



Investment Linked Fund Performance Report July 2018

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EXECUTIVE SUMMARY

It was a good month for the Malaysian market as FBMKLCI rebounded on the back of slower foreign selling and investors' higher appetite for risky assets after recent sell down. The FBMKLCI ended July with a 5.5% m-o-m gain to close at 1,784 points and narrowed its cumulative loss to only 0.7% YTD. This represents the first monthly gain by the Malaysian market since GE14 as foreign selling subsided and investors bargain-hunted. The best performing sectors in Apr were construction, technology and property sectors. FBMKLCI closed at 1,784 points underperforming FBM EMAS Index which gained 5.6% m-o-m.

Local bond market saw a strong rally in July, largely driven by the buying interest from local players. This was also supported by the lower-than-expected inflation rate in June on the back of Zero GST tax holiday announced by the newly elected government. MGS prices rallied across the curve, moving the yields down 11-14 basis points, except for the 30y which was unchanged. The Ringgit was further weakened due to continued foreign net outflows, following the speculation of potential OPR rate cut backed by the low inflation data. The Ringgit was last seen at RM4.0652/USD from RM4.0385/USD a month ago. Besides, Brent crude oil prices dropped to USD74.25/bbl from a month earlier of USD79.44/bbl.

On the local economic front, Malaysia's exports in June 2018 was valued at RM78.7 billion increasing by 7.6% y-o-y, a reversal of the trend of the five previous months where export growth was stronger than imports, according to Statistics Department. Imports growth registered a higher increase of 14.9% y-o-y to RM72.6 billion resulting a trade surplus of RM6 billion. Total trade which was valued at RM151.3 billion increased RM15 billion or 11% from June 2017, it noted.

Recent rally of the local index gave MCIS portfolio to recover from the earlier losses. However, on the long run, apart from local political uncertainties, Malaysian market also is facing headwinds from geopolitical events and outflow of foreign funds, which had affected the year-to-date performance. These have dampened the investors' sentiment. We would look for bottom-fishing opportunities to accumulate quality stocks at lower levels.

Based on the performance table below, on monthly basis, most of the Funds had underperformed the their respective benchmarks.

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

Performance Table: Funds vs Benchmarks

	Asiapac Fund		Balanced Fund		Dividend Fund		Equity Fund		Global Yakin Fund		Income Fund		Jati Fund	
	Fund	Benchmark	Fund	Benchmark	Fund	Benchmark	Fund	Benchmark	Fund	Benchmark	Fund	Benchmark	Fund	Benchmark
Monthly (%)	2.90%	3.61%	2.71%	3.26%	5.39%	5.48%	4.54%	5.48%	2.28%	2.75%	1.00%	1.04%	4.59%	5.94%
3 Months (%)	2.27%	-2.37%	-1.16%	-1.53%	-2.35%	-4.60%	-3.34%	-4.60%	3.46%	2.04%	1.47%	1.44%	-3.40%	-2.72%
6 Months (%)	-1.29%	-7.08%	-1.63%	-1.34%	-2.43%	-4.51%	-2.72%	-4.51%	-0.42%	-3.37%	1.89%	1.72%	-3.82%	-6.20%
12 Months (%)	-7.07%	-2.89%	1.32%	2.75%	1.68%	1.38%	2.21%	1.38%	0.94%	8.51%	3.89%	3.84%	-0.62%	0.73%

Source: MCIS Insurance Berhad

AsiaPac Fund Monthly Report (July 2018)

Investment Objective

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

Investment Strategy

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

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

Risks

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

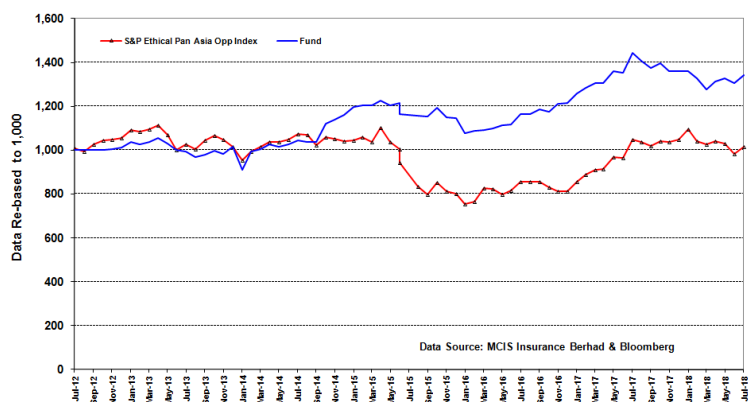
The following factors can potentially affect the value of the Fund; economic and political developments in related countries, foreign exchange fluctuation, illiquid and inefficient securities in the Emerging Markets, and the financial performance of the underlying companies.

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

Fund Performance

For the month ended July 2018, the fund had underperformed the benchmark by 71bps MoM (month on month). This was mainly due to strengthening of ringgit during the period. 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 (31.07.18)	RM0.6716
Fund Size	RM43.91 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%	85%
Cash	0%	20%	15%

Performance Table

Period	Fund	Index*
1 month (%)	2.90%	3.61%
3 months (%)	2.27%	-2.37%
6 months (%)	-1.29%	-7.08%
12 months (%)	-7.07%	-2.89%
2 years (% pa)	15.43%	18.65%
3 years (% pa)	4.90%	2.61%
5 years (% pa)	6.22%	-0.16%
Since Inception	4.54%	0.29%

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 2018)

Investment Objective

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

Investment Strategy

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

Risks

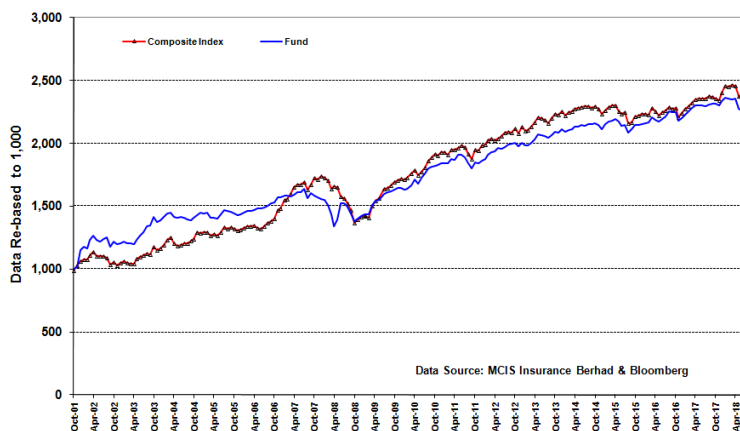
The Fund is considered medium risk given the mixed exposure of equity securities, fixed income and cash. The following factors can potentially affect the value of the Fund; consumer sentiment, financial performance of the underlying companies, industry and economy development, social and political factors,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

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

Fund Performance

For the month ended July 2018, the fund had underperformed the benchmark by 55bps 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)
- CIMB Bank Berhad (Bond)
- Tenaga Nasional Berhad (Equity)
- Northern Gateway Infrastructure Sdn Bhd (Bond)
- Sabah Development Bank Berhad
- Malayan Banking Berhad (Equity)
- Sabah Credit Corporation (Bond)
- Projek Lebuhraya Utara-Selatan (Bond)
- CIMB Bank Berhad (Equity)
- Bank Pembangunan Malaysia Berhad (Bond)

Fund Information

NAV (31.07.18)	RM1.1631
Fund Size	RM8.11 million
Inception Date	15-Oct-01
Fund Management Fee	1.25% p.a.
Pricing	Daily
Price Quote	Major Newspaper, or http://www.mcis.my
Fund Manager	MCIS Insurance Berhad
Exceptional Circumstances	Refer to your Policy Document

Asset Allocation Ranges

Asset Class	Min	Max	Current Actual
Malaysian Equity	40%	60%	45%
Fixed Income	40%	60%	46%
Cash	0%	20%	9%

Performance Table

Period	Fund	Index*
1 month (%)	2.71%	3.26%
3 months (%)	-1.16%	-1.53%
6 months (%)	-1.63%	-1.34%
12 months (%)	1.32%	2.75%
2 years (% pa)	2.45%	3.43%
3 years (% pa)	2.66%	2.53%
5 years (% pa)	2.44%	2.06%
Since Inception	5.14%	5.40%

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 2018)

Investment Objective

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

Investment Strategy

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

Risks

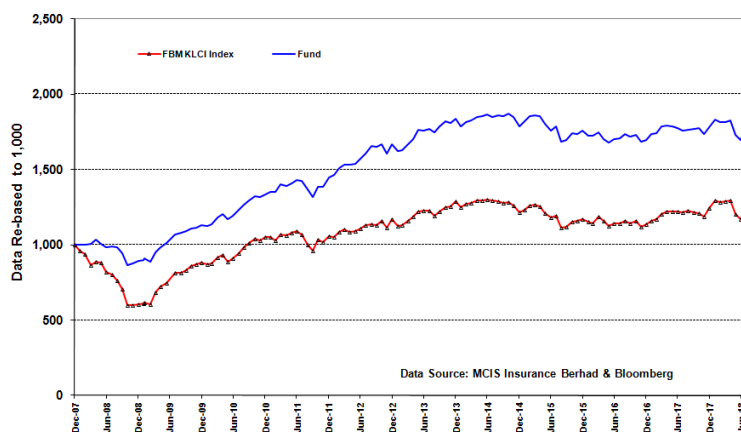
The Fund is considered high risk given the exposure to equity securities. The following factors can potentially affect the value of the Fund; consumer sentiment, financial performance of the underlying companies, the performance of the industry and economy, and the share market in general, social and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

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

Fund Performance

For the month ended July 2018, the fund had underperformed the benchmark by 9bps 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

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

Fund Information

NAV (31.07.18)	RM0.8487
Fund Size	RM33.46 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%	96%
Cash	0%	20%	4%

Performance Table

Period	Fund	Index*
1 month (%)	5.39%	5.48%
3 months (%)	-2.35%	-4.60%
6 months (%)	-2.43%	-4.51%
12 months (%)	1.68%	1.38%
2 years (% pa)	2.23%	3.89%
3 years (% pa)	0.00%	1.17%
5 years (% pa)	0.16%	0.13%
Since Inception	5.64%	2.01%
Yield #	3.36%	3.22%

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 2018)

Investment Objective

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

Investment Strategy

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

Risks

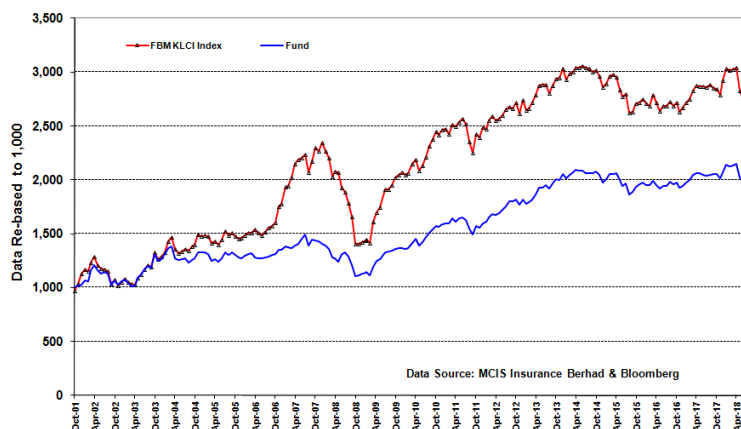
The Fund is considered high risk given the exposure to equity securities. The following factors can potentially affect the value of the Fund; consumer sentiment, financial performance of the underlying companies, the performance of the industry and economy, and the share market in general, social and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

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

Fund Performance

For the month ended July 2018, the fund had underperformed the benchmark by 94bps 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
Malayan Banking Berhad
IOI Corporation Berhad
Petronas Chemicals Group Berhad
Petronas Gas Berhad
Petronas Dagangan Berhad
Sime Darby Plantation Berhad
Maxis Berhad
CIMB Bank Berhad

Fund Information

NAV (31.07.18)	RM1.0399
Fund Size	RM10.07 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%	93%
Cash	0%	20%	7%

Performance Table

Period	Fund	Index*
1 month (%)	4.54%	5.48%
3 months (%)	-3.34%	-4.60%
6 months (%)	-2.72%	-4.51%
12 months (%)	2.21%	1.38%
2 years (% pa)	3.52%	3.89%
3 years (% pa)	1.85%	1.17%
5 years (% pa)	1.31%	0.13%
Since Inception	4.45%	6.53%
Yield #	3.42%	3.22%

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 2018)

Investment Objective

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

Investment Strategy

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

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

Risks

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

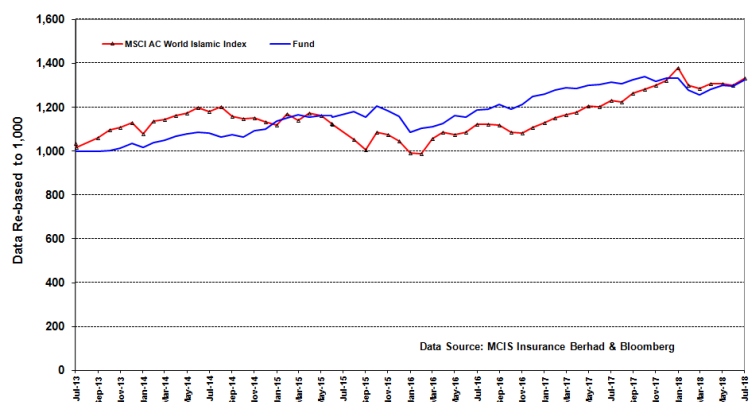
The following factors can potentially affect the value of the Fund; economic and political developments in related countries, foreign exchange fluctuation, illiquid and inefficient securities in the Emerging Markets, and the financial performance of the underlying companies.

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

Fund Performance

For the month ended July 2018, the fund had underperformed the benchmark by 47bps MoM (month on month). The underperformance was mainly due to underperforming of the underlying securities compared to the benchmark index.

Global Yakin Fund Performance Since Inception



Top Ten Holdings

Aberdeen Islamic World Equity Fund (AIWEF)

Fund Information

NAV (31.07.18)	RM0.6633
Fund Size	RM37.81 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%	85%
Cash	0%	20%	15%

Performance Table

Period	Fund	Index*
1 month (%)	2.28%	2.75%
3 months (%)	3.46%	2.04%
6 months (%)	-0.42%	-3.37%
12 months (%)	0.94%	8.51%
2 years (% pa)	5.73%	9.01%
3 years (% pa)	4.74%	5.98%
5 years (% pa)	5.83%	6.54%
Since Inception	5.72%	5.84%

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 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 2018)

Investment Objective

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

Investment Strategy

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

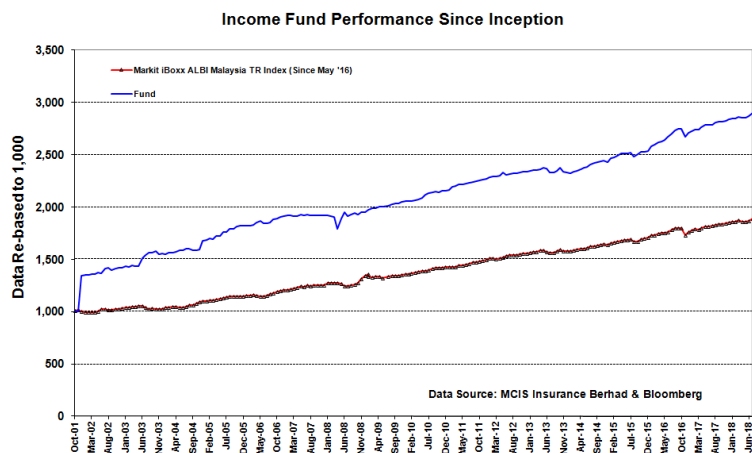
Risks

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

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

Fund Performance

For the month ended July 2018, the fund had underperformed the benchmark by 4bps 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
 Northern Gateway Infrastructure Sdn Bhd
 UiTM Solar Power Sdn Berhad
 SAJ Capital Sdn Bhd
 YTL Corporation Berhad
 Quantum Solar Park Malaysia Sdn Bhd
 Sabah Development Bank Berhad
 Asian Finance Bank Berhad
 PBFIN Berhad
 BGSM Management Sdn Bhd

Fund Information

NAV (31.07.18)	RM1.4492
Fund Size	RM27.93 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%	94%
Cash	0%	25%	6%

Performance Table

Period	Fund	Index*
1 month (%)	1.00%	1.04%
3 months (%)	1.47%	1.44%
6 months (%)	1.89%	1.72%
12 months (%)	3.89%	3.84%
2 years (% pa)	3.60%	2.79%
3 years (% pa)	4.77%	3.73%
5 years (% pa)	4.45%	3.88%
Since Inception	6.53%	3.85%

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 2018)

Investment Objective

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

Investment Strategy

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

Risks

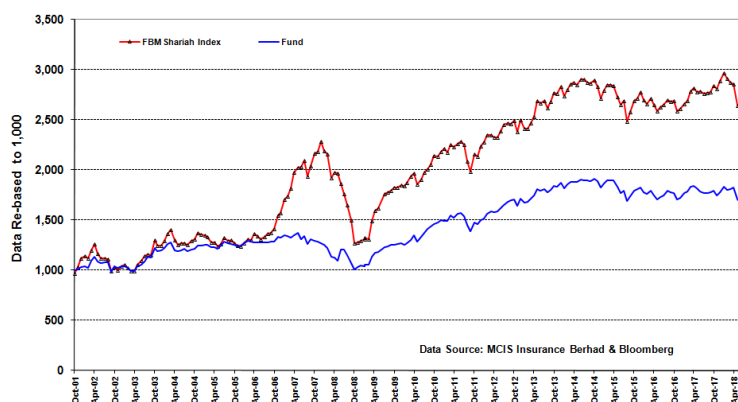
The Fund is considered high risk given the exposure to equity securities. The following factors can potentially affect the value of the Fund; consumer sentiment, financial performance of the underlying companies, the performance of the industry and economy, and the share market in general, social and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

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

Fund Performance

For the month ended July 2018, the fund had underperformed the benchmark by 135bps 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

Tenaga Nasional Berhad
 Petronas Chemicals Group Berhad
 Petronas Gas Berhad
 Axiata Group Berhad
 Sime Darby Plantation Berhad
 Perlis Plantation Berhad
 Maxis Berhad
 Sime Darby Berhad
 IOI Corporation Berhad
 IHH Healthcare Berhad

Fund Information

NAV (31.07.18)	RM0.8803
Fund Size	RM13.51 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%	87%
Cash	0%	20%	13%

Performance Table

Period	Fund	Index*
1 month (%)	4.59%	5.94%
3 months (%)	-3.40%	-2.72%
6 months (%)	-3.82%	-6.20%
12 months (%)	-0.62%	0.73%
2 years (% pa)	0.38%	2.48%
3 years (% pa)	-0.55%	1.16%
5 years (% pa)	-0.55%	0.70%
Since Inception	3.42%	6.27%
Yield #	2.88 %	2.90%

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

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

* Index is FBMS Index sourced from Bloomberg.

Yield data is sourced from Bloomberg, and MCIS.

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

Equity Market Review and Outlook

Market Review

It was a good month for the Malaysian market as FBMKLCI rebounded on the back of slower foreign selling and investors' higher appetite for risky assets after recent sell down. The FBMKLCI ended July with a 5.5% m-o-m gain to close at 1,784 points and narrowed its cumulative loss to only 0.7% YTD. This represents the first monthly gain by the Malaysian market since GE14 as foreign selling subsided and investors bargain-hunted. The best performing sectors in Apr were construction, technology and property sectors. FBMKLCI closed at 1,784 points underperforming FBM EMAS Index which gained 5.6% m-o-m.

On the local economic front, Malaysia's exports in June 2018 was valued at RM78.7 billion increasing by 7.6% y-o-y, a reversal of the trend of the five previous months where export growth was stronger than imports, according to Statistics Department. Imports growth registered a higher increase of 14.9% y-o-y to RM72.6 billion resulting a trade surplus of RM6 billion. Total trade which was valued at RM151.3 billion increased RM15 billion or 11% from June 2017, it noted.

Globally, the US headline inflation up by 2.9%yoy in Jun-18, highest since Feb-12. The rise in inflation is mainly due to rising global commodity prices, stable rise in domestic demand and weakening Dollar. Transport price increases by 6.4%yoy, fastest in 16-month. On top of that, core inflation reaches 2.3%yoy, highest since Jan-17.

Chart 1: FBMKLCI Weekly Chart



Source: Maybank Research

Chart 2: FBMKLCI Monthly Pattern and Cycle Analysis



Source: CIMB Research

Market Outlook & Strategy

Technically, following declines in May and Jun 2018, the FBMKLCI index staged a strong rebound during the month of July. In the first half of August, the index may stage a follow-through rebound, targeting 1,800-1,820. However, as we enter into the second half of the month, the index may undergo a correction as the 10-10.5 years downturn cycle seems to be around the corner. Trading opportunities are still abundant but one should keep the stop loss tight. 1,708 is the critical support level and a decisive breach below this level suggests that the 10.5-year cycle bearish phase is underway.

Recent rally of the local index gave MCIS portfolio to recover from the earlier losses. However, on the long run, apart from local political uncertainties, Malaysian market also is facing headwinds from geopolitical events and outflow of foreign funds, which had affected the year-to-date performance. These have dampened the investors' sentiment. We would look for bottom-fishing opportunities to accumulate quality stocks at lower levels.

Fixed Income Review and Outlook

Market Review

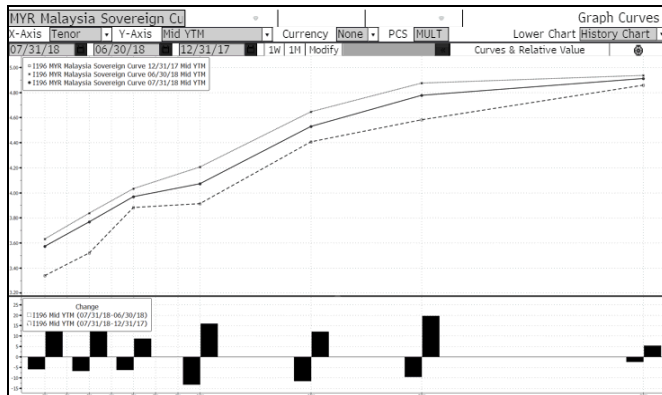
Local bond market saw a strong rally in July, largely driven by the buying interest from local players. This was also supported by the lower-than-expected inflation rate in June on the back of Zero GST tax holiday announced by the newly elected government. MGS prices rallied across the curve, moving the yields down 11-14 basis points, except for the 30y which was unchanged. The Ringgit was further weakened due to continued foreign net outflows, following the speculation of potential OPR rate cut backed by the low inflation data. The Ringgit was last seen at RM4.0652/USD from RM4.0385/USD a month ago. Besides, Brent crude oil prices dropped to USD74.25/bbl from a month earlier of USD79.44/bbl.

On local economic data, Malaysia's inflation decelerated sharply in June'18 following the zero-rating of GST starting on 1st June'18, moving both headline inflation rate down to +0.8% (May'18: +1.8%). Trade growth eased sharply to +1.8% y-o-y in May (Apr'18: +11.8% y-o-y) due to high based effect in the previous year and fewer working days in the election month. The fast paced growth in manufacturing exports loses its momentum in May (+3.2% vs +16.8% in Apr'19) on the back of weaker performance in some key sectors. Coupled with the slowdown in imports (-5.3% of intermediate goods, -0.7% of capital goods and -10.2% of consumption goods), the trade balances were supported at RM8.12 billion.

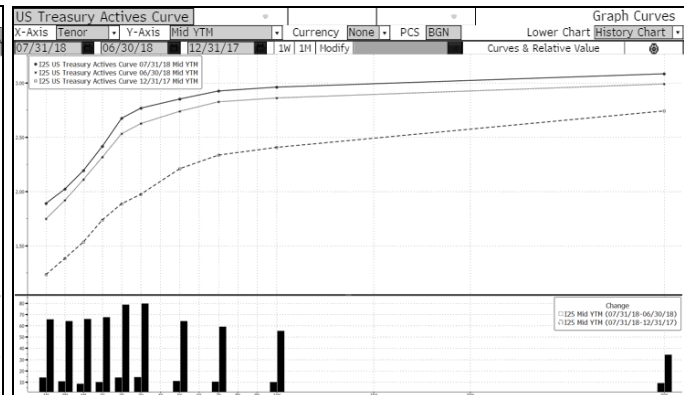
The auctions unveiled in July 2018 are as follows;

Government Auctions				
Issue	Issue Date	Amount (RM million)	Bid-cover (times)	Avg Yield (%)
30Year New Issuance of MGS(Mat 07/48)	6/7/2018	2,000.00	1.81	4.92
10Year Re-Issuance of GII(Mat 10/28)	16/7/2018	4,000.00	2.44	4.24
7Year Re-Issuance of MGS(Mat 03/25)	30/7/2018	3,000.00	3.30	3.98

Source: Bank Negara Malaysia



Source: Bloomberg



Source: Bloomberg

The 10 year US Treasury note yield spiked-up to 2.961%, up 10bps following the hawkish statement from the US Fed as well as the speculation on US-China trade war. During the recent policy meeting, the US Fed governor indicated 2 more rate hikes in 2018 and projected 3 rate hikes in 2019, amid the improving economic landscape. On the other hand, US Treasury yields were also tracking Japanese Government bond yield upward movement on the speculation that the BOJ might change its monetary policy direction.

Market Outlook & Strategy

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