



member of  **Sanlam** group

Investment Link Fund Performance Report December 2019

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EXECUTIVE SUMMARY

The FBMKLCI Index closed higher in the month of December by 1.7% m-o-m or 27 points to close at 1,588.7 points. The performance in December 2019 however was weaker than the historical trend, as the Malaysian market posted an average monthly gain of 2% in December over the past 10 years. It has underperformed the FBM EMAS which rose at a higher rate of 2.1%. YTD, the local market turned negative as FBMKLCI dropped by -6% and FBM EMAS eased by -1.8%, second year in a row of yearly losses.

Meanwhile, on the fixed income market, Malaysia Government Securities (“MGS”) prices rallied on the short-end to belly of the curve on the back of net foreign buying amid geopolitical tension in the Middle East and the year-end portfolio rebalancing. Driven by the net foreign capital inflows, Ringgit strengthened against the green back to MYR4.090/USD compared to MYR4.176/USD a month earlier. Brent crude oil prices rose to USD66.00/barrel compared to USD62.43/barrel a month earlier on the back of the US-China trade deal optimism.

On the local economic data, CPI eased to +0.9% YoY in Nov’19, mainly driven by lower food inflation and the diminishing effect on cigarette price hike last year. Malaysia’s exports and imports continue its downtrend, where imports narrowed its contraction at a faster pace to -3.6% YoY as compared to the exports at -5.5%.

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

For fixed income, following the US Fed rate cut by 25bps in October 2019 amid escalating US-China trade tension, BNM is expected to turn into more-dovish monetary stance in 1H2020, in line with the weaker economic prospect and the expectation of more US Fed rate cuts. The external risk factors such as geopolitical tension in the Middle-East and fluctuation in crude oil prices will continue to weigh on the local market, but we believe corporate bond space still provides attractive yields. As such, we will keep looking to buy on dips of corporate bonds if the opportunity arises.

Based on the performance table below, on monthly basis, most of the funds had underperformed the benchmarks except for Dividend Fund which outperformed the benchmark FBMKLCI Index by 34 basis points.

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		Titan Fund	
	Fund	Benchmark	Fund	Benchmark	Fund	Benchmark	Fund	Benchmark	Fund	Benchmark	Fund	Benchmark	Fund	Benchmark	Fund	Benchmark
Monthly (%)	0.78%	3.35%	0.46%	1.07%	2.07%	1.73%	1.69%	1.73%	1.95%	4.03%	0.26%	0.41%	2.00%	3.07%	-0.22%	3.80%
3 Months (%)	0.27%	1.74%	0.52%	0.47%	0.44%	0.31%	0.65%	0.31%	5.71%	8.58%	1.02%	0.60%	1.01%	1.53%	n/a	n/a
6 Months (%)	-3.16%	-4.63%	0.46%	-0.85%	-2.98%	-4.99%	-2.93%	-4.99%	5.84%	6.17%	3.74%	3.38%	-1.29%	-1.52%	n/a	n/a
12 Months (%)	5.19%	4.92%	4.88%	1.26%	-1.26%	-6.02%	-1.52%	-6.02%	18.17%	19.66%	8.80%	8.93%	2.70%	3.85%	n/a	n/a

Source: MCI/S Insurance Berhad

AsiaPac Fund Monthly Report (December 2019)

Investment Objective

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

Investment Strategy

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

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

Risks

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

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

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

Fund Performance

For the month ended December 2019, the fund had underperformed the benchmark by 257bps MoM (month on month). However since its inception, 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 (31.12.19)	RM0.6807
Fund Size	RM51.20 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 (MCIS Life)
Exceptional Circumstances	Refer to your Policy Document

Asset Allocation Ranges

Asset Class	Min	Max	Current Actual
ETF	80%	100%	83%
Cash	0%	20%	17%

Performance Table

Period	Fund	Index*
1 month (%)	0.78%	3.35%
3 months (%)	0.27%	1.74%
6 months (%)	-3.16%	-4.63%
12 months (%)	5.19%	4.92%
2 years (% pa)	0.05%	-3.48%
3 years (% pa)	3.88%	6.30%
5 years (% pa)	3.24%	-1.27%
Since Inception (% pa)	4.20%	-0.32%

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.

Balanced Fund Monthly Report (December 2019)

Investment Objective

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

Investment Strategy

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

Risks

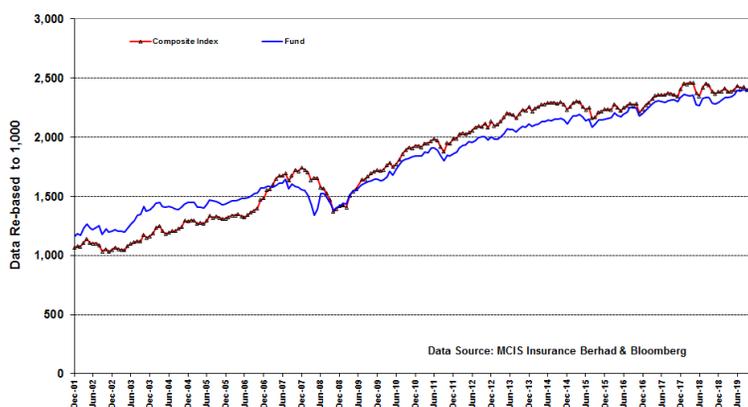
The Fund is considered medium risk given the mixed exposure of equity securities, fixed income and cash. The following factors can potentially affect the value of the Fund; consumer sentiment, financial performance of the underlying companies, industry and economy development, social and political factors,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

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

Fund Performance

For the month ended December 2019, the fund had underperformed the benchmark by 61bps 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

Telekosang Hydro One Sdn Bhd (Bond)
Edra Solar Sdn Bhd (Bond)
CIMB Bank Berhad (Bond)
Northern Gateway Infrastructure Sdn Bhd (Bond)
Sabah Development Bank Berhad (Bond)
Tenaga Nasional Berhad (Equity)
Malaysia Steel Works (KL) Berhad (Bond)
Malaysia Building Society Berhad (Bond)
Malayan Banking Berhad (Equity)
Bank Pembangunan Malaysia Berhad (Bond)

Fund Information

NAV (31.12.19)	RM1.2044
Fund Size	RM8.06 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 (MCIS Life)
Exceptional Circumstances	Refer to your Policy Document

Asset Allocation Ranges

Asset Class	Min	Max	Current Actual
Malaysian Equity	40%	60%	41%
Fixed Income	40%	60%	49%
Cash	0%	20%	10%

Performance Table

Period	Fund	Index*
1 month (%)	0.46%	1.07%
3 months (%)	0.52%	0.47%
6 months (%)	0.46%	-0.85%
12 months (%)	4.88%	1.26%
2 years (% pa)	1.60%	0.20%
3 years (% pa)	3.07%	2.54%
5 years (% pa)	2.67%	1.56%
Since Inception (% pa)	4.94%	4.95%

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% 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 (December 2019)

Investment Objective

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

Investment Strategy

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

Risks

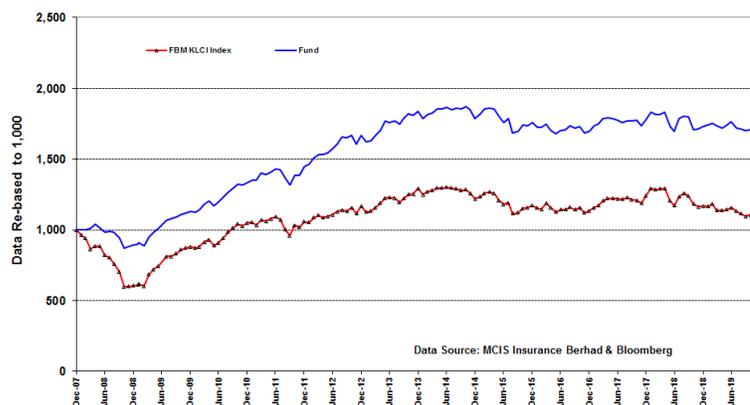
The Fund is considered high risk given the exposure to equity securities. The following factors can potentially affect the value of the Fund; consumer sentiment, financial performance of the underlying companies, the performance of the industry and economy, and the share market in general, social and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

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

Fund Performance

For the month ended December 2019, the fund had outperformed the benchmark by 34bps MoM (month on month). The outperformance was mainly driven by higher exposure of outperforming securities in the portfolio compared to benchmark.

Dividend Fund Performance Since Inception



Top Ten Holdings

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

Fund Information

NAV (31.12.19)	RM0.8128
Fund Size	RM30.14 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 (MCIS Life)
Exceptional Circumstances	Refer to your Policy Document

Asset Allocation Ranges

Asset Class	Min	Max	Current Actual
Malaysian Equity	80%	100%	92%
Cash	0%	20%	8%

Performance Table

Period	Fund	Index*
1 month (%)	2.07%	1.73%
3 months (%)	0.44%	0.31%
6 months (%)	-2.98%	-4.99%
12 months (%)	-1.26%	-6.02%
2 years (% pa)	-1.99%	-5.97%
3 years (% pa)	0.23%	-1.09%
5 years (% pa)	-0.84%	-2.04%
Since Inception (% pa)	4.58%	0.79%
Yield #	3.32%	3.48%

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 FBM KLCI 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.

Equity Fund

Monthly Report (December 2019)

Investment Objective

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

Investment Strategy

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

Risks

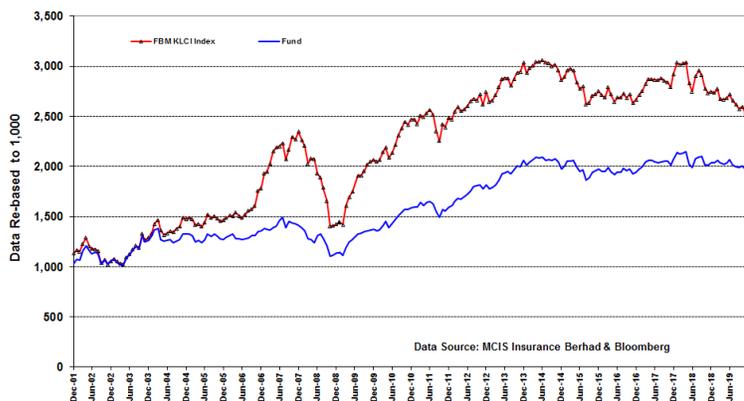
The Fund is considered high risk given the exposure to equity securities. The following factors can potentially affect the value of the Fund; consumer sentiment, financial performance of the underlying companies, the performance of the industry and economy, and the share market in general, social and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

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

Fund Performance

For the month ended December 2019, the fund had underperformed the benchmark by 4bps MoM (month on month). The underperformance was mainly driven by higher exposure of underperforming securities in the portfolio compared to benchmark.

Equity Fund Performance Since Inception



Top Ten Holdings

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

Fund Information

NAV (31.12.19)	RM1.0025
Fund Size	RM9.25 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 (MCIS Life)
Exceptional Circumstances	Refer to your Policy Document

Asset Allocation Ranges

Asset Class	Min	Max	Current Actual
Malaysian Equity	80%	100%	92%
Cash	0%	20%	8%

Performance Table

Period	Fund	Index*
1 month (%)	1.69%	1.73%
3 months (%)	0.65%	0.31%
6 months (%)	-2.93%	-4.99%
12 months (%)	-1.52%	-6.02%
2 years (% pa)	-1.61%	-5.97%
3 years (% pa)	1.00%	-1.09%
5 years (% pa)	0.29%	-2.04%
Since Inception (% pa)	3.89%	5.33%
Yield #	3.22%	3.48%

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 FBM KLCI 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.

Global Yakin Fund

Monthly Report (December 2019)

Investment Objective

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

Investment Strategy

The Fund is to feed into Aberdeen Standard Islamic World Equity Fund (ASIWEF) which managed by Aberdeen Standard Islamic Investment (Malaysia) Sdn Bhd. The Fund invests in shariah approved securities across the globe.

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

Risks

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

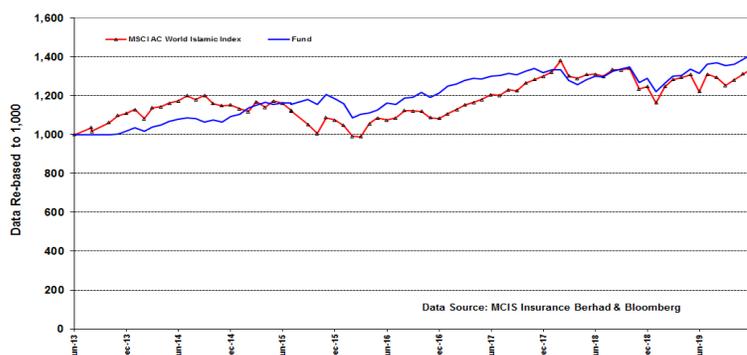
The following factors can potentially affect the value of the Fund; economic and political developments in related countries, foreign exchange fluctuation, illiquid and inefficient securities in the Emerging Markets, and the financial performance of the underlying companies.

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

Fund Performance

For the month ended December 2019, the fund had underperformed the benchmark by 208bps 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 Standard Islamic World Equity Fund (ASIWEF)

Fund Information

NAV (31.12.19)	RM0.7199
Fund Size	RM50.70 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 (MCIS Life)
Exceptional Circumstances	Refer to your Policy Document

Asset Allocation Ranges

Asset Class	Min	Max	Current Actual
ASIWEF	80%	100%	82%
Cash	0%	20%	18%

Performance Table

Period	Fund	Index*
1 month (%)	1.95%	4.03%
3 months (%)	5.71%	8.58%
6 months (%)	5.84%	6.17%
12 months (%)	18.17%	19.66%
2 years (% pa)	3.98%	2.65%
3 years (% pa)	4.89%	7.93%
5 years (% pa)	5.49%	5.31%
Since Inception (% pa)	5.77%	5.21%

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.

Income Fund

Monthly Report (December 2019)

Investment Objective

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

Investment Strategy

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

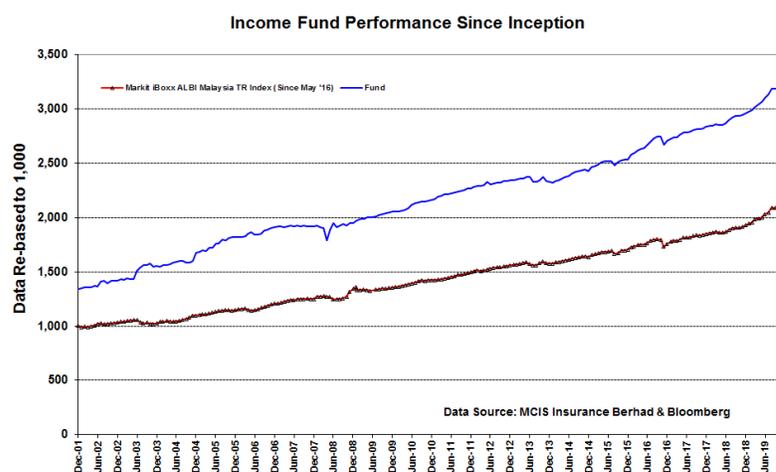
Risks

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

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

Fund Performance

For the month ended December 2019, the fund had underperformed the benchmark by 15bps MoM (month on month). The underperformance was due to underperforming of the fixed income securities compared to the benchmark index.



Top Ten Holdings

Sabah Development Bank Berhad
 Edra Solar Sdn Bhd
 Telekomang Hydro One Sdn Bhd
 Northern Gateway Infrastructure Sdn Bhd
 UiTM Solar Power Sdn Berhad
 SAJ Capital Sdn Bhd
 Malaysia Steel Works (KL) Berhad
 Hong Leong Financial Group Berhad
 Quantum Solar Park Malaysia Sdn Bhd
 CIMB Bank Berhad

Fund Information

NAV (31.12.19)	RM1.6093
Fund Size	RM33.97 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 (MCIS Life)
Exceptional Circumstances	Refer to your Policy Document

Asset Allocation Ranges

Asset Class	Min	Max	Current Actual
Fixed Income	75%	100%	86%
Cash	0%	25%	14%

Performance Table

Period	Fund	Index*
1 month (%)	0.26%	0.41%
3 months (%)	1.02%	0.60%
6 months (%)	3.74%	3.38%
12 months (%)	8.80%	8.93%
2 years (% pa)	6.52%	6.52%
3 years (% pa)	5.89%	6.10%
5 years (% pa)	5.79%	5.11%
Since Inception (% pa)	6.61%	4.15%

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 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 (December 2019)

Investment Objective

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

Investment Strategy

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

Risks

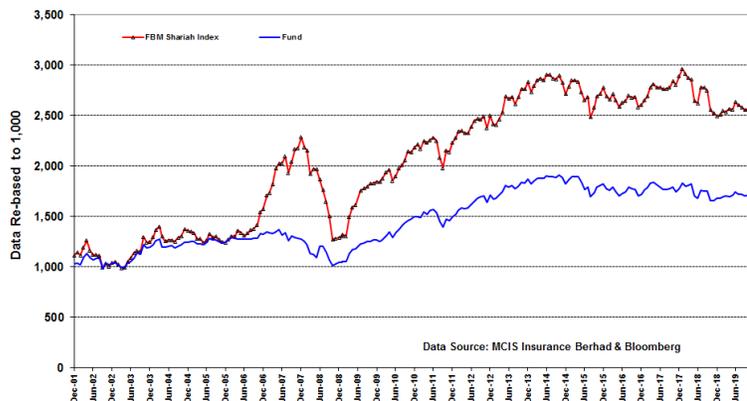
The Fund is considered high risk given the exposure to equity securities. The following factors can potentially affect the value of the Fund; consumer sentiment, financial performance of the underlying companies, the performance of the industry and economy, and the share market in general, social and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

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

Fund Performance

For the month ended December 2019, the fund had underperformed the benchmark by 107bps MoM (month on month). The underperformance was mainly driven by higher exposure of underperforming securities in the portfolio compared to benchmark.

Jati Fund Performance Since Inception



Top Ten Holdings

Tenaga Nasional Berhad
 Petronas Chemicals Group Berhad
 Sime Darby Plantation Berhad
 Perlis Plantation Berhad
 Axiata Group Berhad
 Telekom Malaysia Berhad
 Petronas Gas Berhad
 MISC Berhad
 IOI Corporation Berhad
 Kuala Lumpur Kepong Berhad

Fund Information

NAV (31.12.19)	RM0.8631
Fund Size	RM14.96 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 (MCIS Life)
Exceptional Circumstances	Refer to your Policy Document

Asset Allocation Ranges

Asset Class	Min	Max	Current Actual
Malaysian Equity	80%	100%	83%
Cash	0%	20%	17%

Performance Table

Period	Fund	Index*
1 month (%)	2.00%	3.07%
3 months (%)	1.01%	1.53%
6 months (%)	-1.29%	-1.52%
12 months (%)	2.70%	3.85%
2 years (% pa)	-1.37%	-5.23%
3 years (% pa)	0.13%	-0.18%
5 years (% pa)	-1.11%	-0.91%
Since Inception (% pa)	3.04%	5.36%
Yield #	2.23%	3.01%

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 asset value.

Titan Fund

Monthly Report (December 2019)

Investment Objective

The Fund invests in MyETF Dow Jones U.S. Titans 50 ("MyETFDJ50") which aims to provide investment results that closely correspond to the performance of the Dow Jones Islamic Market U.S. Titans 50 Index.

Investment Strategy

MyETFDJ50 is managed by i-VCAP Management Sdn Bhd and it invests into 50 largest Shariah compliant companies listed in the U.S. MyETFDJ50 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 to be reviewed on regular basis, and adjusted to commensurate with the Investment Team view on the relative attractiveness of each asset class.

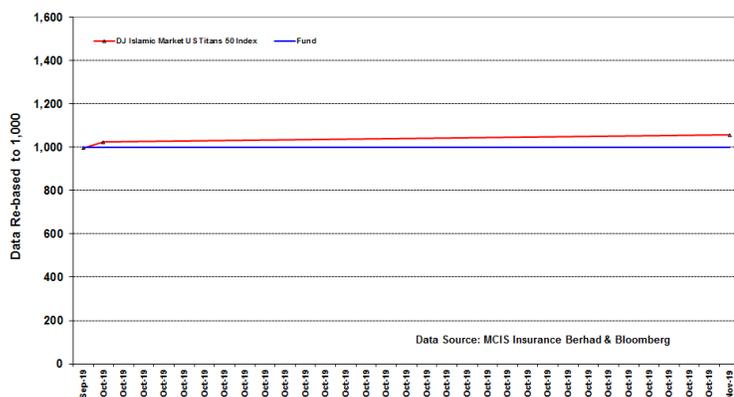
The following factors can potentially affect the value of the Fund; economic and political developments in related countries, foreign exchange fluctuation, illiquid and inefficient securities in the Emerging Markets, and the financial performance of the underlying companies.

The Fund is suitable for investors who are seeking for 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 December 2019, the fund had underperformed the benchmark by 402bps MoM (month on month).

Titan Fund Performance Since Inception



Top Ten Holdings

MyETFDJ50

Fund Information

NAV (31.12.19)	RM0.4992
Fund Size	RM3.22 million
Inception Date	17-Sept-2019
Fund Management Fee	1.20% p.a.
Pricing	Daily
Price Quote	Major Newspaper, or http://www.mcis.my
Fund Manager	MCIS Insurance Berhad (MCIS Life)
Exceptional Circumstances	Refer to your Policy Document

Asset Allocation Ranges

Asset Class	Min	Max	Current Actual
MyETFDJ50	80%	100%	21%
Cash	0%	20%	79%

Performance Table

Period	Fund	Index*
1 month (%)	-0.22%	3.80%
3 months (%)	-	-
6 months (%)	-	-
12 months (%)	-	-
2 years (% pa)	-	-
3 years (% pa)	-	-
5 years (% pa)	-	-
Since Inception (% pa)	0.36%	38.52%

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

The Fund returns are calculated by MCIS 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.

Equity Market Review and Outlook

Market Review

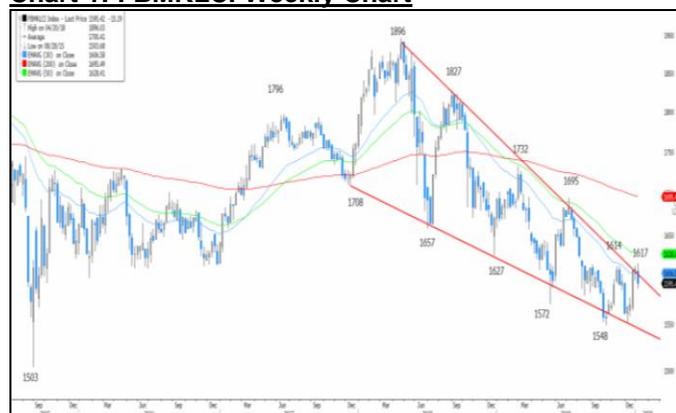
The FBMKLCI Index closed higher in the month of December by 1.7% m-o-m or 27 points to close at 1,588.7 points. The performance in December 2019 however was weaker than the historical trend, as the Malaysian market posted an average monthly gain of 2% in December over the past 10 years. It has underperformed the FBM EMAS which rose at a higher rate of 2.1%. The best-performing sector in December 2019 was plantation. The worst-performing sector was transportation (airport). On year-to-date (YTD) basis, the local market turned negative as FBMKLCI dropped by -6% and FBM EMAS eased by -1.8%, second year in a row of yearly losses.

Average daily value traded on the Malaysian stock exchange rose 3.9% m-o-m and 24.3% y-o-y to MYR2.16billion in December 2019. The monthly increase in trading value could be partly due to higher trading participation by domestic retail investors.

In December, foreign investors bought MYR8.7billion of equities but sold a higher amount at MYR9.7billion, resulting in net selling of equity of MYR1.0billion (above the average monthly foreign outflow for equity in 2019 of RM0.92bn). This would place foreign investors as net sellers in the Malaysian equity market in ten out of the twelve months this year. Malaysia witnessed net foreign outflows of MYR11billion in 2019, due to concerns over corporate earnings risks, policy reforms, and global uncertainties including US-China trade tensions, Brexit, geopolitical risks.

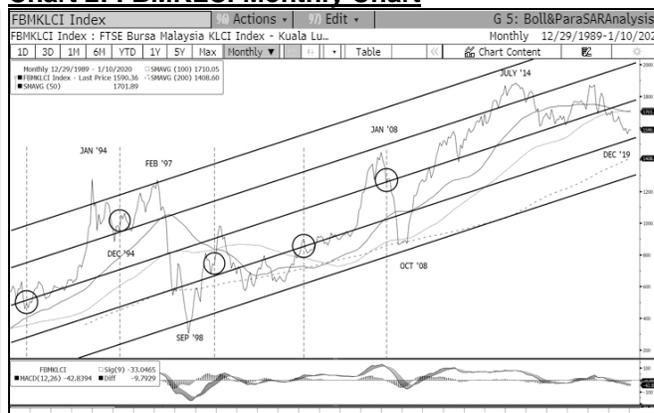
On the other hand, global equity markets continued to perform positively during the month on the positive news of progress in US-China trade negotiations. In the US, Dow Jones and S&P 500 posted higher monthly return by 1.7% and 2.9%, to close at 28,538.44 points and 3,230.78 points respectively. Meanwhile, Bloomberg European 500 index increased 2.1% on monthly basis and MSCI Asia APEX 50 ex-Japan closed higher by 8.2% m-o-m. Brent crude oil price closed at USD66 per barrel, higher by 22.7% YTD. The price hike was supported by renewed optimism on the US-China trade talks and the production cut by OPEC.

Chart 1: FBMKLCI Weekly Chart



Source: CIMB Research/Bloomberg

Chart 2: FBMKLCI Monthly Chart



Source: MCIS/Bloomberg

Market Outlook & Strategy

Technically, the FBMKLCI was volatile during the month of December trading between 1,560 to 1,615 points. On the weekly chart, we've seen the bearish pattern coming off below 30-day EMA and expecting more selling ahead. If the pattern prolong, the index may test the 1,550 support level. The next support level is seen at 1,500. Key resistance is at the highest point in December which was 1,615 level.

Based on historical data, we note that the FBMKLCI's performance tends to be mixed in December, having registered an average monthly loss of -0.4% over the past 10 years.

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

Fixed Income Review and Outlook

Market Review

Malaysia Government Securities (“MGS”) prices rallied on the short-end to belly of the curve on the back of net foreign buying amid geopolitical tension in the Middle East and the year-end portfolio rebalancing. Driven by the net foreign capital inflows, Ringgit strengthened against the green back to MYR4.090/USD compared to MYR4.176/USD a month earlier. Brent crude oil prices rose to USD66.00/barrel compared to USD62.43/barrel a month earlier on the back of the US-China trade deal optimism.

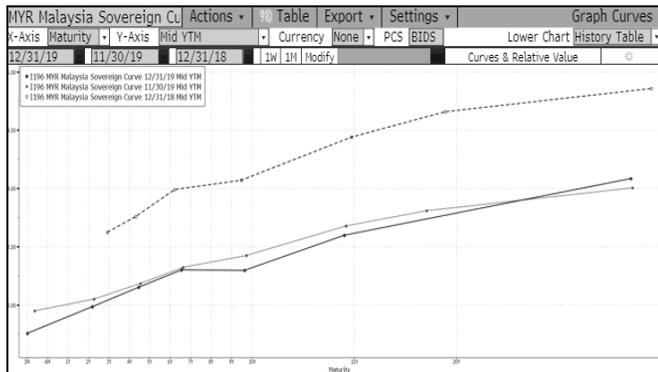
On local economic data, CPI eased to +0.9% YoY in Nov’19 (Oct’19: 1.1% YoY), mainly driven by lower food inflation at +1.5% YoY (Oct’19: +1.8% YoY) and the diminishing effect on cigarette price hike last year (Nov’19: +0.4% YoY; Oct’19: +2.2% YoY). Malaysia’s Exports and Imports continue its downtrend, where imports narrowed its contraction at a faster pace to -3.6% YoY (Oct’19: -8.7% YoY) as compared to the exports at -5.5% YoY (Oct’19: -6.7% YoY). This translated into lower trade surplus at only MYR6.5 billion, a 15-month low as compared to MYR17.3 billion a month earlier. Malaysia’s PMI registered a 15-months high at 50.0 (Nov’19: 49.5, with above 50 represent expansion), signalling the manufacturing factories are gaining momentum in the near term.

External reserve improved slightly to USD103.6 billion as at end-Dec’19 (end-Nov’19: USD103.2 billion) on the back of net foreign purchase in local bonds (Dec’19: +MYR8.1 billion; Nov’19: +MYR8.0 billion) even though equities continued to register a net foreign outflow (Dec’19: -MYR1.2 billion; Nov’19: -MYR1.5 billion). The reserve is sufficient to cover 7.5 months of retained import and 11 times short term external debt, and is above the IMF’s adequate reserve level of USD97.4 billion.

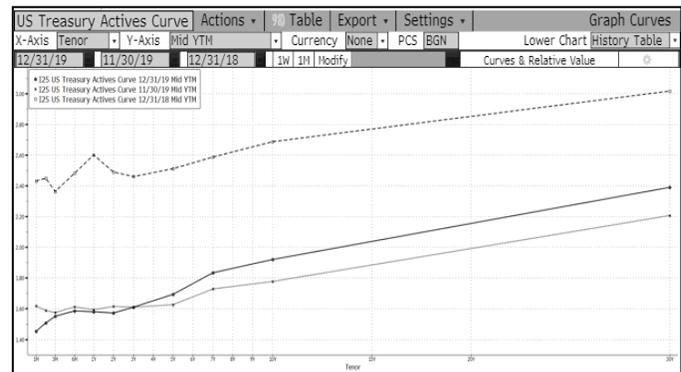
The auctions unveiled in December 2019 are as follows;

Government Auctions				
Issue	Issue Date	Amount	Bid-cover	Avg Yield
		(RM million)	(times)	(%)
15year Re-Issuance of MGS(Mat 07/34)	6/12/2019	3,000.00	1.61	3.68

Source: Bank Negara Malaysia



Source: Bloomberg



Source: Bloomberg

The 10-year US Treasury (“UST”) yields rallied in the month of December by 14bps to 1.92% (Nov’19: 1.78%), backed by the improving US-China trade deal prospect. The Phase-1 trade agreement is expected to be signed on 15 January 2020.

Market Outlook & Strategy

Following the US Fed rate cut by 25bps in October 2019 amid escalating US-China trade tension, BNM is expected to turn into more-dovish monetary stance in 1H2020, in line with the weaker economic prospect and the expectation of more US Fed rate cuts. The external risk factors such as geopolitical tension in the Middle-East and fluctuation in crude oil prices will continue to weigh on the local market, but we believe corporate bond space still provides attractive yields. As such, we will keep looking to buy on dips of corporate bonds if the opportunity arises.