



member of  Sanlam group

# Investment-Linked Fund Performance Report May 2024

## **General Advice Warning**

The information contained in this material is general information and intended for the use of professional advisers, researchers, and trustees. It does not take into account the objectives, financial situation or needs of any person. These factors should be considered before acting on this information.

MCIS receives remuneration such as fees, charges, or premiums for the products. Details of these payments including how they are calculated and when and how they are payable can be found in the relevant sales illustrations, or other disclosure document for each product.

MCIS Life has received on behalf of the funds, soft commissions from our investment fund bankers/brokers, in the form of research materials and investment-related publications which are incidental to the investment management of the funds. This report, among others, incorporates consolidated content for the benefit of MCIS Life's policyholders.

## **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

As of 31<sup>st</sup> May 2024, the FBMKLCI closed marginally higher to 1,596.68 points (+1.3% MoM and 9.8% YTD). The index slightly retreated towards the end of the month after it had touched the 1,600 psychological level in the middle of the month. This was in line with the mixed performance of the regional indices. The average daily trading value in the month rose 36.5% MoM and 109.3% YoY to RM4.0bil. Meanwhile, average daily trading volume in May rose 32.6% MoM and 88.6% YoY to 5.3bil units.

Malaysia Government Securities (“MGS”) yields eased lower after BNM kept the Overnight Policy Rate (“OPR”) unchanged at 3.00%. Brent crude oil prices dropped to USD81.62/barrel (end-Apr’24: USD87.86/barrel). Meanwhile, ringgit strengthened against the dollar to RM4.7065/USD (end-Apr’24: RM4.7725/USD).

On the local economic data, Malaysia’s 1Q’24 GDP saw higher-than-expected growth, coming in at 4.2% YoY (4Q’23: +2.9% YoY; consensus: +3.9% YoY). The faster growth was attributable to all the main components, except Agriculture sector

For the equity market, we expect a positive recovery in the year 2024, especially for the local market, supported by improved corporate earnings and government transformation plans that should support the domestic economy. We expect BNM to maintain the OPR unchanged at least for the first half of 2024, due to easing inflation expectation. On the global economic review, the resilience of the US economy may lead to a soft landing, rather than recession. The tail-end of global monetary policy tightening will be positive for foreign investors to make their way back to the local stock market.

Meanwhile for fixed income, after series of OPR hikes to pre-pandemic level, BNM is anticipated to keep its monetary policy unchanged in 1H2024, aiming to balance the economic growth and inflationary pressure in the country. The external risk factors such as Israel-Hamas war and Russia-Ukraine geopolitical tension will continue to weigh on the local market, but we believe corporate bond space still provides attractive yields. As such, our fixed income strategy will remain defensive to shelter from the market volatilities in the near term.

Based on the table below, on monthly basis, only AsiaPac Fund had outperformed the benchmark.

Policyholders are encouraged to focus on regular premiums given the current risk and volatile period of the economic and market condition. Risk-averse investors should focus on income funds due to its less volatile as compared to equity-related funds.

Performance Table: Funds vs Benchmarks

	Asiapac Fund		Balanced Fund		Dividend Fund		Equity Fund		Global Yakin Fund		Income Fund		Jati Fund		Titan Fund	
	Fund	Benchmark	Fund	Benchmark	Fund	Benchmark	Fund	Benchmark	Fund	Benchmark	Fund	Benchmark	Fund	Benchmark	Fund	Benchmark
Monthly (%)	4.91%	2.30%	0.40%	1.12%	0.10%	1.31%	0.10%	1.31%	-0.70%	2.03%	0.85%	0.92%	-0.61%	2.54%	3.73%	6.01%
3 Months (%)	7.20%	4.62%	1.81%	1.92%	2.63%	2.92%	2.64%	2.92%	-1.12%	0.91%	1.34%	0.89%	3.08%	7.50%	7.73%	4.37%
6 Months (%)	11.18%	11.97%	4.77%	6.21%	6.63%	9.91%	7.32%	9.91%	9.54%	7.15%	3.45%	2.57%	7.03%	13.39%	20.15%	19.53%
12 Months (%)	14.13%	11.33%	8.12%	9.41%	11.47%	15.11%	12.47%	15.11%	15.25%	15.75%	6.44%	3.83%	10.94%	16.84%	31.65%	32.36%

Source: MCI S Insurance Berhad

# MCIS Life AsiaPac Fund Monthly Report (May 2024)

## Investment Objective

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

## Investment Strategy

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

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

## 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 is to be reviewed on a regular basis and adjusted to be commensurate with the Investment Team's view on the relative attractiveness of each asset class.

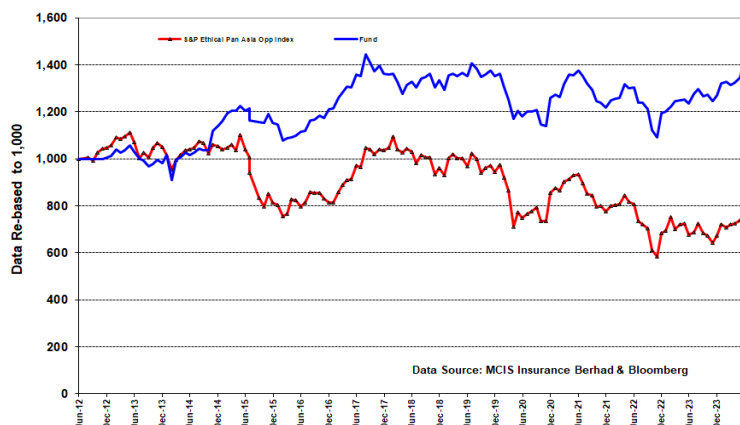
The following factors can potentially affect the value of the Fund, economic and political developments in related countries, foreign exchange fluctuation, illiquid and inefficient securities in the Emerging Markets, and the financial performance of the underlying companies.

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

## Fund Performance

For the month ended May 2024, the fund had outperformed the benchmark by 261bps MoM (month-on-month). The outperformance was mainly due to the outperformance of the underlying asset. The fund also has outperformed the benchmark since its inception.

AsiaPac Fund Performance Since Inception



## Top Ten Holdings

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

## Fund Information

NAV (31.05.24)	RM0.7054
Fund Size	RM96.15 million
Inception Date	15-July-2012
Fund Management Fee	0.85% p.a.
Pricing	Daily
Price Quote	<a href="http://www.mcis.my">http://www.mcis.my</a>
Fund Manager	MCIS Insurance Berhad (MCIS Life)
Exceptional Circumstances	Refer to your Policy Document

## Asset Allocation Ranges

Asset Class	Min	Max	Current Actual
ETF	80%	100%	96%
Cash	0%	20%	4%

## Performance Table

Period	Fund	Index*
1 month (%)	4.91%	2.30%
3 months (%)	7.20%	4.62%
6 months (%)	11.18%	11.97%
12 months (%)	14.13%	11.33%
2 years (% pa)	4.04%	-3.33%
3 years (% pa)	0.80%	-6.82%
5 years (% pa)	0.85%	-4.86%
Since Inception (% pa)	2.93%	-2.33%

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

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

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

# MCIS Life Balanced Fund Monthly Report (May 2024)

## 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

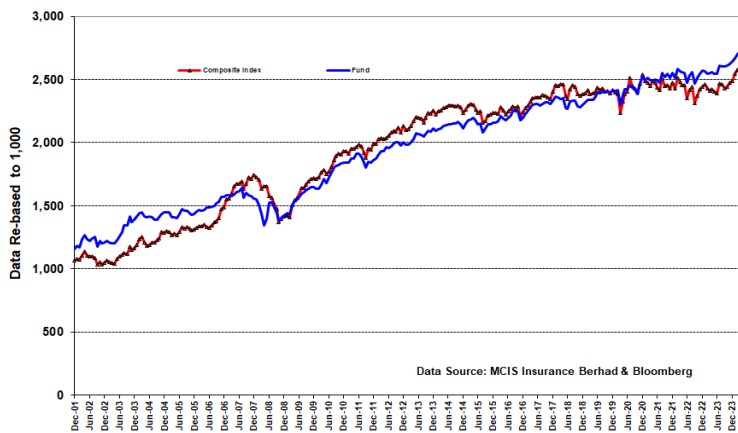
The Fund is considered medium risk given the mixed exposure of equity securities, fixed income, and cash. The following factors can potentially affect the value of the Fund, consumer sentiment, financial performance of the underlying companies, industry and economic development, social and political 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 2024, the fund had underperformed the benchmark by 72bps MoM (month-on-month). The underperformance was mainly driven by a higher exposure of underperforming securities in the portfolio compared to the benchmark.

Balanced Fund Performance Since Inception



## Top Ten Holdings

- Malayan Banking Berhad (Equity)
- Tenaga Nasional Berhad (Equity)
- CIMB Bank Berhad (Equity)
- Edotco Malaysia Sdn Berhad (Bond)
- Cello Capital Berhad (Bond)
- Solarpack Suria Sungai Petani Sdn Bhd (Bond)
- Telekosang Hydro One Sdn Bhd (Bond)
- Edra Solar Sdn Bhd (Bond)
- Public Bank Berhad (Equity)
- Point Zone (M) Sdn Berhad (Bond)

## Fund Information

NAV (31.05.24)	RM1.3749
Fund Size	RM12.72 million
Inception Date	15-Oct-01
Fund Management Fee	1.25% p.a.
Pricing	Daily
Price Quote	<a href="http://www.mcis.my">http://www.mcis.my</a>
Fund Manager	MCIS Insurance Berhad (MCIS Life)
Exceptional Circumstances	Refer to your Policy Document

## Asset Allocation Ranges

Asset Class	Min	Max	Current Actual
Malaysian Equity	40%	60%	46%
Fixed Income	40%	60%	43%
Cash	0%	20%	11%

## Performance Table

Period	Fund	Index*
1 month (%)	0.40%	1.12%
3 months (%)	1.81%	1.92%
6 months (%)	4.77%	6.21%
12 months (%)	8.12%	9.41%
2 years (% pa)	3.80%	3.42%
3 years (% pa)	3.26%	2.02%
5 years (% pa)	3.09%	1.81%
Since Inception (% pa)	4.56%	4.35%

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

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

\* The benchmark index is a composite of 50% FBMKLCI Index and 50% of Markit iBoxx ALBI Malaysia TR Index (Since June '16). 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.

# MCIS Life Dividend Fund Monthly Report (May 2024)

## Investment Objective

To achieve a steady income stream with potential for capital growth over the 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 FBMKLCI 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

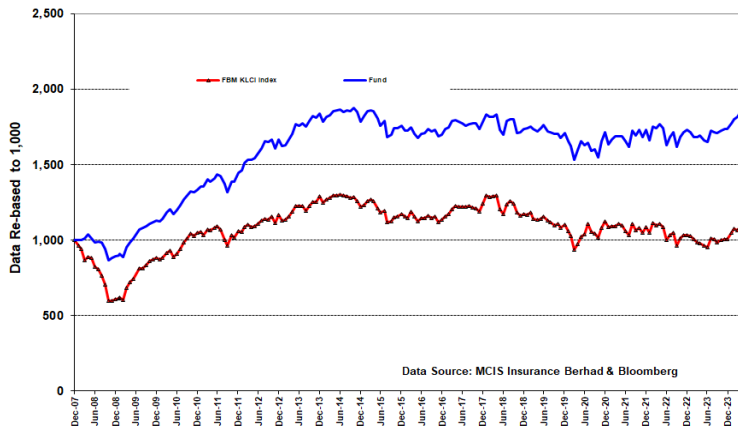
The Fund is considered high risk given the exposure to equity securities. The following factors can potentially affect the value of the Fund, consumer sentiment, the financial performance of the underlying companies, the performance of the industry and economy, the share market in general, social, and 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 2024, the fund had underperformed the benchmark by 121bps MoM (month-on-month). The underperformance was mainly driven by a higher exposure of underperforming securities in the portfolio compared to the benchmark.

Dividend Fund Performance Since Inception



## Top Ten Holdings

Malayan Banking Berhad  
CIMB Bank Berhad  
Tenaga Nasional Berhad  
Public Bank Berhad  
Petronas Gas Berhad  
Maxis Berhad  
CelcomDigi Berhad  
Sime Darby Plantation Berhad  
IOI Corporation Berhad  
Telekom Malaysia Berhad

## Fund Information

NAV (31.05.24)	RM0.8782
Fund Size	RM30.53 million
Inception Date	21-Jan-08
Fund Management Fee	1.5% p.a.
Pricing	Daily
Price Quote	<a href="http://www.mcis.my">http://www.mcis.my</a>
Fund Manager	MCIS Insurance Berhad (MCIS Life)
Exceptional Circumstances	Refer to your Policy Document

## Asset Allocation Ranges

Asset Class	Min	Max	Current Actual
Malaysian Equity	80%	100%	96%
Cash	0%	20%	4%

## Performance Table

Period	Fund	Index*
1 month (%)	0.10%	1.31%
3 months (%)	2.63%	2.92%
6 months (%)	6.63%	9.91%
12 months (%)	11.47%	15.11%
2 years (% pa)	3.10%	0.84%
3 years (% pa)	3.08%	0.28%
5 years (% pa)	1.18%	-0.66%
Since Inception (% pa)	3.81%	0.61%
Yield #	3.10%	3.99%

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

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

\* Index is FBMKLCI sourced from Bloomberg.

# Yield data is sourced from Bloomberg, and MCIS Life.

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

# MCIS Life Equity Fund Monthly Report (May 2024)

## 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 FBMKLCI 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

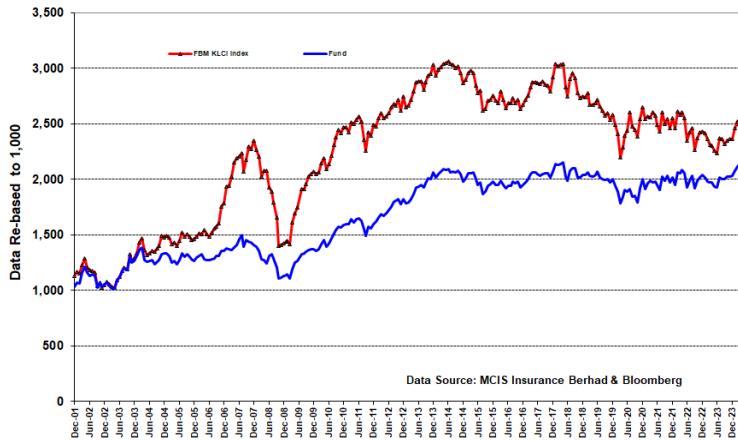
The Fund is considered high risk given the exposure to equity securities. The following factors can potentially affect the value of the Fund, consumer sentiment, the financial performance of the underlying companies, the performance of the industry and economy, the share market in general, social, and 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 2024, the fund had underperformed the benchmark by 121bps MoM (month-on-month). The underperformance was mainly driven by a higher exposure of underperforming securities in the portfolio compared to the benchmark.

Equity Fund Performance Since Inception



## Top Ten Holdings

Malayan Banking Berhad  
CIMB Bank Berhad  
Tenaga Nasional Berhad  
Public Bank Berhad  
Petronas Chemicals Group Berhad  
IHH Healthcare Berhad  
Telekom Malaysia Berhad  
IOI Corporation Berhad  
Sime Darby Plantation Berhad  
Press Metal Aluminium Holdings Bhd

## Fund Information

NAV (31.05.24)	RM1.0866
Fund Size	RM14.6 million
Inception Date	15-Oct-01
Fund Management Fee	1.40% p.a.
Pricing	Daily
Price Quote	<a href="http://www.mcis.my">http://www.mcis.my</a>
Fund Manager	MCIS Insurance Berhad (MCIS Life)
Exceptional Circumstances	Refer to your Policy Document

## Asset Allocation Ranges

Asset Class	Min	Max	Current Actual
Malaysian Equity	80%	100%	95%
Cash	0%	20%	5%

## Performance Table

Period	Fund	Index*
1 month (%)	0.10%	1.31%
3 months (%)	2.64%	2.92%
6 months (%)	7.32%	9.91%
12 months (%)	12.47%	15.11%
2 years (% pa)	2.85%	0.84%
3 years (% pa)	3.14%	0.28%
5 years (% pa)	1.28%	-0.66%
Since Inception (% pa)	3.48%	4.30%
Yield #	3.72%	3.99%

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

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

\* Index is FBMKLCI sourced from Bloomberg.

# Yield data is sourced from Bloomberg, and MCIS Life.

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

# MCIS Life Global Yakin Fund Monthly Report (May 2024)

## 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. The Fund is not a Shariah-compliant product.

## Investment Strategy

The Fund is to feed into abrdn Islamic World Equity Fund ("AIWEF") (formerly known as Aberdeen Standard Islamic World Equity Fund) which is managed by abrdn Islamic Malaysia Sdn Bhd (formerly known as Aberdeen Standard Investments (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 be limited to Canada, the United States of America, the 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 is to be reviewed on a regular basis and adjusted to be commensurate with the Investment Team's view on the relative attractiveness of each asset class.

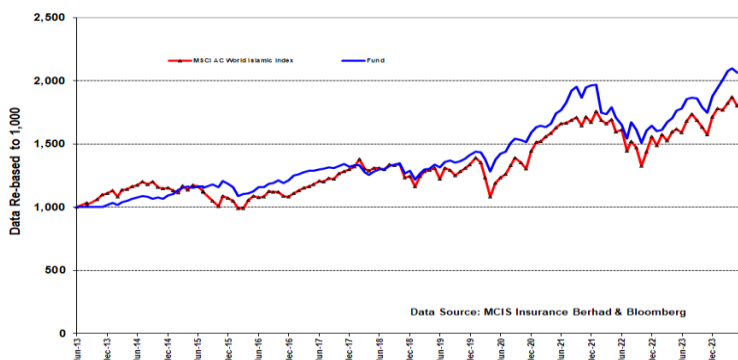
The following factors can potentially affect the value of the Fund, economic and political developments in related countries, foreign exchange fluctuation, illiquid and inefficient securities in the Emerging Markets, and the financial performance of the underlying companies.

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

## Fund Performance

For the month ended May 2024, the fund had underperformed the benchmark by 273bps MoM (month-on-month). However, the fund has outperformed the benchmark since its inception.

Global Yakin Fund Performance Since Inception



## Top Ten Holdings

abrdn Islamic World Equity Fund (AIWEF)

## Fund Information

NAV (31.05.24)	RM1.0269
Fund Size	RM139.67 million
Inception Date	8-July-2013
Fund Management Fee	0.85% p.a.
Pricing	Daily
Price Quote	<a href="http://www.mcis.my">http://www.mcis.my</a>
Fund Manager	MCIS Insurance Berhad (MCIS Life)
Exceptional Circumstances	Refer to your Policy Document

## Asset Allocation Ranges

Asset Class	Min	Max	Current Actual
AIWEF	80%	100%	95%
Cash	0%	20%	5%

## Performance Table

Period	Fund	Index*
1 month (%)	-0.70%	2.03%
3 months (%)	-1.12%	0.91%
6 months (%)	9.54%	7.15%
12 months (%)	15.25%	15.75%
2 years (% pa)	11.50%	6.73%
3 years (% pa)	5.15%	3.44%
5 years (% pa)	9.36%	10.77%
Since Inception (% pa)	6.82%	5.74%

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

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

\* Index is MSCI AC World Islamic sourced from Bloomberg.

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

# MCIS Life Income Fund Monthly Report (May 2024)

## Investment Objective

The objective of the Income Fund is to provide investors with the security of income by investing in a mix of fixed income and fixed deposit securities. The aim of the Fund is to outperform the Market iBoxx ALBI Malaysia TR Index.

## Investment Strategy

To invest in 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.

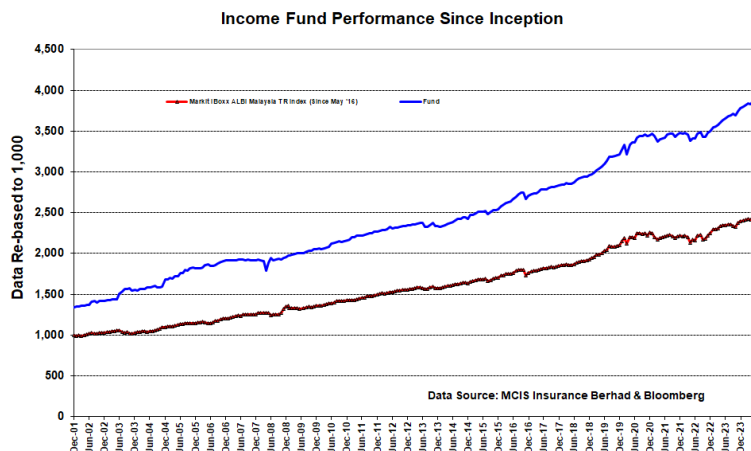
## Risks

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, the financial performance of the underlying companies, the performance of the industry and economy, 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 2024, the fund had underperformed the benchmark by 7bps MoM (month-on-month). The underperformance was due to underperforming fixed income securities compared to the benchmark index.



## Top Ten Holdings

Solarpack Suria Sungai Petani Sdn Bhd  
Leader Energy Sdn Berhad  
Telekosang Hydro One Sdn Bhd  
Edra Solar Sdn Bhd  
Cello Capital Berhad  
UiTM Solar Power Sdn Berhad  
Lebuhraya Duke Fasa 3 Sdn Bhd  
Johor Corporation  
Malayan Banking Berhad  
SAJ Capital Sdn Bhd

## Fund Information

NAV (31.05.24)	RM1.9340
Fund Size	RM53.75 million
Inception Date	15-Oct-01
Fund Management Fee	0.5% p.a.
Pricing	Daily
Price Quote	<a href="http://www.mcis.my">http://www.mcis.my</a>
Fund Manager	MCIS Insurance Berhad (MCIS Life)
Exceptional Circumstances	Refer to your Policy Document

## Asset Allocation Ranges

Asset Class	Min	Max	Current Actual
Fixed Income	75%	100%	88%
Cash	0%	25%	12%

## Performance Table

Period	Fund	Index*
1 month (%)	0.85%	0.92%
3 months (%)	1.34%	0.89%
6 months (%)	3.45%	2.57%
12 months (%)	6.44%	3.83%
2 years (% pa)	6.42%	5.80%
3 years (% pa)	4.28%	3.46%
5 years (% pa)	4.73%	3.99%
Since Inception (% pa)	6.15%	4.00%

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

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

\* The benchmark index is Market iBoxx ALBI Malaysia TR Index (Since June '16). 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 Market 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.



# MCIS Life Jati Fund Monthly Report (May 2024)

## 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 Fund is not a Shariah-compliant 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

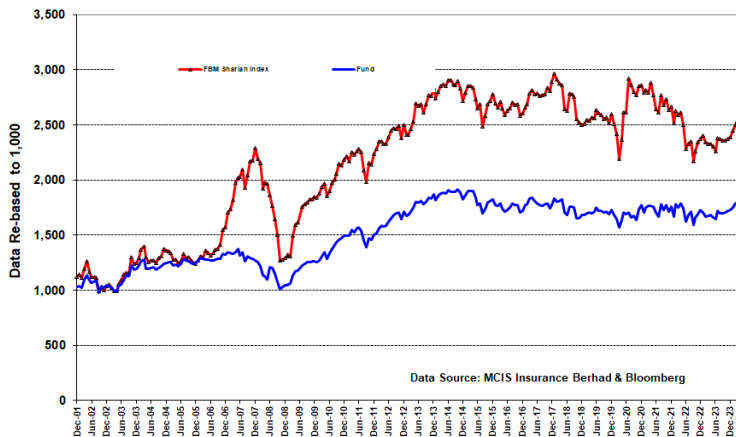
The Fund is considered high risk given the exposure to equity securities. The following factors can potentially affect the value of the Fund, consumer sentiment, the financial performance of the underlying companies, the performance of the industry and economy, the share market in general, social, and 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 2024, the fund had underperformed the benchmark by 315bps MoM (month-on-month). The underperformance was mainly driven by a higher exposure of underperforming securities in the portfolio compared to the benchmark.

Jati Fund Performance Since Inception



## Top Ten Holdings

Tenaga Nasional Berhad  
Telekom Malaysia Berhad  
Sime Darby Plantation Berhad  
Petronas Gas Berhad  
IHH Healthcare Berhad  
Press Metal Aluminium Holdings Bhd  
Sime Darby Berhad  
MISC Berhad  
IOI Corporation Berhad  
Maxis Berhad

## Fund Information

NAV (31.05.24)	RM0.9206
Fund Size	RM19.81 million
Inception Date	15-Oct-01
Fund Management Fee	1.35% p.a.
Pricing	Daily
Price Quote	<a href="http://www.mcis.my">http://www.mcis.my</a>
Fund Manager	MCIS Insurance Berhad (MCIS Life)
Exceptional Circumstances	Refer to your Policy Document

## Asset Allocation Ranges

Asset Class	Min	Max	Current Actual
Malaysian Equity	80%	100%	99%
Cash	0%	20%	1%

## Performance Table

Period	Fund	Index*
1 month (%)	-0.61%	2.54%
3 months (%)	3.08%	7.50%
6 months (%)	7.03%	13.39%
12 months (%)	10.94%	16.84%
2 years (% pa)	2.83%	3.76%
3 years (% pa)	1.56%	-1.00%
5 years (% pa)	1.46%	0.99%
Since Inception (% pa)	2.73%	4.46%
Yield #	3.14%	2.86%

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

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

\* Index is FBMS Index sourced from Bloomberg.

# Yield data is sourced from Bloomberg, and MCIS Life.

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

# MCIS Life Titan Fund Monthly Report (May 2024)

## Investment Objective

The Fund invests in EQ8 DOW JONES US TITANS 50 ETF ("EQ8US50") (formerly known as MyETF Dow Jones U.S. Titans 50) which aims to provide investment results that closely correspond to the performance of the Dow Jones Islamic Market U.S. Titans 50 Index. The Fund is not a Shariah-compliant product.

## Investment Strategy

EQ8US50 is managed by Eq8 Capital Sdn Bhd (formerly known as i-VCAP Management Sdn Bhd) and it invests in 50 largest Shariah-compliant companies listed in the U.S. EQ8US50 is a passively managed fund.

## Risks

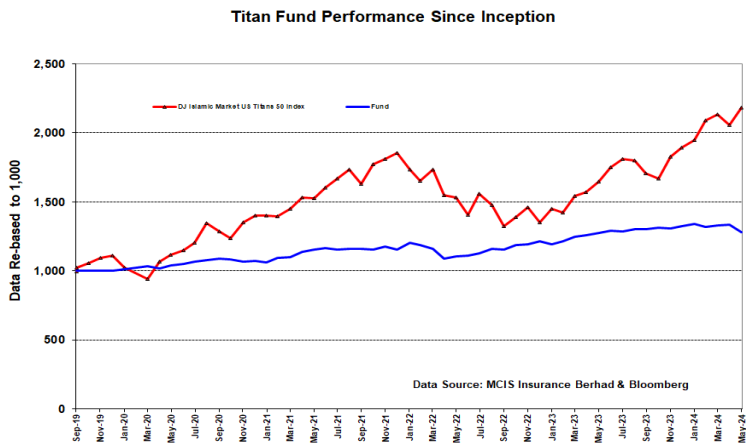
The Fund is considered low risk given the exposure to only one underlying securities with no attempt to select stocks individually or to take defensive positions in declining markets. Risk is managed at the management level, where the asset allocation of the fund is to be reviewed on a regular basis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

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

The Fund is suitable for investors who are seeking diversification and investment opportunities in Shariah-compliant equities in the U.S. market and seeking liquid financial instruments with an index tracking feature.

## Fund Performance

For the month ended May 2024, the fund had underperformed the benchmark by 228bps MoM (month-on-month). The underperformance was mainly due to the outperformance of the underlying asset.



## Fund Information

NAV (31.05.24)	RM0.9833
Fund Size	RM114.34 million
Inception Date	17-Sept-2019
Fund Management Fee	0.85% p.a.
Pricing	Daily
Price Quote	<a href="http://www.mcis.my">http://www.mcis.my</a>
Fund Manager	MCIS Insurance Berhad (MCIS Life)
Exceptional Circumstances	Refer to your Policy Document

## Asset Allocation Ranges

Asset Class	Min	Max	Current Actual
EQ8US50	80%	100%	93%
Cash	0%	20%	7%

## Performance Table

Period	Fund	Index*
1 month (%)	3.73%	6.01%
3 months (%)	7.73%	4.37%
6 months (%)	20.15%	19.53%
12 months (%)	31.65%	32.36%
2 years (% pa)	17.70%	19.38%
3 years (% pa)	14.97%	12.64%
5 years (% pa)	n/a	n/a
Since Inception (% pa)	15.30%	17.84%

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

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

\* Index Dow Jones Islamic Market U.S. Titans 50 Index sourced from Bloomberg.

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.

## Top Ten Holdings

EQ8 DOW JONES US TITANS 50 ETF ("EQ8US50")  
(formerly known as MyETF Dow Jones U.S. Titans 50)

# Equity Market Review and Outlook

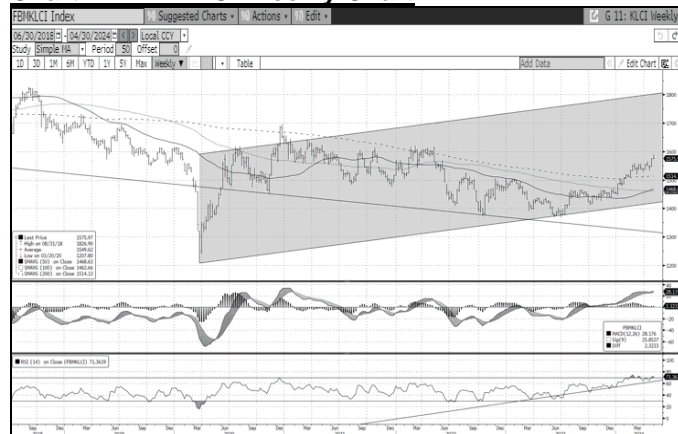
## Market Review

As of 31<sup>st</sup> May 2024, the FBMKLCI closed marginally higher to 1,596.68 points (+1.3% MoM and 9.8% YTD). The index slightly retreated towards the end of the month after it had touched the 1,600 psychological level in the middle of the month. This was in line with the mixed performance of the regional indices. The average daily trading value in the month rose 36.5% MoM and 109.3% YoY to RM4.0bil. Meanwhile, average daily trading volume in May rose 32.6% MoM and 88.6% YoY to 5.3bil units.

Local institutions turned into net sellers with net sell flows of RM0.9bil in May (net buy flows of RM2.5bil in April). Local retail investors recorded a net sell of RM831.3mil in May, which fell by 16.6% MoM. May '24 also marked the eleventh consecutive month of net selling by local retail investors. Meanwhile, foreign investors turned into net buyers in May '24, resulting in the cumulative net foreign outflow shrinking to RM0.8bil YTD.

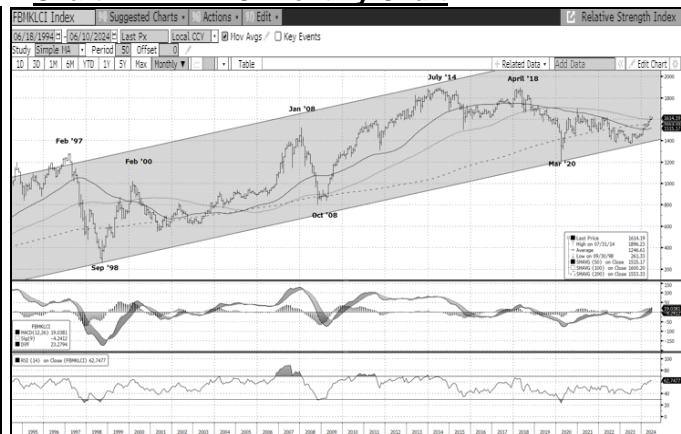
Meanwhile, global equity markets rebounded strongly in May as investors were optimistic about the economic outlook. In the US, corporate earnings recorded better than consensus expectation results for the first quarter of the year, especially for the mega-cap stocks. Dow Jones Industrial Index closed higher by 2.3% MoM and the broader S&P 500 index closed stronger by 4.8% MoM. Eurozone shares also posted positive momentum as the economic data confirmed that economic activity is improving. MSCI Europe Index closed stronger by 2.5% MoM. In Asia, the performances were mixed with positive biased. MSCI Asia APEX 50 ex-Japan closed higher by 2.3% MoM.

**Chart 1: FBMKLCI Weekly Chart**



Source: MCIS/Bloomberg

**Chart 2: FBMKLCI Monthly Chart**



Source: MCIS/Bloomberg

## Market Outlook & Strategy

Traditionally, FBMKLCI Index's performance was negative in June, with an average of -0.1% and -1.2% for MoM returns over the past 10 years and 45 years. We expect the market to be supported by its attractive valuations at current levels of 1.39x as it is now below its 13-year historical average of P/B (1.87x) and 15.1x PER compared to the 13-year historical average of PER (17.1x).

Technically, the FBMKLCI Index has been rebounding higher since it broke the 22-months downtrend line from the March 2022 highs. It is currently trading above most of its simple moving averages (SMA), and MACD line remains above the signal line, implying an ongoing positive sentiment. The current upcycle could lift the index toward the next resistance zone following the recent breakout move above the prior resistance-turn support at 1,560 points on the back of bullish reading in RSI. The index is set to challenge the next level of resistance in the near term. The immediate support level is seen at 1,560 and immediate resistance is at 1,630 level.

We expect a positive recovery in 2024, especially for the local market, supported by improved corporate earnings and government transformation plans that should support the domestic economy. We expect BNM to maintain the OPR unchanged at least for the first half of 2024, due to easing inflation expectation. On the global economic review, the resilience of the US economy may lead to a soft landing, rather than recession. The tail-end of global monetary policy tightening will be positive for foreign investors to make their way back to the local stock market.

# Fixed Income Review and Outlook

## Market Review

Malaysia Government Securities (“MGS”) yields eased lower after BNM kept the Overnight Policy Rate (“OPR”) unchanged at 3.00%. Brent crude oil prices dropped to USD81.62/barrel (end-Apr’24: USD87.86/barrel). Meanwhile, ringgit strengthened against the dollar to RM4.7065/USD (end-Apr’24: RM4.7725/USD).

On the local economic data, Malaysia’s 1Q’24 GDP saw higher-than-expected growth, coming in at 4.2% YoY (4Q’23: +2.9% YoY; consensus: +3.9% YoY). The faster growth was attributable to all the main components, except Agriculture sector which recorded slower growth at +1.6% YoY 1Q’24 (4Q’24: +1.9% YoY). The growth is still being driven domestically, with Domestic Demand coming in at +6.1% YoY (4Q’23: +4.9% YoY) compared to External Demand at -24.5% YoY (4Q’24: -52.9% YoY). Inflation on the other hand remained unchanged at +1.8% YoY in Apr’24 despite of the higher adjusted Service Tax rate in Mar’24. Malaysia Exports rebounded to +9.1% YoY in Apr’24 (Mar’24: -0.9% YoY), which was primarily due to the expansion in Manufacturing, Mining and Agriculture. Manufacturing Exports was fuelled by the increased shipments of Machinery, Equipment & Parts, Chemicals & Chemical Products, and Iron & Steel Products. Strong Mining Exports was driven by the recovery in Crude Petroleum exports, while the rebound in Agriculture Exports was supported by the higher Palm Oil exports. Imports improved its double-digit growth to +15.6% YoY in Apr’24 (Mar’24: +12.5% YoY), thanks to the double-digit expansion in Consumption Goods and Intermediate Goods. In summary, trade surplus was unchanged at +MYR12.8 billion in Apr’24.

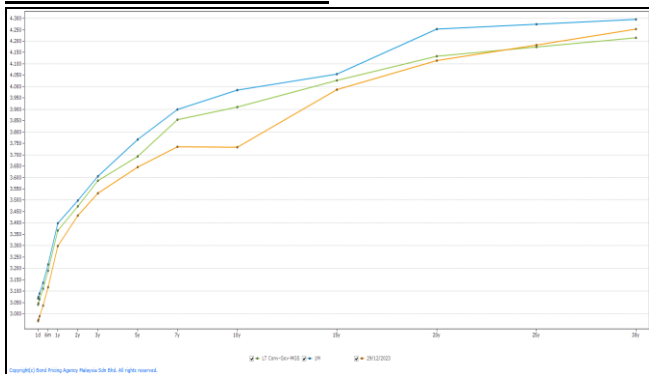
BNM’s international reserve was unchanged at USD113.3 billion as at mid-May’24 (mid-Apr’24: USD113.4 billion). The reserve is sufficient to finance 5.4 months of retained imports and is 1.0 time of short-term external debts.

The auctions unveiled in May’24 is as follow;

Government Auctions		Auction Amount + PP	Bid-cover	Avg Yield
Issue	Issue Date	(RM million)	(times)	(%)
20-yr New Issue of MGS (Mat on 05/44)	15/5/2024	5,000.00	3.09	4.18
15-yr Reopening of MGII 09/39 4.467%	23/5/2024	5,000.00	3.02	4.02
7-yr Reopening of MGS 04/31 2.632%	30/5/2024	5,000.00	1.96	3.85

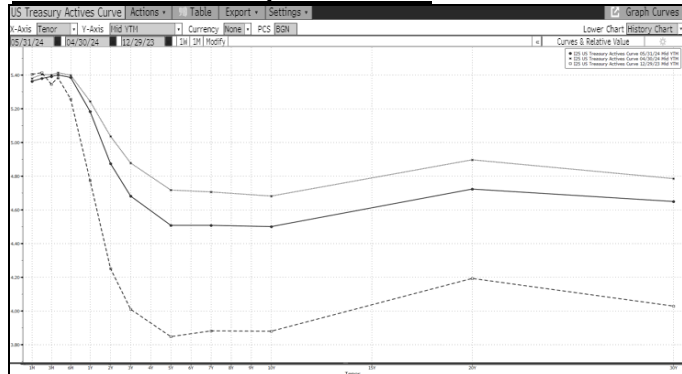
Source: Bank Negara Malaysia

**Chart 1: MGS Yield Curve**



Source: BPAM

**Chart 2: US Treasury Yield Curve**



Source: Bloomberg

US 10-year Treasury yield moved lower to 4.50% as at end-May’24 (end-Apr’24: 4.68%), reflecting the weaker-than-expected US job data.

## Market Outlook & Strategy

After a series of recent OPR hikes to pre-pandemic level, BNM is anticipated to keep its monetary policy unchanged in 2024, aiming to balance the economic growth and inflationary pressure in the country. The external risk factors such as Israel-Hamas war and Russia-Ukraine geopolitical tension will continue to weigh on the local market, but we believe corporate bond space still provides attractive yields. As such, our fixed income strategy will remain defensive to shelter from the market volatilities in the near term.