steady income stream with potential for capital growth over medium to long term by focusing mostly on high dividend yielding stocks and money market instruments. The aim of the Fund is to outperform the FBM KLCI Index over periods of five or more years.

Investment Strategy

To invest in a broad selection of companies listed on the Malaysian Stock Exchange. Using a relative value methodology, the fund focuses on undervalued stocks relative to fundamental value, with the aim of achieving an income stream, together with some degree of long-term capital gains.

Risks

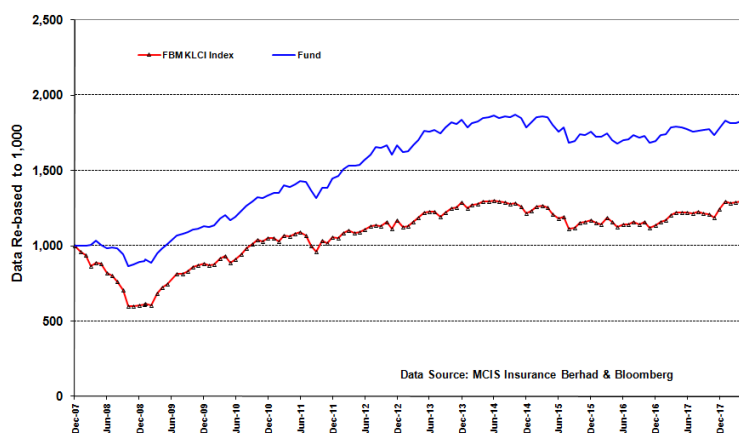
The Fund is considered high risk given the exposure to equity securities. The following factors can potentially affect the value of the Fund; consumer sentiment, financial performance of the underlying companies, the performance of the industry and economy, and the share market in general, social and political factors, and the liquidity of the underlying assets.

The target market is clients wanting the surety of insurance protection, with an element of potential upside investment exposure.

Fund Performance

For the month ended May 2018, the fund had outperformed the benchmark by 157bps 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

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

Fund Information

NAV (31.05.18)	RM0.8224
Fund Size	RM32.71 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%	95%
Cash	0%	20%	5%

Performance Table

Period	Fund	Index*
1 month (%)	-5.37%	-6.94%
3 months (%)	-4.59%	-6.23%
6 months (%)	-0.18%	1.32%
12 months (%)	-3.09%	-1.43%
2 years (% pa)	1.57%	3.46%
3 years (% pa)	-1.35%	-0.13%
5 years (% pa)	-0.41%	-0.33%
Since Inception	5.41%	1.80%
Yield #	3.42%	3.49%

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

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

* Index is FBM KLCI sourced from Bloomberg.

Yield data is sourced from Bloomberg, and MCIS.

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

Equity Fund Monthly Report (May 2018)

Investment Objective

The objective of the Equity Fund is to achieve capital growth over the medium to long term by focusing on high quality equities listed on the FBM KLCI Index. The aim of the Equity Fund is to outperform the Index over periods of five or more years.

Investment Strategy

To invest in a broad selection of companies listed on the Malaysian Stock Exchange. Using a relative value methodology, the fund focuses on the stocks whose shares appear undervalued relative to fundamental value, with the aim of achieving long term growth in capital value.

Risks

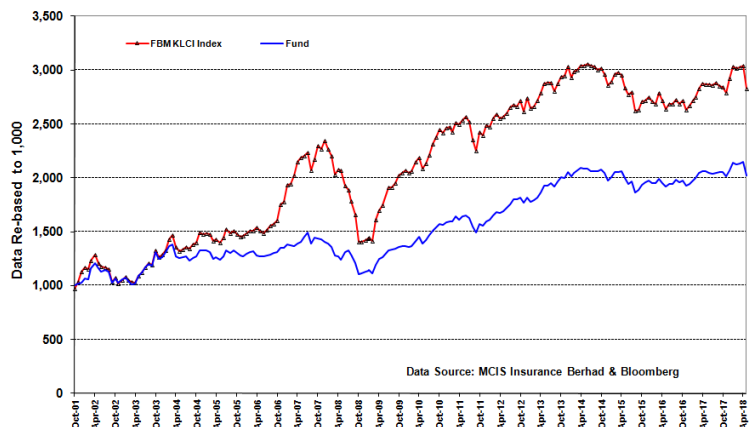
The Fund is considered high risk given the exposure to equity securities. The following factors can potentially affect the value of the Fund; consumer sentiment, financial performance of the underlying companies, the performance of the industry and economy, and the share market in general, social and political factors, and the liquidity of the underlying assets.

The target market is clients wanting the surety of insurance protection, with an element of potential upside investment exposure.

Fund Performance

For the month ended May 2018, the fund had outperformed the benchmark by 103bps 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
Malayan Banking Berhad
IOI Corporation Berhad
Petronas Chemicals Group Berhad
Sime Darby Plantation Berhad
Petronas Gas Berhad
Petronas Dagangan Berhad
CIMB Bank Berhad
Maxis Berhad

Fund Information

NAV (31.05.18)	RM1.0122
Fund Size	RM9.63 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%	95%
Cash	0%	20%	5%

Performance Table

Period	Fund	Index*
1 month (%)	-5.91%	-6.94%
3 months (%)	-4.84%	-6.23%
6 months (%)	0.41%	1.32%
12 months (%)	-1.69%	-1.43%
2 years (% pa)	2.75%	3.46%
3 years (% pa)	0.43%	-0.13%
5 years (% pa)	0.98%	-0.33%
Since Inception	4.32%	6.44%
Yield #	3.56%	3.49%

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

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

* Index is FBM KLCI sourced from Bloomberg.

Yield data is sourced from Bloomberg, and MCIS.

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

Global Yakin Fund

Monthly Report (May 2018)

Investment Objective

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

Investment Strategy

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

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

Risks

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

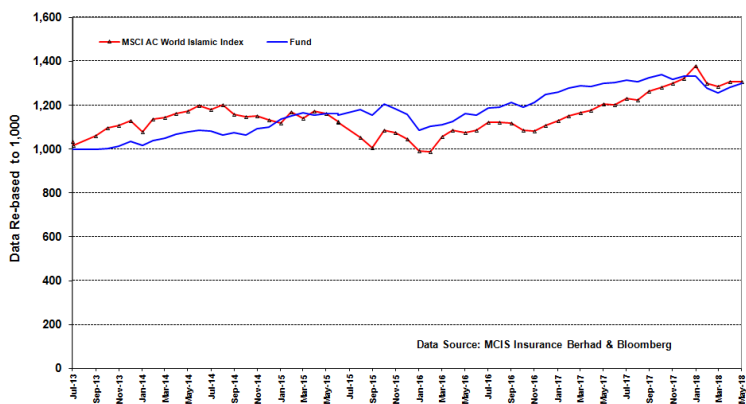
The following factors can potentially affect the value of the Fund; economic and political developments in related countries, foreign exchange fluctuation, illiquid and inefficient securities in the Emerging Markets, and the financial performance of the underlying companies.

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

Fund Performance

For the month ended May 2018, the fund had outperformed the benchmark by 137bps 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 Islamic World Equity Fund (AIWEF)

Fund Information

NAV (31.05.18)	RM0.6505
Fund Size	RM36.47 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%	86%
Cash	0%	20%	14%

Performance Table

Period	Fund	Index*
1 month (%)	1.47%	0.10%
3 months (%)	1.78%	0.59%
6 months (%)	-1.39%	0.78%
12 months (%)	0.06%	8.62%
2 years (% pa)	5.89%	10.37%
3 years (% pa)	3.86%	4.07%
5 years (% pa)	-	-
Since Inception	5.50%	5.63%

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

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

* Index is 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 (May 2018)

Investment Objective

The objective of the Income Fund is to provide investors with security of income by investing in a mix of fixed income and fixed deposit securities. The aim of the Fund is to outperform the HSBC Malaysia Local Currency All Bond Total Return Index.

Investment Strategy

To invest into underlying asset classes as per the Asset Allocation Ranges. The asset allocation is reviewed on a regular basis, and is adjusted commensurate with our view on the relative attractiveness of each asset class. The Fund invests in cash and fixed income securities including government bonds and corporate debt securities.

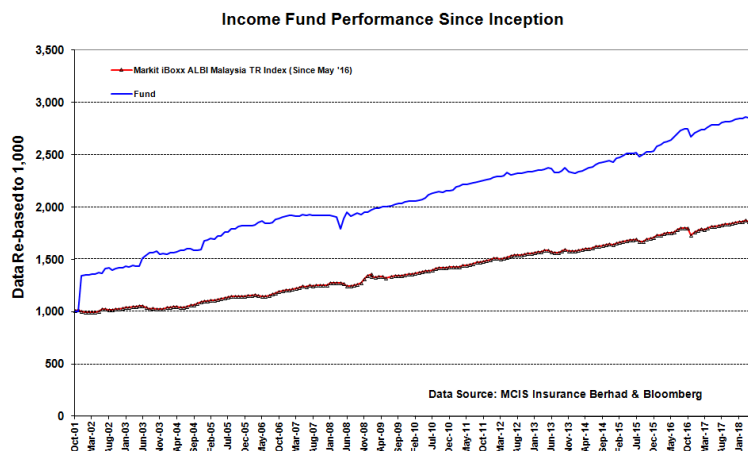
Risks

The Fund is considered lower risk given the exposure to cash and fixed income securities. The following factors can potentially affect the value of the Fund; consumer sentiment, financial performance of the underlying companies, the performance of the industry and economy, and the share market in general, social and political factors, and the liquidity of the underlying assets. Additionally, levels of interest rates, and credit downgrades or defaults can affect the value of fixed income securities.

The target market is clients wanting the surety of insurance protection, with an element of potential upside investment exposure.

Fund Performance

For the month ended May 2018, the fund had outperformed the benchmark by 8bps MoM (month on month). The outperformance was due to outperforming of the fixed income securities compared to the benchmark index.



Top Ten Holdings

Malaysian Government Securities
 Northern Gateway Infrastructure Sdn Bhd
 UiTM Solar Power Sdn Berhad
 SAJ Capital Sdn Bhd
 YTL Corporation Berhad
 Quantum Solar Park Malaysia Sdn Bhd
 Sabah Development Bank Berhad
 Asian Finance Bank Berhad
 PBFIN Berhad
 Sabah Credit Corporation
 BGSM Management Sdn Bhd

Fund Information

NAV (31.05.18)	RM1.4278
Fund Size	RM27.42 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%	95%
Cash	0%	25%	5%

Performance Table

Period	Fund	Index*
1 month (%)	-0.03%	-0.11%
3 months (%)	0.22%	-0.08%
6 months (%)	1.21%	1.02%
12 months (%)	2.59%	2.54%
2 years (% pa)	3.97%	3.09%
3 years (% pa)	4.30%	3.38%
5 years (% pa)	3.73%	3.20%
Since Inception	6.50%	3.79%

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

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

* The benchmark index is 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 (May 2018)

Investment Objective

The Jati Fund is invested in accordance with Shariah principles in Shariah sanctioned equities, money market instruments, and fixed income investments. The aim is to provide security and income, while maintaining and potentially increasing the value of capital over the medium to long-term. The Jati Fund is not a takaful product.

Investment Strategy

To invest in a broad selection of Shariah approved securities listed on the Malaysian Stock Exchange. Using a relative value methodology it looks to buy stocks whose shares appear undervalued relative to fundamental value, with the aim of achieving an income stream, together with some degree of long-term capital gains.

Risks

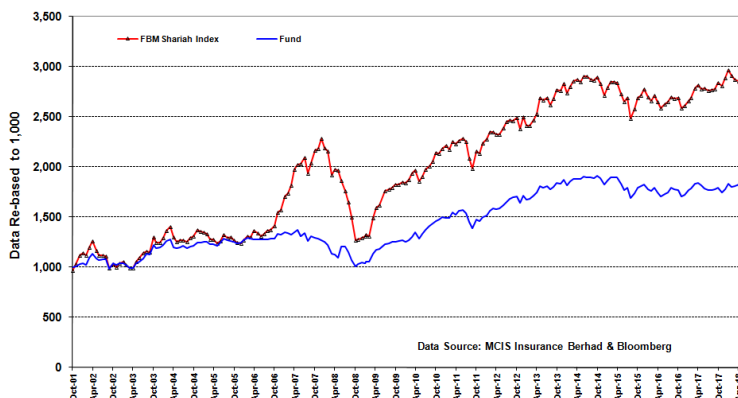
The Fund is considered high risk given the exposure to equity securities. The following factors can potentially affect the value of the Fund; consumer sentiment, financial performance of the underlying companies, the performance of the industry and economy, and the share market in general, social and political factors, and the liquidity of the underlying assets.

The target market is clients wanting the surety of insurance protection, with an element of potential upside investment exposure.

Fund Performance

For the month ended May 2018, the fund had outperformed the benchmark by 129bps 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
- Petronas Chemicals Group Berhad
- Sime Darby Plantation Berhad
- Axiata Group Berhad
- Petronas Gas Berhad
- Perlis Plantation Berhad
- Maxis Berhad
- IOI Corporation Berhad
- IHH Healthcare Berhad
- Sime Darby Berhad

Fund Information

NAV (31.05.18)	RM0.8543
Fund Size	RM12.38 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%	91%
Cash	0%	20%	9%

Performance Table

Period	Fund	Index*
1 month (%)	-6.25%	-7.54%
3 months (%)	-5.25%	-9.32%
6 months (%)	-2.05%	-5.76%
12 months (%)	-5.80%	-4.91%
2 years (% pa)	-0.02%	1.06%
3 years (% pa)	-2.39%	-1.07%
5 years (% pa)	-1.10%	-0.37%
Since Inception	3.27%	6.01%
Yield #	3.10%	2.97%

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

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

* Index is FBMS Index sourced from Bloomberg.

Yield data is sourced from Bloomberg, and MCIS.

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

Equity Market Review and Outlook

Market Review

It was a volatile month of May for Malaysian equity market. FBMKLCI Index swung from a high of 1,858 points on 16 May 2018 to a low of 1,719 points on 30 May. The volatility was mostly due to the surprise win by the opposition bloc, Pakatan Harapan (PH), in the 14th General Election (GE14) held on 9 May 2018. This was a surprise to the market which had expected the incumbent Barisan Nasional (BN) coalition to win. In addition, this is uncharted territory given that this represents Malaysia's first change of government since it achieved independence in 1957.

The local benchmark index registered a monthly decline of 6.9% m-o-m to close at 1,740 points. The decline was driven mainly by net foreign selling post-GE14 of RM4.4bn, which brings the cumulative net selling as at May 2018 to RM5.6bn. After four consecutive months of outperformance, the FBMKLCI relented and performed in line with the broader market in May 2018, The FBMKLCI fall mirrored exactly that of the FBM EMAS decline of 6.9% m-o-m in May. Average daily value traded on Bursa Malaysia in May rose 58% mom and 19% y-o-y to RM3.73billion, its highest monthly turnover since Jan 2007.

On the local economic front, exports hit a double digit growth to highest ever, expanded by 14% y-o-y to RM84.2 billion in Apr-18, following a single digit growth in the preceding month. Acceleration in exports was mainly due to growth in manufactured goods and mining goods.

Globally, US's external front shows positive performance as exports growth reached 6-year high in Apr-18 at 11.3% y-o-y. The robust growth is mainly supported by outbound shipments of chemicals and machinery (excluding electrical) rose by 8.7% y-o-y and 13.2% y-o-y respectively.

Chart 1: FBMKLCI Weekly Chart



Source: Bloomberg

Chart 2: FBMKLCI Monthly Pattern and Cycle Analysis



Source: CIMB Research

Market Outlook & Strategy

Technically, the current situation, where the FBMKLCI index seems to be undergoing a false triangle breakout, is similar to the whipsaw that took place during the 1997 Asian Crisis. If history repeats itself, the index may soon enter into the critical stage of its 10-year cycle. 1,708 is the critical support level and a decisive breach below this level suggests that the 10-year cycle bearish phase is underway. Price movements in the next few weeks or months would likely give us a better idea on which direction the market will take for the future. Note that a possible large double top pattern may be taking form now.

Going forward, post election the ongoing issue of national debt and uncertainty of the recovery plan have dampened the sentiment which foreign investors also became net seller. Additionally, political uncertainty in Italy has also added to the negative sentiment on the market which also saw selling pressure across the globe. This may further worsen the pressure on the local market. However, the new political maturity may be the catalyst to enable Malaysia to reach economy stability in the future. As global and domestic macro fundamentals remain sound, we would look for bottom-fishing opportunities to accumulate quality stocks at lower levels.

Fixed Income Review and Outlook

Market Review

Local bond market continued to see foreign sell-off in May, mainly due to the unprecedented and unexpected outcome in Malaysia's 14th General Election as Pakatan Harapan managed to win the simple majority, enabling them to form a government. The Election outcome poses uncertainties on changes in policies and Government personnel, moving the yield curve higher by 5-17 basis points. For the same reason, the Ringgit was seen weakening slightly to RM3.9780/USD from RM3.922/USD in the end of last month. Brent crude oil price has been steadily increasing in the past few months, mainly driven by the effect of US sanctions on Russia, Iran and potentially Venezuela, not to mention OPEC output cuts. Oil prices were last seen at high of USD80.35/bbl before stabilizing back to USD78.79/bbl.

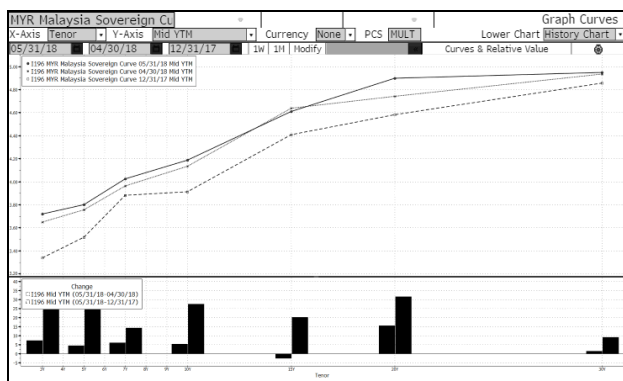
Malaysia's 1Q2018 GDP remained strong at +5.4% (4Q'17: +5.9%). Sector performance was seen to be stable with their respective growth momentum, except for agriculture at +2.8% (4Q'17: +10.7%) and construction +4.9% (4Q'17: +5.9%). Export rebounded to +2.2% YoY in Mar'18 (Feb'18: -2.0% YoY), largely driven by Manufacturing's E&E, Chemical Products and Machinery, Appliances & Parts, which were in line with global trend. On the other hand, imports maintained its decline for 4 consecutive months to -9.6% in Mar'18, explained by high base effect in the previous year. All in all, this has widened the trade surplus to RM14.7 billion in Mar'18.

Malaysia's inflation was seen maintaining its low figure for third straight month in Apr'18 at +1.4% (Mar'18:+1.3%), and is expected to cap lower in the remaining 2018 given the new policies of zero GST and bringing back the fuel subsidies under the new PH government. External reserve was seen largely unchanged at US\$109.4 billion in mid-May 2018. The reserve is sufficient to cover 7.6 months of retained import and 1.1 times short-term external debt.

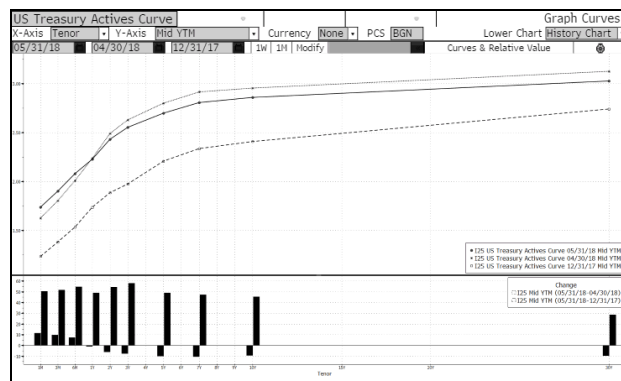
The auctions unveiled in May 2018 are as follows;

Government Auctions				
Issue	Issue Date	Amount (RM million)	Bid-cover (times)	Avg Yield (%)
15Year New Issuance of MGS(Mat 11/33)	7/5/2018	3,000.00	2.72	4.64
7Year Re-Issuance of GII(Mat 08/25)	15/5/2018	3,000.00	3.40	4.20
10Year Re-Issuance of MGS(Mat 06/28)	24/5/2018	3,500.00	1.85	4.20
5Year New Issuance of GII(Mat 11/23)	31/5/2018	4,000.00	1.99	4.09

Source: Bank Negara Malaysia



Source: Bloomberg



Source: Bloomberg

The 10-year US Treasury note hit 3.027% in the month of Apr'18 for the first time since 2014, as the good economic data are in-line with Federal Reserve's expectation for their rate hike action. In addition, the US-China trade war and geopolitical conflicts in Middle-East have also been putting pressure to the strength of US dollar and hence lifting the Treasury yields higher. The 10-year US Treasury note was last seen stabilizing back to 2.95%.

Market Outlook & Strategy

Post OPR rate hike in Jan'18, BNM is likely to maintain a neutral monetary policy for the remaining of 2018 despite the major central banks are still showing signal towards policy tightening. The external risk factors such as geopolitical tension in North Korea, potential US-China trade war and fluctuation in crude oil prices will continue to weigh on the local market, but we believe corporate bond space still provides attractive yields given stable monetary stance from BNM and strong fundamentals in local market. As such, we will keep looking to buy on dips of corporate bonds if the opportunity arises.