



Investment Linked Fund Performance Report December 2016

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Past performance is not a reliable indicator of future performance

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

EXECUTIVE SUMMARY

December was a good month as the FBMKLCI index rose 1.4% m-o-m or 22.6 points to 1,641 on the back of window dressing activities. However, FBMKLCI index fell for the third consecutive year, by 3% or 50.8 points to 1,641 in 2016. The broader market underperformed, with the FBMEMAS index rising by only 1% m-o-m to 11,466pts.

MGS strengthened in December 2016, which was very much in contrast to losses suffered in the month before. MGS yields decreased between 8 to 40 bps across the yield curve. Ringgit was at its weakest level during the period, where ringgit increased slightly from RM4.468/USD to RM4.480/USD. Brent crude oil, on the other hand, increased steadily from USD50.47/barrel to USD56.82/barrel after the much anticipated OPEC's decision to finally cut oil supply.

CPI rose at higher rate by 1.8% to 116.9 from 114.8 in November 2016.

Persistent selling pressure from the foreign fund managers on expectation of higher interest rate in the US may limit any upside on the Bursa Malaysia. For the immediate term, we remain cautious on the equity market with focus to accumulate into stocks with limited downside and better risk to reward ratio. Meanwhile, the overall strategy for the fixed income market is still to buy on dips of MGS and corporate bonds.

Based on the performance table below, on monthly basis, only Asiapac Fund and Global Yakin Fund 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 (%)	0.30%	0.01%	0.99%	1.46%	0.67%	1.40%	1.02%	1.40%	2.87%	2.15%	1.41%	1.52%	0.82%	0.95%
3 Months (%)	2.46%	-4.94%	-2.21%	-1.54%	-1.30%	-0.65%	-0.76%	-0.65%	2.72%	-1.19%	-1.40%	-2.43%	-3.13%	-2.70%
6 Months (%)	8.60%	-0.28%	0.14%	-0.56%	-0.28%	-0.75%	0.32%	-0.75%	7.91%	2.06%	1.47%	-0.39%	-0.69%	-0.73%
12 Months (%)	5.86%	1.21%	2.07%	0.06%	-3.41%	-3.00%	-1.51%	-3.00%	7.70%	5.67%	6.82%	3.09%	-5.87%	-6.14%

Source: MCIS Insurance Berhad

AsiaPac Fund Monthly Report (December 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.

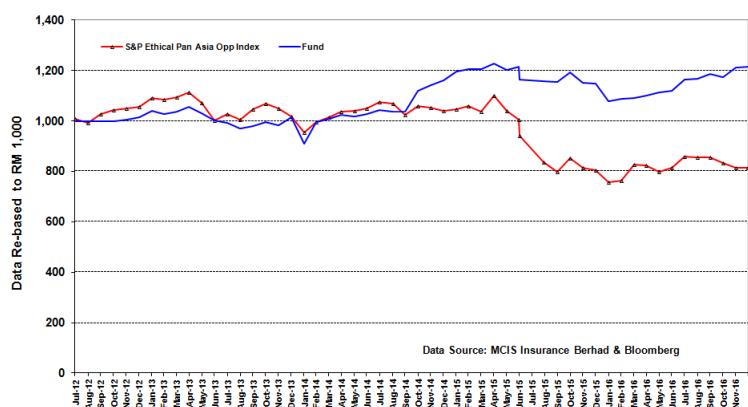
The following factors can potentially affect the value of the Fund; economic and political developments in related countries, foreign exchange fluctuation, illiquid and inefficient securities in the Emerging Markets, and the financial performance of the underlying companies.

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 December 2016, the fund had outperformed the benchmark by 29bps MoM (month on month). For since inception period, the fund had also 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 (30.12.16)	RM0.6072
Fund Size	RM26.0 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 (%)	0.30%	0.01%
3 months (%)	2.46%	-4.94%
6 months (%)	8.60%	-0.28%
12 months (%)	5.86%	1.21%
2 years (% pa)	4.60%	-21.92%
3 years (% pa)	6.13%	-7.18%
5 years (% pa)	-	-
Since Inception	4.41%	-4.50%

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 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 (December 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

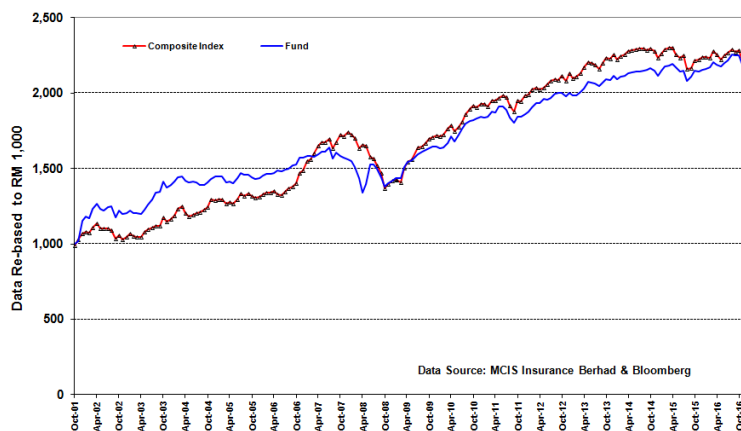
The Fund is considered medium risk given the mixed exposure of equity securities, fixed income and cash. The following factors can potentially affect the value of the Fund; consumer sentiment, financial performance of the underlying companies, industry and economy development, social and political factors, 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 December 2016, the fund had underperformed the benchmark by 47bps MoM (month on month). The underperformance was mainly driven by higher exposure of underperforming securities in the portfolio compared to benchmark.

Balanced Fund Performance Since Inception



Top Ten Holdings

- Malaysian Government Securities (Bond)
- Sabah Credit Corporation (Bond)
- CIMB Bank Berhad (Bond)
- Sarawak Hidro Sdn Bhd (Bond)
- Tenaga Nasional Berhad (Equity)
- Malayan Banking Berhad (Equity)
- Projek Lebuhraya Utara-Selatan (Bond)
- Public Bank Berhad (Bond)
- CIMB Bank Berhad (Equity)
- Maxis Berhad (Equity)

Fund Information

NAV (30.12.16)	RM1.0998
Fund Size	RM7.6 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%	45%
Cash	0%	20%	12%

Performance Table

Period	Fund	Index*
1 month (%)	0.99%	1.46%
3 months (%)	-2.21%	-1.54%
6 months (%)	0.14%	-0.56%
12 months (%)	2.07%	0.06%
2 years (% pa)	2.06%	0.10%
3 years (% pa)	1.36%	-0.26%
5 years (% pa)	3.39%	2.41%
Since Inception	5.30%	5.43%

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.

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 (December 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

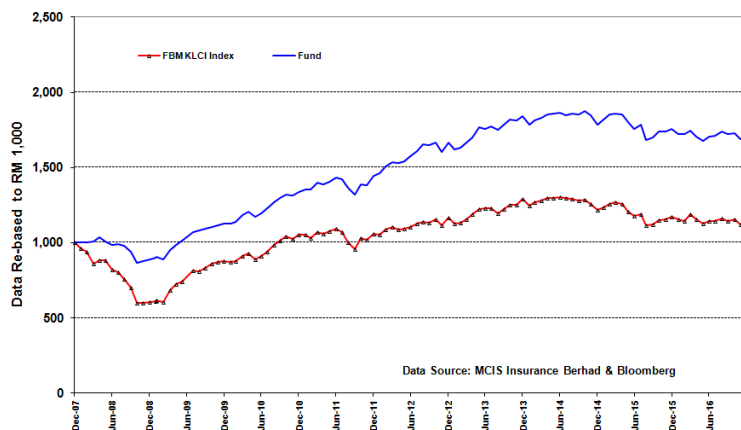
The Fund is considered high risk given the exposure to equity securities. The following factors can potentially affect the value of the Fund; consumer sentiment, financial performance of the underlying companies, the performance of the industry and economy, and the share market in general, social and 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 December 2016, the fund had underperformed the benchmark by 73bps MoM (month on month). The underperformance was mainly driven by higher exposure of underperforming stocks in the portfolio compared to benchmark.

Dividend Fund Performance Since Inception



Top Ten Holdings

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

Fund Information

NAV (30.12.16)	RM0.8071
Fund Size	RM37.4 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%	90%
Cash	0%	20%	10%

Performance Table

Period	Fund	Index*
1 month (%)	0.67%	1.40%
3 months (%)	-1.30%	-0.65%
6 months (%)	-0.28%	-0.75%
12 months (%)	-3.41%	-3.00%
2 years (% pa)	-2.42%	-3.45%
3 years (% pa)	-2.62%	-4.19%
5 years (% pa)	3.27%	1.41%
Since Inception	6.07%	1.43%
Yield #	2.90%	3.17%

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

The Fund returns are calculated by MCIS 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 (December 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

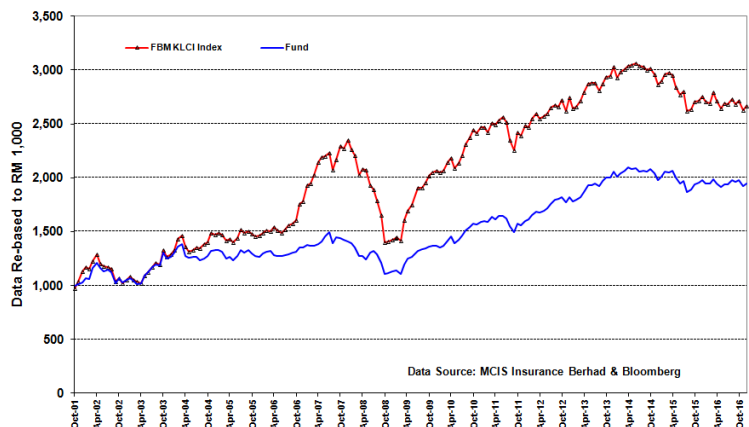
The Fund is considered high risk given the exposure to equity securities. The following factors can potentially affect the value of the Fund; consumer sentiment, financial performance of the underlying companies, the performance of the industry and economy, and the share market in general, social and 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 December 2016, the fund had underperformed the benchmark by 38bps MoM (month on month). The underperformance was mainly driven by higher exposure of underperforming 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
Sime Darby Berhad
Petronas Dagangan Berhad
Petronas Chemicals Group Berhad
Telekom Malaysia Berhad
KLCCP Stapled Group
Maxis Berhad

Fund Information

NAV (30.12.16)	RM0.9731
Fund Size	RM8.9 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%	86%
Cash	0%	20%	14%

Performance Table

Period	Fund	Index*
1 month (%)	1.02%	1.40%
3 months (%)	-0.76%	-0.65%
6 months (%)	0.32%	-0.75%
12 months (%)	-1.51%	-3.00%
2 years (% pa)	-0.77%	-3.45%
3 years (% pa)	-1.84%	-4.19%
5 years (% pa)	4.01%	1.41%
Since Inception	4.46%	6.65%
Yield #	2.80%	3.17%

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

The Fund returns are calculated by MCIS 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 (December 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.

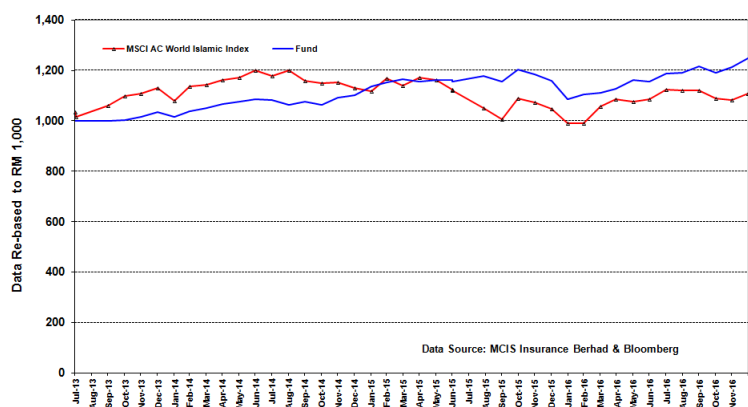
The following factors can potentially affect the value of the Fund; economic and political developments in related countries, foreign exchange fluctuation, illiquid and inefficient securities in the Emerging Markets, and the financial performance of the underlying companies.

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 December 2016, the fund had outperformed the benchmark by 72bps 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 (30.12.16)	RM0.6238
Fund Size	RM26.8 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%	87%
Cash	0%	20%	13%

Performance Table

Period	Fund	Index*
1 month (%)	2.87%	2.15%
3 months (%)	2.72%	-1.19%
6 months (%)	7.91%	2.06%
12 months (%)	7.70%	5.67%
2 years (% pa)	6.39%	-1.10%
3 years (% pa)	6.44%	-0.66%
5 years (% pa)	-	-
Since Inception	6.52%	2.94%

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 (December 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.

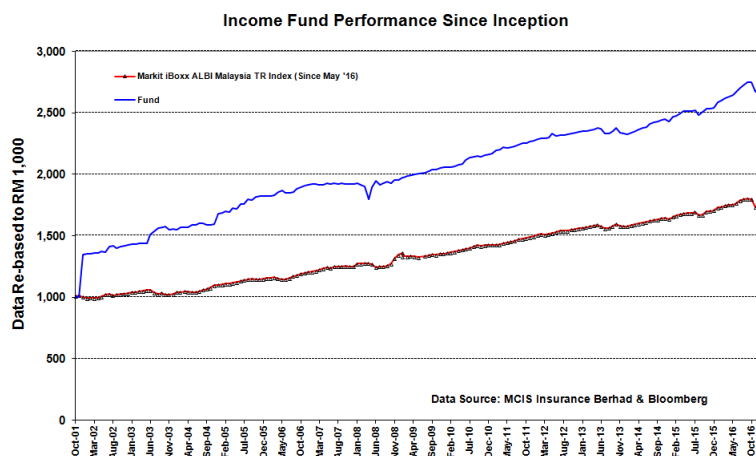
Risks

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 December 2016, the fund had underperformed the benchmark by 11bps MoM (month on month). The underperformance was due to underperforming of the fixed income securities compared to the benchmark index.



Top Ten Holdings

Malaysian Government Securities
 Government Investment Issue
 YTL Corporation Berhad
 PBFIN Berhad
 BGSM Management Sdn Bhd
 Sabah Credit Corporation
 Perdana Petroleum Berhad
 Sarawak Hidro Sdn Bhd
 Bank Pembangunan Malaysia Berhad
 CIMB Bank Berhad

Fund Information

NAV (30.12.16)	RM1.3553
Fund Size	RM27.3 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 (%)	1.41%	1.52%
3 months (%)	-1.40%	-2.43%
6 months (%)	1.47%	-0.39%
12 months (%)	6.82%	3.09%
2 years (% pa)	5.65%	3.65%
3 years (% pa)	5.14%	3.71%
5 years (% pa)	3.61%	3.30%
Since Inception	6.76%	3.77%

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.

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 (December 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

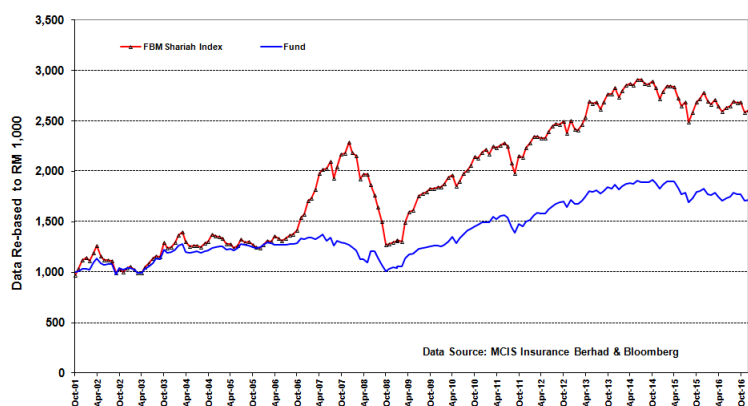
The Fund is considered high risk given the exposure to equity securities. The following factors can potentially affect the value of the Fund; consumer sentiment, financial performance of the underlying companies, the performance of the industry and economy, and the share market in general, social and 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 December 2016, the fund had underperformed the benchmark by 13bps MoM (month on month). The underperformance was mainly driven by higher exposure of underperforming stocks in the portfolio compared to benchmark.

Jati Fund Performance Since Inception



Top Ten Holdings

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

Fund Information

NAV (30.12.16)	RM0.8597
Fund Size	RM11.6 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%	16%
Cash	0%	20%	84%

Performance Table

Period	Fund	Index*
1 month (%)	0.82%	0.95%
3 months (%)	-3.13%	-2.70%
6 months (%)	-0.69%	-0.73%
12 months (%)	-5.87%	-6.14%
2 years (% pa)	-2.94%	-1.99%
3 years (% pa)	-2.79%	-2.72%
5 years (% pa)	2.74%	3.13%
Since Inception	3.62%	6.49%
Yield #	2.33%	2.61%

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 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

December was a good month as the FBMKLCI rose 1.4% m-o-m or 22.6 points to 1,641 on the back of window dressing activities. However, FBMKLCI index fell for the third consecutive year, by 3% or 50.8 points to 1,641 in 2016. The broader market underperformed, with the FBMEMAS rising by only 1% m-o-m to 11,466pts. Average daily value traded on Bursa in December decreased 15% m-o-m to RM1.75billion.

On the domestic economic front, the headline inflation rate picked up to 1.8% y-o-y in November (vs. +1.4% in October and +1.5% in September). This reflected the acceleration in the cost of F&B. Looking ahead, the headline inflation rate is expected to remain manageable at 2.5% in 2017, albeit rising from the +2% estimated for 2016. Meanwhile, loan growth is expected to slow down to 3.7% in 2017 (estimated 4.3% in 2016 and 7.9% in 2015). This is on account of; a) Slower household loans, due to more stringent rules on lending and curbs on the property market; b) Moderating business loans from weakening economic growth.

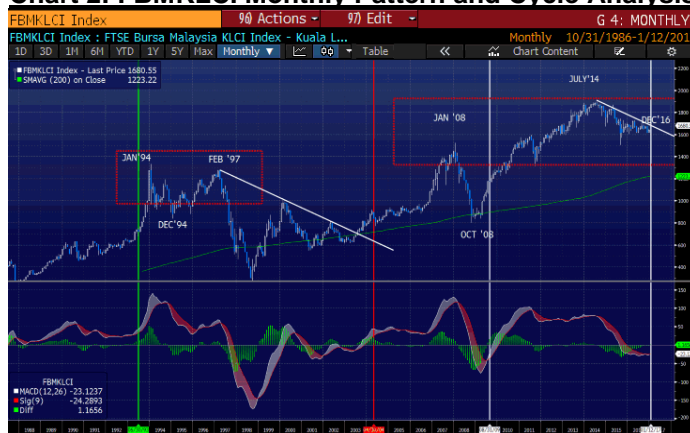
Globally, manufacturing in the US ended the year on a high note, picking up to its strongest reading in two years. PMI Index rose to a reading of 54.7 in December (vs. 53.2 in November and 51.9 in October). This was indicating some degree of forward momentum in factory activity in the near term. Meanwhile, China's manufacturing sector continued to expand with the purchasing managers' index hitting a 47-month high in December, according to a survey conducted by financial information service provider Markit and sponsored by Caixin Media. This was the index's biggest rise since January 2013, and production grew at the fastest pace in nearly six years thanks to an increase in total new work.

Chart 1: FBMKLCI Daily Chart



Source: Bloomberg

Chart 2: FBMKLCI Monthly Pattern and Cycle Analysis



Source: Bloomberg

Market Outlook & Strategy

Technically, current rally, which started in October 2008 is closing to 8 years old. The longest rally in Bursa Malaysia history is 10-years which recorded from 1998 to 2008. The index is currently at mid-point of its long term regression line since 1977. In ability to sustain at above this level may see further downside on the index. Lowest range of the regression channel will be at around 1,050 levels.

Persistent recovery on the crude oil prices (USD56.82/barrel as at 30 December 2016) may be positive for the Malaysian economy as this may push up oil revenue to the government. However, uncertainties clouding the sentiment and economy, coupled with the impact of Trump's policies after he took office on 20th January may not augur well for the market sentiment. Persistent selling pressure from the foreign fund managers on expectation of higher interest rate in the US may limit any upside on the Bursa Malaysia. For the immediate term, we remain cautious on the equity market with focus to accumulate into stocks with limited downside and better risk to reward ratio.

Fixed Income Review and Outlook

Market Review

Malaysian Government Securities (MGS) strengthened in December 2016, which was very much in contrast to losses suffered in the month before. MGS yields decreased between 8 to 40 bps across the yield curve. Ringgit was at its weakest level during the period, where ringgit increased slightly from RM4.468/USD to RM4.480/USD. Brent crude oil, on the other hand, increased steadily from USD50.47/barrel to USD56.82/barrel after the much anticipated Organisation of Petroleum Exporting Countries' (OPEC's) decision to finally cut oil supply.

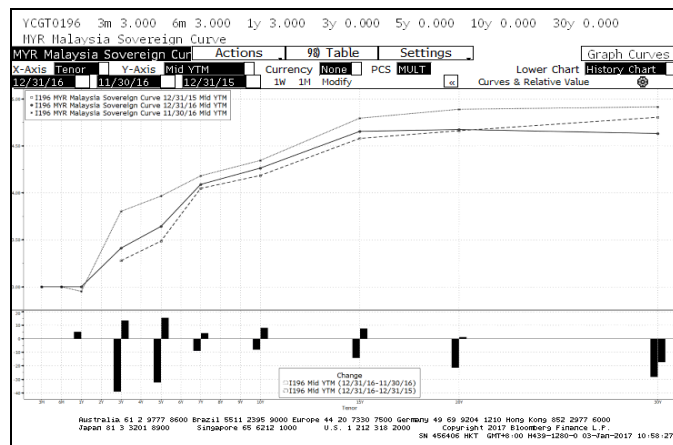
In December, the US Federal Reserve (Fed) raised its Fed Funds Rate by 25bps to a range of 0.50% and 0.75% at its Federal Open Market Committee (FOMC) meeting on 13-14 December 2016, which was in line with market expectations. From that FOMC meeting, market was made to understand that the US Fed will now expect at least three rate hikes for 2017 (instead of the earlier market consensus of only two).

On Malaysia's economic data, Consumer Price Index (CPI) in November 2016 rose at higher rate by 1.8% to 116.9 from 114.8 of the preceding year. The increase was attributed by increases in Food & Non-Alcoholic Beverages (+3.8%) and Housing, Water, Electricity and Gas & Other Fuels (+2.1%). That said, it was also offset by the decrease in Communication (-2.7%), Transport (-1.5%) and Communication (-0.5%).

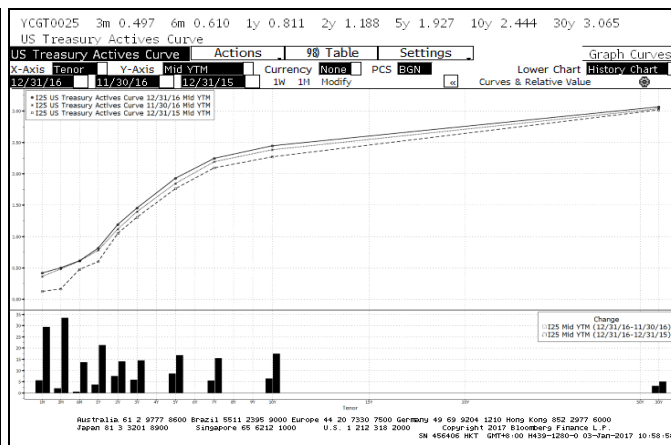
The auctions unveiled in December 2016 are as follows:

Government Auctions in December 2016				
Issue	Issue Date	Amount (RM million)	Bid-cover (times)	Avg Yield (%)
20-year Re-opening of MGII (Mat on 10/35)	8-Dec-16	1,500	3.750	4.811

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



Source: Bloomberg



Source: Bloomberg

In November, foreign holdings in Ringgit government securities decreased by RM18.8 billion to RM196.05 billion (or 33.2% of outstanding MGS and Gil). In our opinion, foreign players remained guarded. However, we think that foreign outflows should have eased in December, as the Ringgit and Malaysian bonds showed signs of stabilizing during the past month.

Market Outlook & Strategy

In view of the current investment climate, the overall strategy for the fixed income market is still to buy on dips of MGS and corporate bonds. We will be diligent in taking some profit for the bonds that have rallied passed their fundamental values from time to time to ensure tactical growth in realised income. Overall, we believe bonds will still provide decent yields given as there is still uncertainty within all investment markets as we embrace global financial market changes due a change in power from Obama to Trump's administration in the USA. Domestic growth, while expected to be decent compared to other global economies, continue to be subdued with increased elements of "surprise" factors.