



Investment Linked Fund Performance Report September 2016

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EXECUTIVE SUMMARY

September was another volatile month for Malaysia as the FBM KLCI first rebounded strongly on the back of some stability returning to regional markets and Wall Street, only to give up all the gains and more due to concerns over the health of Deutsche Bank, Germany's largest bank. For the month, the FBM KLCI fell 2% m-o-m to close at 1,652points.

Ringgit-denominated sovereign bonds slightly weaker in September compared to August, alongside with sliding crude oil prices during mid-month and weaker Ringgit. Brent crude oil price dropped to a range of USD45-46/barrel during mid-month before a rebound to USD49.24/barrel at end-September. Ringgit was at RM4.1275/USD.

Exports rebounded into a growth in August, its first expansion in 22 months.

We remain cautious on the equity market with strategy to accumulate stocks with limited downside. For fixed income, the overall strategy is still to buy on dips of MGS and PDS at the same time taking some profit for the bonds that have rallied passed their fundamental values.

Based on the performance table below, on monthly basis all funds have managed to outperformed their banchmark indices, except for Jati Fund.

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

Performance Table: Funds vs Benchmarks

	Asiapac Fund		Balanced Fund		Dividend Fund		Equity Fund		Global Yakin Fund		Income Fund		Jati Fund	
	Fund	Benchmark	Fund	Benchmark	Fund	Benchmark	Fund	Benchmark	Fund	Benchmark	Fund	Benchmark	Fund	Benchmark
Monthly (%)	1.65%	-0.18%	-0.35%	-0.63%	-0.88%	-1.52%	-0.99%	-1.52%	1.91%	-0.05%	0.72%	0.26%	-0.83%	-0.66%
3 Months (%)	5.99%	4.89%	2.40%	1.00%	1.03%	-0.09%	1.09%	-0.09%	5.05%	3.29%	2.90%	2.09%	2.52%	2.03%
6 Months (%)	8.59%	3.32%	1.88%	-0.33%	-1.51%	-3.79%	-1.40%	-3.79%	9.27%	6.06%	4.96%	3.19%	-0.92%	-1.20%
12 Months (%)	2.74%	7.25%	6.54%	4.89%	1.36%	1.94%	3.88%	1.94%	5.09%	11.39%	9.57%	7.80%	2.22%	3.86%

Source: MCIS Insurance Berhad

AsiaPac Fund Monthly Report (September 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.

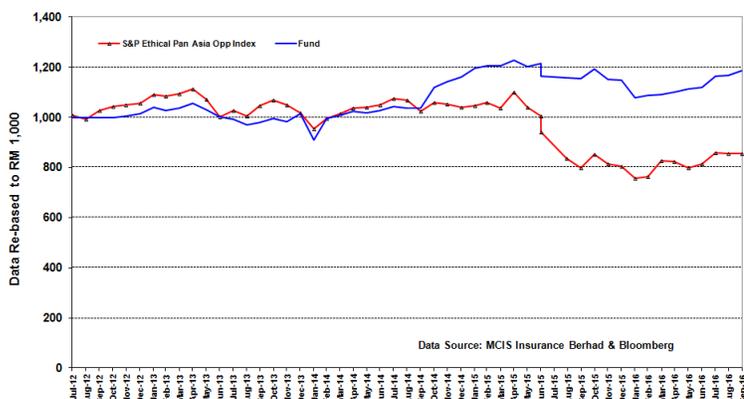
The following factors can potentially affect the value of the Fund; economic and political developments in related countries, foreign exchange fluctuation, illiquid and inefficient securities in the Emerging Markets, and the financial performance of the underlying companies.

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 September 2016, the fund had outperformed the benchmark by 183bps 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 (30.9.16)	RM0.5926
Fund Size	RM25.2 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 (%)	1.65%	-0.18%
3 months (%)	5.99%	4.89%
6 months (%)	8.59%	3.32%
12 months (%)	2.74%	7.25%
2 years (% pa)	14.29%	-16.46%
3 years (% pa)	6.61%	-6.50%
5 years (% pa)	-	-
Since Inception	4.08%	-3.62%

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 (September 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

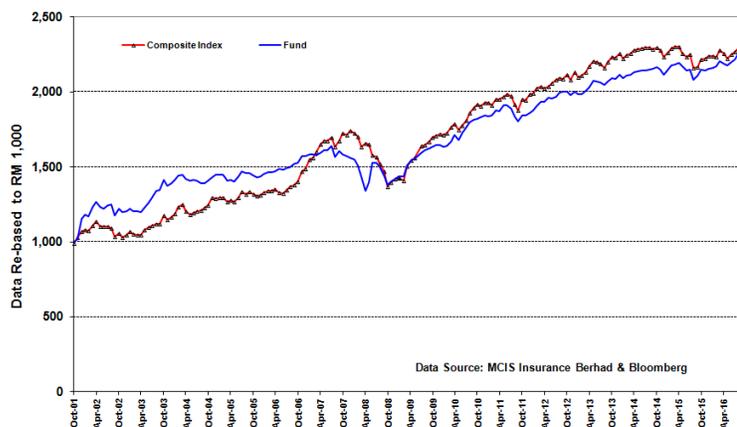
The Fund is considered medium risk given the mixed exposure of equity securities, fixed income and cash. The following factors can potentially affect the value of the Fund; consumer sentiment, financial performance of the underlying companies, industry and economy development, social and political factors, 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 September 2016, the fund had outperformed the benchmark by 28bps MoM (month on month). The outperformance was mainly driven by higher exposure of outperforming securities in the portfolio compared to benchmark.

Balanced Fund Performance Since Inception



Top Ten Holdings

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

Fund Information

NAV (30.9.16)	RM1.1247
Fund Size	RM7.7 million
Inception Date	15-Oct-01
Fund Management Fee	1.25% p.a.
Pricing	Daily
Price Quote	Major Newspaper, or http://www.mcis.my
Fund Manager	MCIS Insurance Berhad
Exceptional Circumstances	Refer to your Policy Document

Asset Allocation Ranges

Asset Class	Min	Max	Current Actual
Malaysian Equity	40%	60%	44%
Fixed Income	40%	60%	48%
Cash	0%	20%	8%

Performance Table

Period	Fund	Index*
1 month (%)	-0.35%	-0.63%
3 months (%)	2.40%	1.00%
6 months (%)	1.88%	-0.33%
12 months (%)	6.54%	4.89%
2 years (% pa)	2.25%	-0.24%
3 years (% pa)	2.83%	1.12%
5 years (% pa)	4.52%	3.90%
Since Inception	5.55%	5.63%

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

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

* 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 (September 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

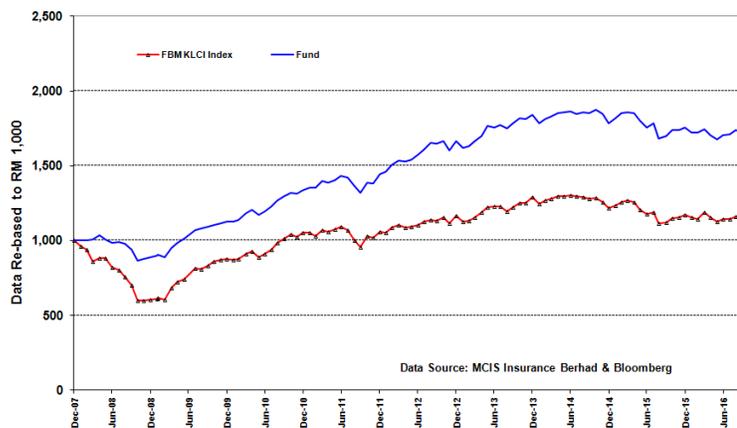
The Fund is considered high risk given the exposure to equity securities. The following factors can potentially affect the value of the Fund; consumer sentiment, financial performance of the underlying companies, the performance of the industry and economy, and the share market in general, social and 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 September 2016, the fund had outperformed the benchmark by 64bps MoM (month on month). The outperformance was mainly driven by higher exposure of outperforming stocks in the portfolio compared to benchmark.

Dividend Fund Performance Since Inception



Top Ten Holdings

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

Fund Information

NAV (30.9.16)	RM0.8177
Fund Size	RM40.4 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%	85%
Cash	0%	20%	15%

Performance Table

Period	Fund	Index*
1 month (%)	-0.88%	-1.52%
3 months (%)	1.03%	-0.09%
6 months (%)	-1.51%	-3.79%
12 months (%)	1.36%	1.94%
2 years (% pa)	-3.62%	-5.39%
3 years (% pa)	-1.25%	-2.24%
5 years (% pa)	5.47%	3.56%
Since Inception	6.40%	1.55%
Yield #	2.70%	3.09%

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 (September 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

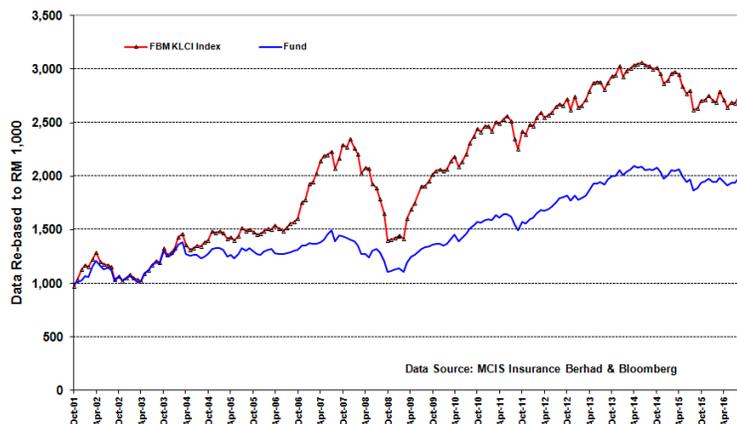
The Fund is considered high risk given the exposure to equity securities. The following factors can potentially affect the value of the Fund; consumer sentiment, financial performance of the underlying companies, the performance of the industry and economy, and the share market in general, social and 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 September 2016, the fund had outperformed the benchmark by 53bps MoM (month on month). The outperformance was mainly driven by higher exposure of outperforming stocks in the portfolio compared to benchmark.

Equity Fund Performance Since Inception



Top Ten Holdings

Tenaga Nasional Berhad
Public Bank Berhad
IOI Corporation Berhad
Malayan Banking Berhad
Telekom Malaysia Berhad
Sime Darby Berhad
Petronas Dagangan Berhad
Petronas Chemicals Group Berhad
Axiata Group Berhad
Maxis Berhad

Fund Information

NAV (30.9.16)	RM0.9806
Fund Size	RM9.0 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 (%)	-0.99%	-1.52%
3 months (%)	1.09%	-0.09%
6 months (%)	-1.40%	-3.79%
12 months (%)	3.88%	1.94%
2 years (% pa)	-2.42%	-5.39%
3 years (% pa)	-0.11%	-2.24%
5 years (% pa)	5.62%	3.56%
Since Inception	4.59%	6.81%
Yield #	3.00%	3.09%

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 (September 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.

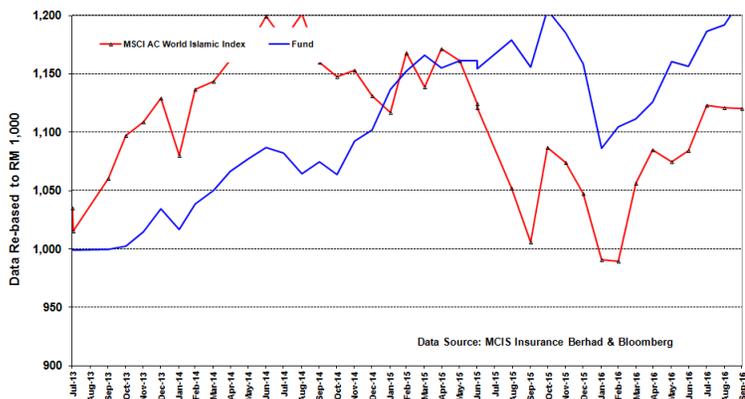
The following factors can potentially affect the value of the Fund; economic and political developments in related countries, foreign exchange fluctuation, illiquid and inefficient securities in the Emerging Markets, and the financial performance of the underlying companies.

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 September 2016, the fund had outperformed the benchmark by 196bps 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 (30.9.16)	RM0.6073
Fund Size	RM25.5 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%	89%
Cash	0%	20%	11%

Performance Table

Period	Fund	Index*
1 month (%)	1.91%	-0.05%
3 months (%)	5.05%	3.29%
6 months (%)	9.27%	6.06%
12 months (%)	5.09%	11.39%
2 years (% pa)	6.31%	-1.72%
3 years (% pa)	6.72%	1.84%
5 years (% pa)	-	-
Since Inception	6.16%	3.55%

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 (September 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.

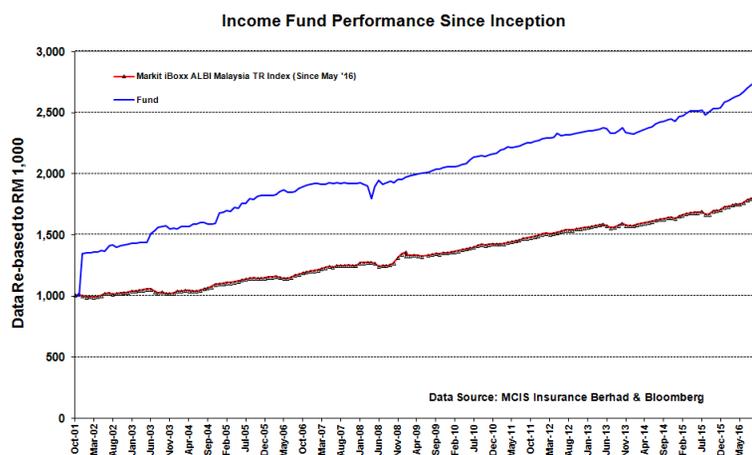
Risks

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 September 2016, the fund had outperformed the benchmark by 46bps MoM (month on month). The outperformance was due to outperforming of the fixed income securities compared to the benchmark index.



Top Ten Holdings

Malaysian Government Securities
 Projek Lebuhraya Utara-Selatan Berhad
 Government Investment Issue
 PBFIN Berhad
 Sabah Credit Corporation
 Sarawak Hidro Sdn Bhd
 CIMB Bank Berhad
 Danga Capital Berhad
 Gulf Investment Corp Gsc

Fund Information

NAV (30.9.16)	RM1.3745
Fund Size	RM26.2 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%	78%
Cash	0%	25%	22%

Performance Table

Period	Fund	Index*
1 month (%)	0.72%	0.26%
3 months (%)	2.90%	2.09%
6 months (%)	4.96%	3.19%
12 months (%)	9.57%	7.80%
2 years (% pa)	6.38%	5.05%
3 years (% pa)	5.39%	4.47%
5 years (% pa)	4.09%	4.08%
Since Inception	6.97%	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 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 (September 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

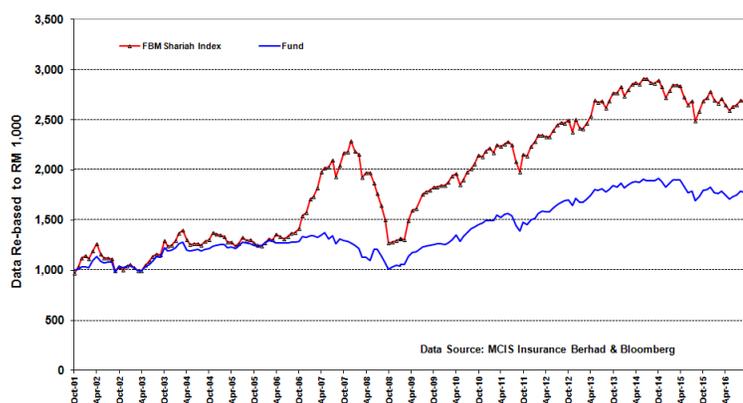
The Fund is considered high risk given the exposure to equity securities. The following factors can potentially affect the value of the Fund; consumer sentiment, financial performance of the underlying companies, the performance of the industry and economy, and the share market in general, social and 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 September 2016, the fund had underperformed the benchmark by 17bps 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
 Sime Darby Berhad
 Petronas Chemicals Group Berhad
 Telekom Malaysia Berhad
 Petronas Dagangan Berhad
 Axiata Group Berhad
 MISC Berhad
 SapuraKencana Petroleum Berhad
 Felda Golden Ventures Holdings Berhad
 MyETF Dow Jones Islamic Market Titan 25

Fund Information

NAV (30.9.16)	RM0.8875
Fund Size	RM11.9 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%	80%
Cash	0%	20%	20%

Performance Table

Period	Fund	Index*
1 month (%)	-0.83%	-0.66%
3 months (%)	2.52%	2.03%
6 months (%)	-0.92%	-1.20%
12 months (%)	2.22%	3.86%
2 years (% pa)	-3.09%	-3.23%
3 years (% pa)	-0.54%	-0.05%
5 years (% pa)	4.97%	6.23%
Since Inception	3.90%	6.80%
Yield #	2.19%	2.63%

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

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

* Index is 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

September was another volatile month for Bursa Malaysia. In the earlier part of the month, the FBM KLCI rebounded strongly on the back of some stability returning to regional markets and Wall Street. However, the recovery was short-lived as it gave up all the gains due to concerns over the health of Deutsche Bank, Germany's largest bank. The anxiety was compounded by reports that hedge funds have started reducing their financial exposure to the troubled bank. For the month, the FBM KLCI fell 2% m-o-m to close at 1,652 points. The broader market outperformed the KLCI, with the FBM EMAS declining by only 0.8% m-o-m to 11,202 points. Average daily value traded on Bursa in September rose 4% m-o-m to RM1.97 billion.

On the domestic economic front, exports rebounded into a growth of 1.5% y-o-y in August (-5.5% in July and +3.3% in June). Stripping out currency factor and measured in USD terms, exports rebounded into its first expansion in 22 months. As a whole, global trade activity continues to remain sluggish as evidenced by the global merchandise trade contracting for the 22nd consecutive month since October 2014, with magnitude of decline picking up in July. The weak global economic outlook and increasing uncertainty suggest Malaysia's exports will likely remain sluggish in 2H 2016 and in 2017.

Globally, the US unemployment rate inched higher to 5.0% of the total labour force in September (4.9% in August and July), as growth of employment was outpaced by the increase in participants entering the labour force. As a result, the participation rate, the share of the working-age population in the labour force, inched up to 62.9% in September (62.8% in both August and July), providing an encouraging signal to policy makers for a rate hike by year end.

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.

Mixed performance in September is indicating that investors are maintaining their cautious approach on the riskier assets on the back of mixed economic development and expectation of slower growth ahead. This is added by mixed view on the potential interest rate hike in the US. In Malaysia, low crude oil price after the recent sell down may continue to dampen economic growth.

October has historically been a positive month for the KLCI and we would not be surprised if this was the case again this year. The key focus this month will be the upcoming 2017 Budget on October 21. We expect the budget to be people centric and to focus on easing the rising cost of living of the people. We will remain cautious on the equity market with strategy to accumulate stocks with limited downside.

Fixed Income Review and Outlook

Market Review

Ringgit-denominated sovereign bonds slightly weaker in September compared to August, alongside with sliding crude oil prices during mid-month and weaker Ringgit. Brent crude oil price dropped to a range of USD45-46/barrel during mid-month before a rebound to USD49.24/barrel at end-September. Ringgit was at RM4.1275/USD.

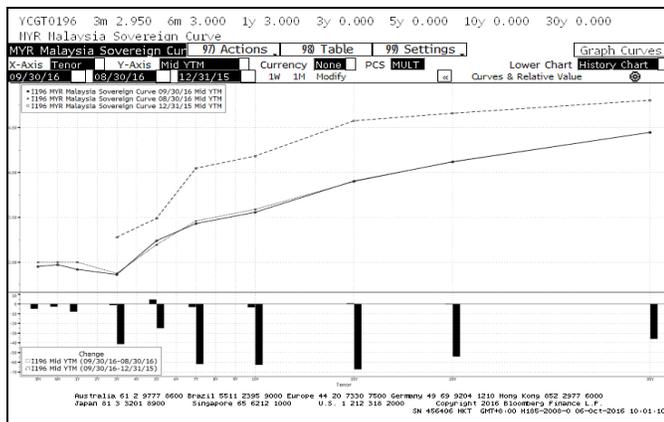
In addition, the central bank's status quo decision at the September's MPC meeting on 7th September 2016 also triggered selling pressure on ringgit bonds. Bank Negara Malaysia decided to hold OPR unchanged at 3.00%, in line with most economists' expectations. Overall, BNM highlighted the persistent downside risks to global growth and policy shifts in major economies arising from concerns of Brexit and how that could shock their respective economies. Meantime, BNM pointed that the slower 2Q16 GDP growth was weighed by weaker net exports and drawdown in stocks. BNM also added that inflation was at the lower range of 2-3% thus far for this year.

The prevailing sentiment remains cautious and guarded about the September FOMC meeting which thus explained the continued rise in UST yields. Post-FOMC, Ringgit sovereign bonds reversed its earlier losses after the US Fed decided to maintain the FFR at range of 0.25-0.50% on 21st September 2016, within economists' expectations. Albeit a hold in the US Fed Funds Rate, the US Fed noted the improvements in the labour market and that economic activity grew modestly in the first half of the year. Inflation remained low and remained within the 2% longer-run inflation expectation threshold.

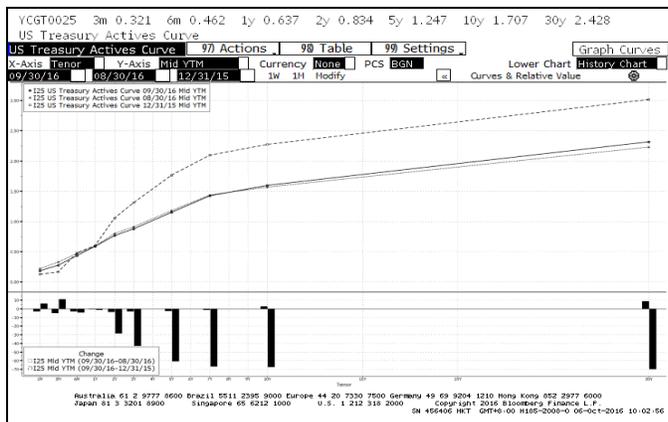
The auctions unveiled in September 2016 are as follows:

Government Auctions in September 2016				
Issue	Issue Date	Amount (RM million)	Bid-cover (times)	Avg Yield (%)
5-year Re-opening of MGS (Mat on 11/21)	15-Sep-16	3,000	1.670	3.256
20-year Re-opening of MGII (Mat on 10/35)	30-Sep-16	2,000	2.890	4.226

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



Source: Bloomberg



Source: Bloomberg

Foreign ownership in ringgit sovereign bonds continued to climb. Foreign players held 35.9% of the total ringgit govies in August, from 35.7% in July. On the flipside, foreign holdings in MGS dipped from 51.9% to 51.5%, despite the higher amount of RM186.9 billion (compared to RM185.3 billion a month prior). Pending the September data releases, we opined that foreign players remained net buyers (possible with smaller amount due to portfolio rebalancing by end of third quarter), supported by yield hunting interest amid low-yielding environment.

Market Outlook & Strategy

The overall strategy is still to buy on dips of MGS and PDS at the same time taking some profit for the bonds that have rallied passed their fundamental values. We believe bonds still provide decent yields given that both international and domestic growth have been subdued and lackluster.