



Investment Linked Fund Performance Report July 2019

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EXECUTIVE SUMMARY

The FBMKLCI Index started the month of July on a positive note, thanks to optimism from monetary easing by the US Federal Reserve (the Fed) and potential resolution to the US-China trade dispute. However, it was not able to hold on to the gains and ended the month at 1,635 points. The local index fell 37 points or 2.2% m-o-m in July 2019. The performance in July was weaker than the historical trend, as the Malaysian market had posted an average m-o-m gain of 1.8% in July over the past 10 years.

Malaysia Government Securities (“MGS”) yield curve flatten on the long-end in July as the investors are pricing-in for the US Federal Reserve (“Fed”) rate cut expectation following the heightened downside risk on the global economy as well as the trade tension between US-China, US-EU and Japan-South Korea. Ringgit strengthened slightly to MYR4.126/USD from MYR4.131/USD, supported by the continued foreign buying in the local bond market. Brent crude oil prices on the other hand weakened slightly to USD65.17/barrel from USD66.55/barrel a month ago amid the global trade war tension.

On the local economic data, headline inflation spiked up to +1.5% in Jun’19 (May’19: +0.2% YoY) on the back of dissipated base effect of tax holiday a year ago when the new government zero-rated the Goods and Service Tax. In Jun’19, Malaysia’s exports and imports fell -3.1% YoY (May’19: +2.5% YoY) and -9.2% YoY (May’19: +1.4% YoY) respectively. The breakdown in US-China trade talk in May led to another “tit-for-tat” tariff action between the two countries which escalated into tech war.

Moving forward, we continue to be cautious on the equity market outlook. Corporate earnings were still weak and we expect the global geopolitical tension on trade war will continue to dampen the sentiment. We will continue to position the portfolio accordance to the constituents, and weighting on the defensive stocks amid uncertainty.

For fixed income, Following the US Fed rate cut by 25bps in May 2019 amid escalating US-China trade tension, BNM is expected to turn into more-dovish monetary stance for 2H2019, in line with the weaker economic prospect and the expectation of more US Fed rate cuts. 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 Asiapac, Balanced, Global Yakin and Income funds had outperformed their 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 (%)	-1.64%	-2.50%	-0.36%	-0.73%	-2.45%	-2.23%	-2.56%	-2.23%	0.69%	-1.25%	1.07%	0.77%	-1.57%	-1.07%
3 Months (%)	1.32%	-0.49%	2.06%	1.22%	0.00%	-0.45%	-0.52%	-0.45%	2.51%	-1.00%	2.99%	2.89%	1.55%	1.40%
6 Months (%)	1.90%	-0.43%	3.13%	1.18%	-1.14%	-2.89%	-1.34%	-2.89%	8.28%	3.79%	5.48%	5.33%	2.34%	3.90%
12 Months (%)	2.95%	-1.91%	2.71%	-0.27%	-3.70%	-8.37%	-3.22%	-8.37%	3.26%	-3.01%	8.19%	8.36%	-2.23%	-6.31%

Source: MCI Insurance Berhad

AsiaPac Fund Monthly Report (July 2019)

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.

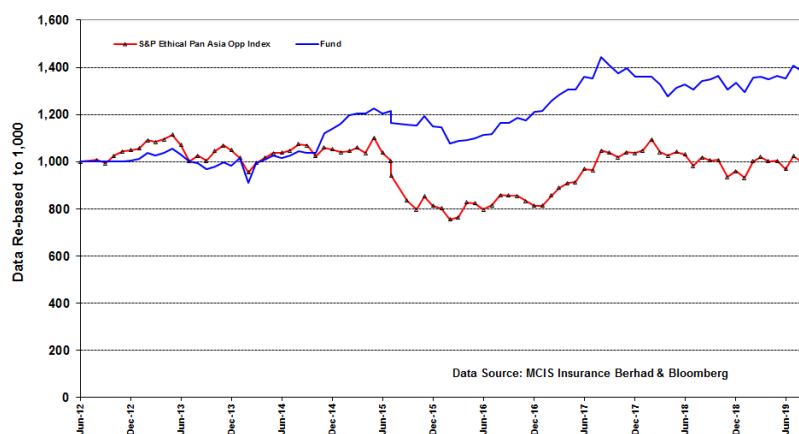
The following factors can potentially affect the value of the Fund; economic and political developments in related countries, foreign exchange fluctuation, illiquid and inefficient securities in the Emerging Markets, and the financial performance of the underlying companies.

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 July 2019, the fund had underperformed the benchmark by 86bps MoM (month on month). However for since inception period, the fund had outperformed the benchmark.

AsiaPac Fund Performance Since Inception



Top Ten Holdings

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

Fund Information

NAV (31.07.19)	RM0.6914
Fund Size	RM52.40 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%	82%
Cash	0%	20%	18%

Performance Table

Period	Fund	Index*
1 month (%)	-1.64%	-2.50%
3 months (%)	1.32%	-0.49%
6 months (%)	1.90%	-0.43%
12 months (%)	2.95%	-1.91%
2 years (% pa)	-2.19%	-2.40%
3 years (% pa)	5.92%	5.19%
5 years (% pa)	5.77%	-1.47%
Since Inception	4.68%	-0.03%

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 (July 2019)

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

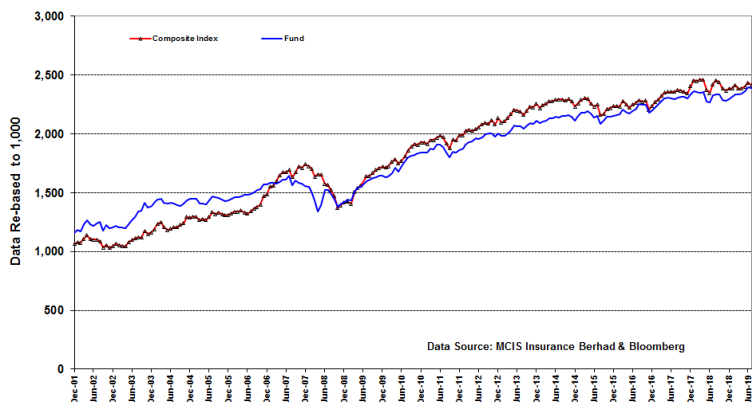
The Fund is considered medium risk given the mixed exposure of equity securities, fixed income and cash. The following factors can potentially affect the value of the Fund; consumer sentiment, financial performance of the underlying companies, industry and economy development, social and political factors, 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 July 2019, the fund had outperformed the benchmark by 37bps 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

- CIMB Bank Berhad (Bond)
- Northern Gateway Infrastructure Sdn Bhd (Bond)
- Sabah Development Bank Berhad (Bond)
- Tenaga Nasional Berhad (Equity)
- Sabah Credit Corporation (Bond)
- Projek Lebuhraya Utara-Selatan (Bond)
- Malayan Banking Berhad (Equity)
- Malaysia Steel Works (KL) Berhad (Bond)
- YTL Corporation Berhad)
- Bank Pembangunan Malaysia Berhad (Bond)

Fund Information

NAV (31.07.19)	RM1.1946
Fund Size	RM7.92 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%	44%
Fixed Income	40%	60%	39%
Cash	0%	20%	17%

Performance Table

Period	Fund	Index*
1 month (%)	-0.36%	-0.73%
3 months (%)	2.06%	1.22%
6 months (%)	3.13%	1.18%
12 months (%)	2.71%	-0.27%
2 years (% pa)	2.01%	1.23%
3 years (% pa)	2.54%	2.18%
5 years (% pa)	2.20%	1.05%
Since Inception	5.01%	5.07%

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 (July 2019)

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

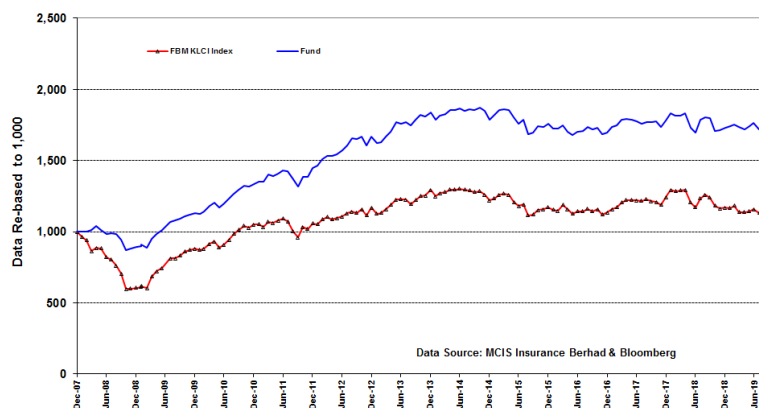
The Fund is considered high risk given the exposure to equity securities. The following factors can potentially affect the value of the Fund; consumer sentiment, financial performance of the underlying companies, the performance of the industry and economy, and the share market in general, social and 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 July 2019, the fund had underperformed the benchmark by 22bps 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
Petronas Chemicals Group Berhad
Public Bank Berhad
Maxis Berhad
DiGi.Com Berhad
Malayan Banking Berhad
Tenaga Nasional Berhad
Axiata Group Berhad
IOI Corporation Berhad
Petronas Dagangan Berhad

Fund Information

NAV (31.07.19)	RM0.8173
Fund Size	RM31.05 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%	94%
Cash	0%	20%	6%

Performance Table

Period	Fund	Index*
1 month (%)	-2.45%	-2.23%
3 months (%)	0.00%	-0.45%
6 months (%)	-1.14%	-2.89%
12 months (%)	-3.70%	-8.37%
2 years (% pa)	-1.05%	-3.62%
3 years (% pa)	0.21%	-0.37%
5 years (% pa)	-1.44%	-2.67%
Since Inception	4.80%	1.07%
Yield #	3.51%	3.52%

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 (July 2019)

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

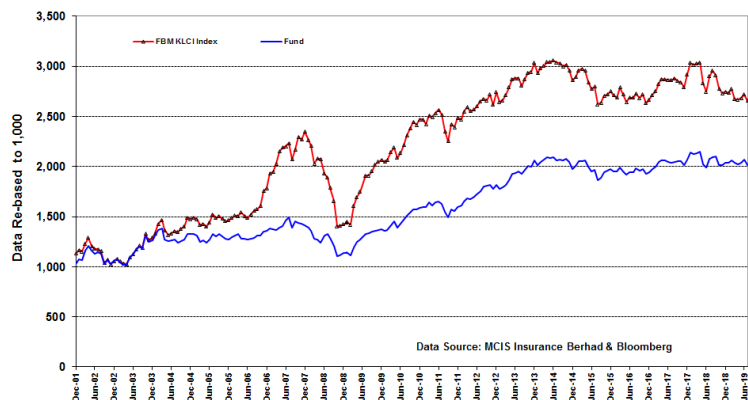
The Fund is considered high risk given the exposure to equity securities. The following factors can potentially affect the value of the Fund; consumer sentiment, financial performance of the underlying companies, the performance of the industry and economy, and the share market in general, social and 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 July 2019, the fund had underperformed the benchmark by 33bps 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
Public Bank Berhad
Malayan Banking Berhad
IOI Corporation Berhad
Petronas Chemicals Group Berhad
Sime Darby Plantation Berhad
Petronas Gas Berhad
Petronas Dagangan Berhad
Maxis Berhad
Telekom Malaysia Berhad

Fund Information

NAV (31.07.19)	RM1.0064
Fund Size	RM9.40 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 (%)	-2.56%	-2.23%
3 months (%)	-0.52%	-0.45%
6 months (%)	-1.34%	-2.89%
12 months (%)	-3.22%	-8.37%
2 years (% pa)	-0.54%	-3.62%
3 years (% pa)	1.22%	-0.37%
5 years (% pa)	-0.46%	-2.67%
Since Inception	4.00%	5.63%
Yield #	3.45%	3.52%

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 (July 2019)

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.

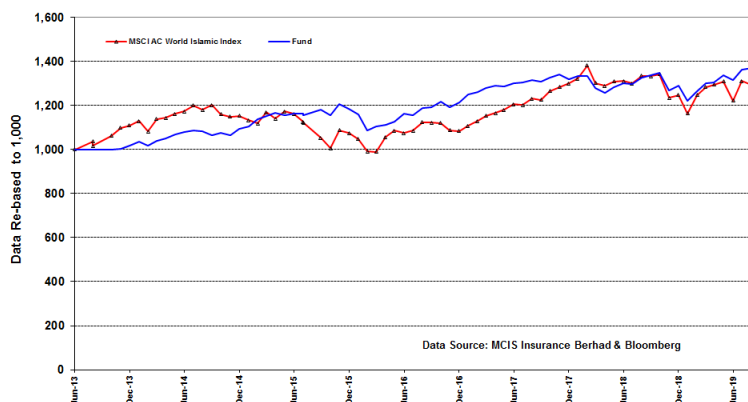
The following factors can potentially affect the value of the Fund; economic and political developments in related countries, foreign exchange fluctuation, illiquid and inefficient securities in the Emerging Markets, and the financial performance of the underlying companies.

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 July 2019, the fund had outperformed the benchmark by 194bps MoM (month on month). The outperformance was mainly due to outperforming of the underlying securities compared to the benchmark index.

Global Yakin Fund Performance Since Inception



Top Ten Holdings

Aberdeen Standard Islamic World Equity Fund (ASIWEF)

Fund Information

NAV (31.07.19)	RM0.6849
Fund Size	RM43.40 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
ASIWEF	80%	100%	81%
Cash	0%	20%	19%

Performance Table

Period	Fund	Index*
1 month (%)	0.69%	-1.25%
3 months (%)	2.51%	-1.00%
6 months (%)	8.28%	3.79%
12 months (%)	3.26%	-3.01%
2 years (% pa)	2.09%	2.59%
3 years (% pa)	4.90%	4.85%
5 years (% pa)	4.83%	2.35%
Since Inception	5.31%	4.33%

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 (July 2019)

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.

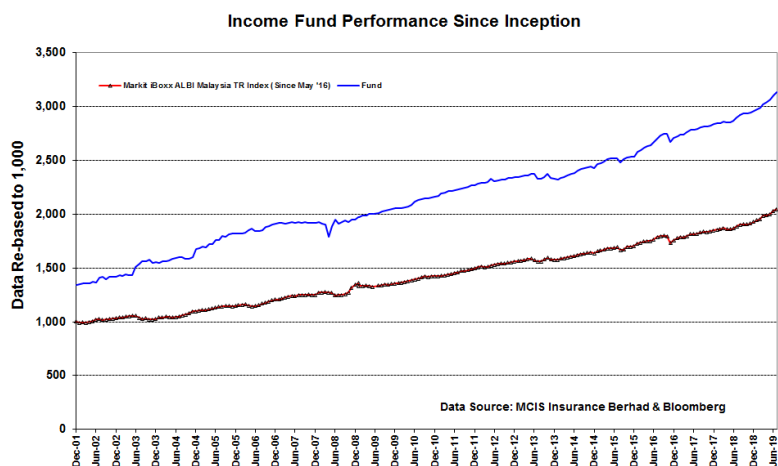
Risks

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 July 2019, the fund had outperformed the benchmark by 30bps MoM (month on month). The outperformance was due to outperforming of the fixed income securities compared to the benchmark index.



Top Ten Holdings

Northern Gateway Infrastructure Sdn Bhd
 UiTM Solar Power Sdn Berhad
 YTL Corporation Berhad
 SAJ Capital Sdn Bhd
 Malaysia Steel Works (KL) Berhad
 Hong Leong Financial Group Berhad
 Quantum Solar Park Malaysia Sdn Bhd
 CIMB Bank Berhad
 Asian Finance Bank Berhad
 Sarawak Energy Berhad

Fund Information

NAV (31.07.19)	RM1.5679
Fund Size	RM31.05 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%	85%
Cash	0%	25%	15%

Performance Table

Period	Fund	Index*
1 month (%)	1.07%	0.77%
3 months (%)	2.99%	2.89%
6 months (%)	5.48%	5.33%
12 months (%)	8.19%	8.36%
2 years (% pa)	6.02%	6.07%
3 years (% pa)	5.11%	4.62%
5 years (% pa)	5.41%	4.74%
Since Inception	6.62%	4.10%

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 (July 2019)

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

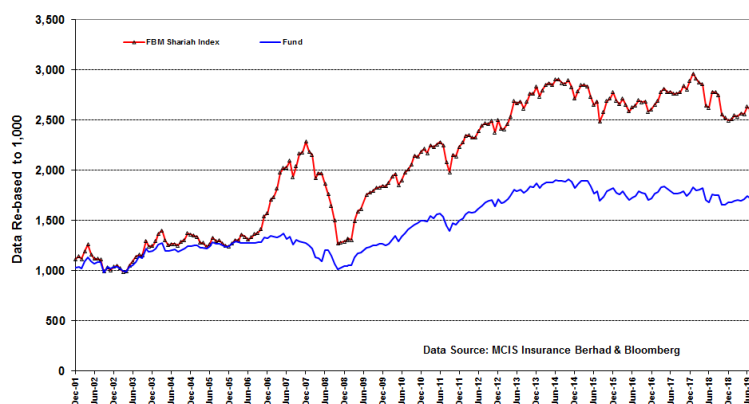
The Fund is considered high risk given the exposure to equity securities. The following factors can potentially affect the value of the Fund; consumer sentiment, financial performance of the underlying companies, the performance of the industry and economy, and the share market in general, social and 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 July 2019, the fund had underperformed the benchmark by 264bps 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
 Axiata Group Berhad
 Petronas Chemicals Group Berhad
 Perlis Plantation Berhad
 Telekom Malaysia Berhad
 Petronas Gas Berhad
 Sime Darby Plantation Berhad
 Maxis Berhad
 MISC Berhad
 IHH Healthcare Berhad

Fund Information

NAV (31.07.19)	RM0.8607
Fund Size	RM14.29 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 (%)	-1.57%	-1.07%
3 months (%)	1.55%	1.40%
6 months (%)	2.34%	3.90%
12 months (%)	-2.23%	-6.31%
2 years (% pa)	-1.43%	-2.85%
3 years (% pa)	-0.49%	-0.54%
5 years (% pa)	-1.91%	-2.15%
Since Inception	3.09%	5.52%
Yield #	2.45%	2.76%

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

The FBMKLCI Index started the month of July on a positive note, thanks to optimism from monetary easing by the US Federal Reserve (the Fed) and potential resolution to the US-China trade dispute. However, it was not able to hold on to the gains and ended the month at 1,635 points. The local index fell 37 points or 2.2% m-o-m in July 2019. The performance in July was weaker than the historical trend, as the Malaysian market had posted an average m-o-m gain of 1.8% in July over the past 10 years.

Foreign investors bought RM11.2billion of equities but sold the same amount of equities in July and as such, their impact was net neutral on the Malaysian equities in July. However, in 7M19, Malaysia witnessed net foreign outflow of RM4.8billion due to the uninspiring results released by Malaysian corporates, and global uncertainties. The average daily value traded on the Malaysian stock exchange rose 6.6% m-o-m but fell 15.5% y-o-y to RM2.08billion in July 2019. The m-o-m improvement could be partly due to higher trading participation by local institutional investors.

The global equity markets ended July with a small gain largely resulting from strength in the United States. The Fed lowered US interest rates for the first time in 11 years, and the European Central Bank (ECB) gave strong hints that an easing package is on the way. Developed market equities continued their solid run with Dow Jones and S&P 500 returning 1% and 1.2% respectively over the month and outperforming their emerging market counterparts. European markets broadly sold off as did Asian markets with the exception of Japan and Australia. Returns in local currencies were stronger, but US dollar strength erased those gains, most notably in the United Kingdom.

Chart 1: FBMKLCI Daily Chart



Source: CIMB Research

Chart 2: FBMKLCI Weekly Chart



Source: CIMB Research

Market Outlook & Strategy

Technically, as the index has fallen back below the previous resistance and also all of the EMAs (Exponential Moving Averages), we reckon that the short-term downtrend is likely to continue. With the August reporting month looming, trading is expected to be cautious at best. Any bounce is likely to be short-lived and capped by the falling EMAs. Continue to look for more downside ahead. The support is seen at 1,617-1,620.

Based on historical data, the FBMKLCI performance tends to be negative in August, having registered an average monthly loss of 0.6% over the past 10 years.

Moving forward, we continue to be cautious on the equity market outlook. Corporate earnings were still weak and we expect the global geopolitical tension on trade war will continue to dampen the sentiment. We will continue to position the portfolio accordance to the constituents, and weighting on the defensive stocks amid uncertainty.

Fixed Income Review and Outlook

Market Review

Malaysia Government Securities (“MGS”) yield curve flatten on the long-end in July as the investors are pricing-in for the US Federal Reserve (“Fed”) rate cut expectation following the heightened downside risk on the global economy as well as the trade tension between US-China, US-EU and Japan-South Korea. Ringgit strengthened slightly to MYR4.126/USD from MYR4.131/USD, supported by the continued foreign buying in the local bond market. Brent crude oil prices on the other hand weakened slightly to USD65.17/barrel from USD66.55/barrel a month ago amid the global trade war tension.

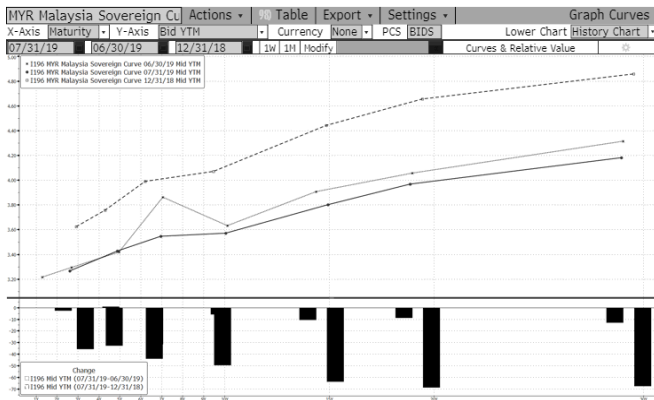
On the local economic data, headline inflation spiked up to +1.5% in Jun’19 (May’19: +0.2% YoY) on the back of dissipated base effect of tax holiday a year ago when the new government zero-rated the Goods and Service Tax. In Jun’19, Malaysia’s exports and imports fell -3.1% YoY (May’19: +2.5% YoY) and -9.2% YoY (May’19: +1.4% YoY) respectively. The breakdown in US-China trade talk in May led to another “tit-for-tat” tariff action between the two countries which escalated into tech war. Trade outlook remains bleak as global manufacturing PMI stayed below-50 for the third consecutive months in July. All in all, trade balance was seen improving to +MYR10.3 billion (May’19: +MYR9.1 billion).

External reserve gained higher to USD103.9 billion (end-Jun’19: USD102.7 billion), mainly driven by the foreign capital inflows into local bond securities. The reserve is sufficient to cover 7.6 months of retained import and 1.2 times short term external debt, and is above the IMF’s estimate of adequate reserve level of USD97.4 billion.

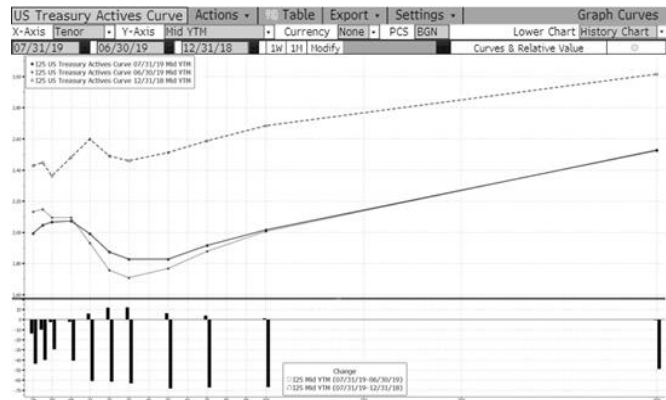
The auctions unveiled in July 2019 are as follows;

Government Auctions				
Issue	Issue Date	Amount	Bid-cover	Avg Yield
		(RM million)	(times)	(%)
15year New Issuance of MGS(Mat 07/34)	5/7/2019	3,500.00	3.44	3.83
7year Re-Issuance of GII(Mat 03/26)	15/7/2019	3,500.00	2.87	3.58
30year Re-Issuance of MGS(Mat 07/48)	29/07/2019	3,500.00	2.49	4.18

Source: Bank Negara Malaysia



Source: Bloomberg



Source: Bloomberg

The 10-year US Treasury yield seems unchanged in the month of July, ending tad higher at 2.02% (end-Jun’19: 2.01%). Within market expectation, the US Fed did cut its policy rate by 25bps in the month.

Market Outlook & Strategy

Following the US Fed rate cut by 25bps in May 2019 amid escalating US-China trade tension, BNM is expected to turn into more-dovish monetary stance for 2H2019, in line with the weaker economic prospect and the expectation of more US Fed rate cuts. 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.