



## **Investment Linked Fund Performance Report August 2019**

### **General Advice Warning**

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### **Past performance is not a reliable indicator of future performance**

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

## EXECUTIVE SUMMARY

The FBMKLCI lost -1.4% or 22 points m-o-m and -4.6% YTD to close at 1,612 points at the end of August 2019. The market fell throughout the month due to escalating US-China trade tensions that resulted in the US imposing 15% tariffs on a variety of Chinese goods and China starting to impose new duties on a USD75 billion target list effective 1 September 2019.

Malaysia Government Securities (“MGS”) prices surged moving the yields lower across the curve in August after a new round of intensified trade tension between US and China and the heightened worry of a potential global recession. Ringgit weakened further to RM4.2050/USD from RM4.126/USD a month ago. Brent crude oil prices moved lower from USD65.17/barrel in July’19 to USD60.43/barrel in August’19 amid the weakening demand for the commodities.

On local equity market, Malaysia's economy has recorded a strong growth of 4.9% for the second quarter of 2019 (2Q19), supported by higher household spending and private investment. This is compared with gross domestic product (GDP) growth of 4.5% in 1Q19 and 2Q18 respectively.

Moving forward, for equity, we continue to be cautious on the equity market outlook. 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 May 2019 amid escalating US-China trade tension, BNM is expected to turn into more-dovish monetary stance for 2H2019, 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 outperformed the benchmarks, except for Income 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 (%)	-2.50%	-5.62%	0.62%	0.42%	-0.45%	-1.39%	-0.69%	-1.39%	-1.26%	-3.25%	1.56%	2.22%	-0.06%	-0.76%
3 Months (%)	-0.33%	-2.72%	1.80%	1.03%	-1.76%	-2.34%	-2.00%	-2.34%	3.00%	2.51%	3.75%	4.47%	0.49%	0.99%
6 Months (%)	-0.98%	-7.58%	2.81%	0.51%	-2.28%	-5.60%	-3.06%	-5.60%	4.19%	-2.35%	6.47%	6.89%	1.12%	1.53%
12 Months (%)	-0.07%	-6.33%	3.00%	-1.17%	-4.91%	-11.40%	-4.66%	-11.40%	1.33%	-5.97%	8.96%	10.01%	-1.95%	-6.99%

Source: MCIS Insurance Berhad

# AsiaPac Fund Monthly Report (August 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.

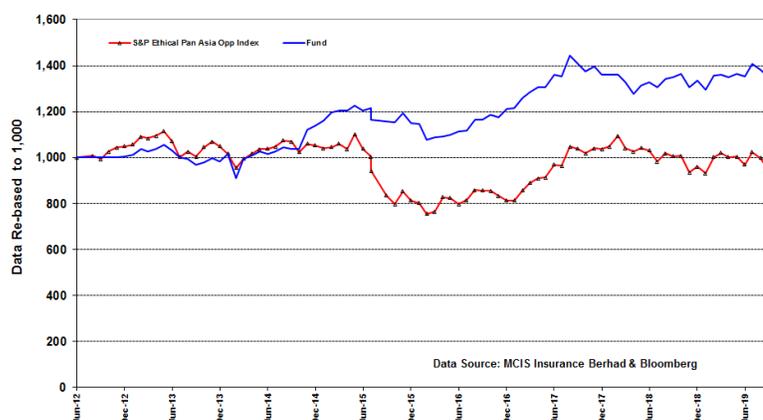
The following factors can potentially affect the value of the Fund; economic and political developments in related countries, foreign exchange fluctuation, illiquid and inefficient securities in the Emerging Markets, and the financial performance of the underlying companies.

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 August 2019, the fund had outperformed the benchmark by 312bps MoM (month on month). The fund had also outperformed the benchmark since inception.

AsiaPac Fund Performance Since Inception



## Top Ten Holdings

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

## Fund Information

NAV (30.08.19)	RM0.6741
Fund Size	RM51.43 million
Inception Date	15-July-2012
Fund Management Fee	0.85% p.a.
Pricing	Daily
Price Quote	Major Newspaper, or <a href="http://www.mcis.my">http://www.mcis.my</a>
Fund Manager	MCIS Insurance Berhad
Exceptional Circumstances	Refer to your Policy Document

## Asset Allocation Ranges

Asset Class	Min	Max	Current Actual
ETF	80%	100%	84%
Cash	0%	20%	16%

## Performance Table

Period	Fund	Index*
1 month (%)	-2.50%	-5.62%
3 months (%)	-0.33%	-2.72%
6 months (%)	-0.98%	-7.58%
12 months (%)	-0.07%	-6.33%
2 years (% pa)	-2.19%	-4.76%
3 years (% pa)	4.96%	3.23%
5 years (% pa)	5.41%	-2.49%
Since Inception	4.26%	-0.83%

**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 (August 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

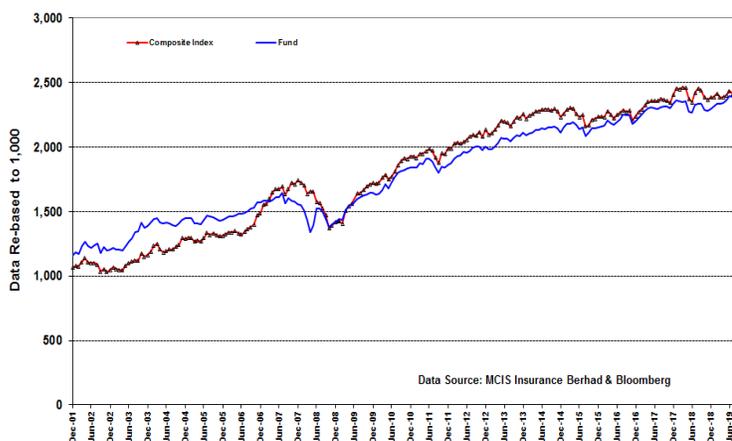
The Fund is considered medium risk given the mixed exposure of equity securities, fixed income and cash. The following factors can potentially affect the value of the Fund; consumer sentiment, financial performance of the underlying companies, industry and economy development, social and political factors, 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 August 2019, the fund had outperformed the benchmark by 20bps 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

Telekosang Hydro One Sdn Bhd (Bond)  
CIMB Bank Berhad (Bond)  
Northern Gateway Infrastructure Sdn Bhd (Bond)  
Sabah Development Bank Berhad (Bond)  
Tenaga Nasional Berhad (Equity)  
Projek Lebuhraya Utara-Selatan (Bond)  
Sabah Credit Corporation (Bond)  
Malaysia Steel Works (KL) Berhad (Bond)  
Bank Pembangunan Malaysia Berhad (Bond)  
CIMB Bank Berhad (Equity)

### Fund Information

NAV (30.08.19)	RM1.2020
Fund Size	RM8.0 million
Inception Date	15-Oct-01
Fund Management Fee	1.25% p.a.
Pricing	Daily
Price Quote	Major Newspaper, or <a href="http://www.mcis.my">http://www.mcis.my</a>
Fund Manager	MCIS Insurance Berhad
Exceptional Circumstances	Refer to your Policy Document

### Asset Allocation Ranges

Asset Class	Min	Max	Current Actual
Malaysian Equity	40%	60%	43%
Fixed Income	40%	60%	44%
Cash	0%	20%	13%

### Performance Table

Period	Fund	Index*
1 month (%)	0.62%	0.42%
3 months (%)	1.80%	1.03%
6 months (%)	2.81%	0.51%
12 months (%)	3.00%	-1.17%
2 years (% pa)	2.04%	1.08%
3 years (% pa)	2.12%	1.98%
5 years (% pa)	2.26%	1.13%
Since Inception	5.02%	5.07%

**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 (August 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

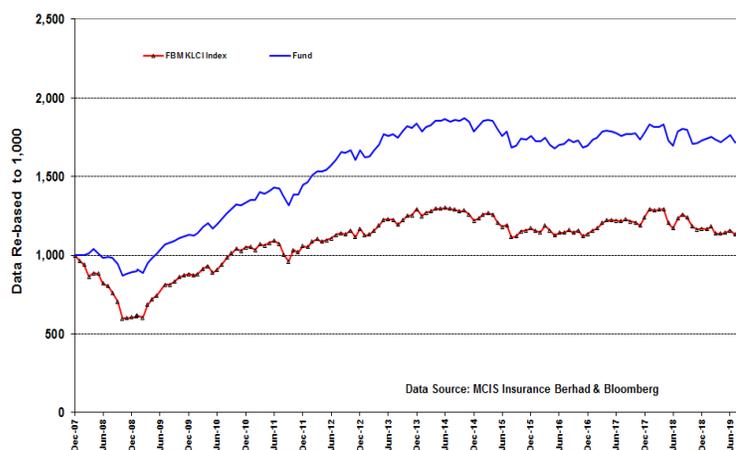
The Fund is considered high risk given the exposure to equity securities. The following factors can potentially affect the value of the Fund; consumer sentiment, financial performance of the underlying companies, the performance of the industry and economy, and the share market in general, social and 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 August 2019, the fund had outperformed the benchmark by 94bps 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  
DiGi.Com Berhad  
Public Bank Berhad  
Tenaga Nasional Berhad  
Axiata Group Berhad  
Malayan Banking Berhad  
IOI Corporation Berhad  
Sime Darby Plantation Berhad

### Fund Information

NAV (30.08.19)	RM0.8136
Fund Size	RM30.68 million
Inception Date	21-Jan-08
Fund Management Fee	1.5% p.a.
Pricing	Daily
Price Quote	Major Newspaper, or <a href="http://www.mcis.my">http://www.mcis.my</a>
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%	91%
Cash	0%	20%	9%

### Performance Table

Period	Fund	Index*
1 month (%)	-0.45%	-1.39%
3 months (%)	-1.76%	-2.34%
6 months (%)	-2.28%	-5.60%
12 months (%)	-4.91%	-11.40%
2 years (% pa)	-1.55%	-4.65%
3 years (% pa)	-0.46%	-1.33%
5 years (% pa)	-1.62%	-2.88%
Since Inception	4.72%	0.94%
Yield #	3.40%	3.53%

**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 (August 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

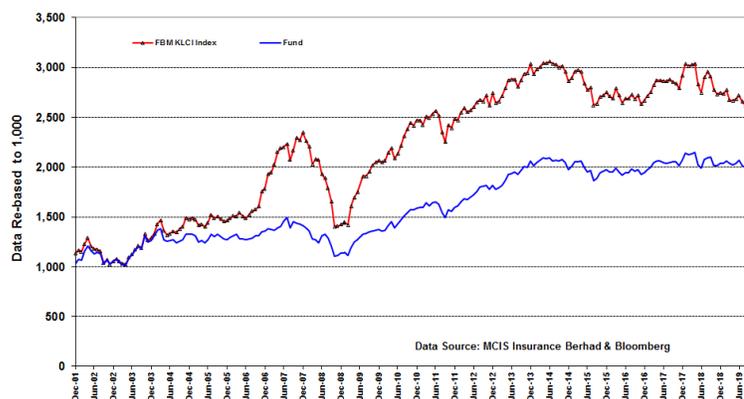
The Fund is considered high risk given the exposure to equity securities. The following factors can potentially affect the value of the Fund; consumer sentiment, financial performance of the underlying companies, the performance of the industry and economy, and the share market in general, social and 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 August 2019, the fund had outperformed the benchmark by 70bps MoM (month on month). The outperformance was mainly driven by higher exposure of outperforming 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  
Maxis Berhad  
CIMB Bank Berhad

## Fund Information

NAV (30.08.19)	RM0.9995
Fund Size	RM9.36 million
Inception Date	15-Oct-01
Fund Management Fee	1.40% p.a.
Pricing	Daily
Price Quote	Major Newspaper, or <a href="http://www.mcis.my">http://www.mcis.my</a>
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%	91%
Cash	0%	20%	9%

## Performance Table

Period	Fund	Index*
1 month (%)	-0.69%	-1.39%
3 months (%)	-2.00%	-2.34%
6 months (%)	-3.06%	-5.60%
12 months (%)	-4.66%	-11.40%
2 years (% pa)	-1.13%	-4.65%
3 years (% pa)	0.31%	-1.33%
5 years (% pa)	-0.66%	-2.88%
Since Inception	3.94%	5.52%
Yield #	3.28%	3.53%

**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 (August 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.

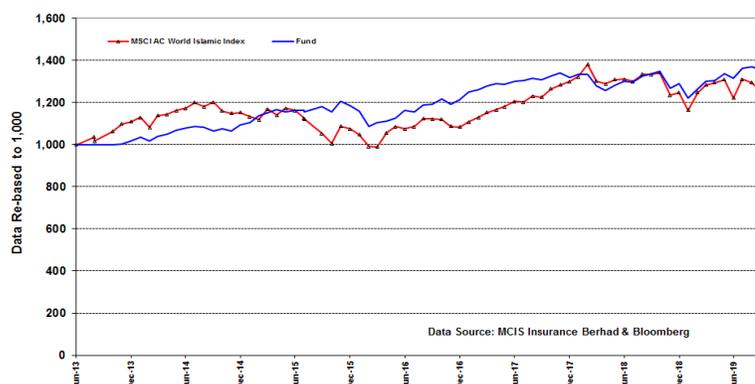
The following factors can potentially affect the value of the Fund; economic and political developments in related countries, foreign exchange fluctuation, illiquid and inefficient securities in the Emerging Markets, and the financial performance of the underlying companies.

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 August 2019, the fund had outperformed the benchmark by 199bps 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 Standard Islamic World Equity Fund (ASIWEF)

### Fund Information

NAV (30.08.19)	RM0.6763
Fund Size	RM43.86 million
Inception Date	8-July-2013
Fund Management Fee	0.85% p.a.
Pricing	Daily
Price Quote	Major Newspaper, or <a href="http://www.mcis.my">http://www.mcis.my</a>
Fund Manager	MCIS Insurance Berhad
Exceptional Circumstances	Refer to your Policy Document

### Asset Allocation Ranges

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

### Performance Table

Period	Fund	Index*
1 month (%)	-1.26%	-3.25%
3 months (%)	3.00%	2.51%
6 months (%)	4.19%	-2.35%
12 months (%)	1.33%	-5.97%
2 years (% pa)	1.70%	1.15%
3 years (% pa)	4.31%	3.77%
5 years (% pa)	4.91%	1.04%
Since Inception	5.02%	3.71%

**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 (August 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.

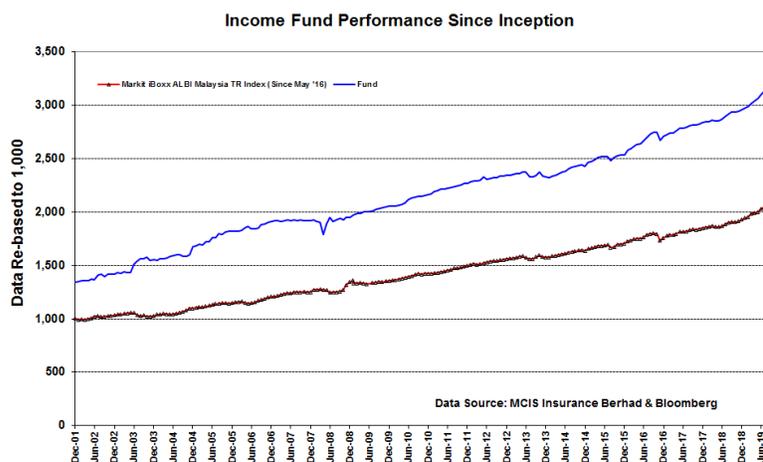
### Risks

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 August 2019, the fund had underperformed the benchmark by 66bps MoM (month on month). The underperformance was due to underperforming of the fixed income securities compared to the benchmark index.



### Top Ten Holdings

Telekosang 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  
Asian Finance Bank Berhad  
Sarawak Energy Berhad

### Fund Information

NAV (30.08.19)	RM1.5924
Fund Size	RM31.97 million
Inception Date	15-Oct-01
Fund Management Fee	0.5% p.a.
Pricing	Daily
Price Quote	Major Newspaper, or <a href="http://www.mcis.my">http://www.mcis.my</a>
Fund Manager	MCIS Insurance Berhad
Exceptional Circumstances	Refer to your Policy Document

### Asset Allocation Ranges

Asset Class	Min	Max	Current Actual
Fixed Income	75%	100%	85%
Cash	0%	25%	15%

### Performance Table

Period	Fund	Index*
1 month (%)	1.56%	2.22%
3 months (%)	3.75%	4.47%
6 months (%)	6.47%	6.89%
12 months (%)	8.96%	10.01%
2 years (% pa)	6.50%	6.89%
3 years (% pa)	5.28%	5.20%
5 years (% pa)	5.61%	5.15%
Since Inception	6.68%	4.21%

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

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\* 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 (August 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

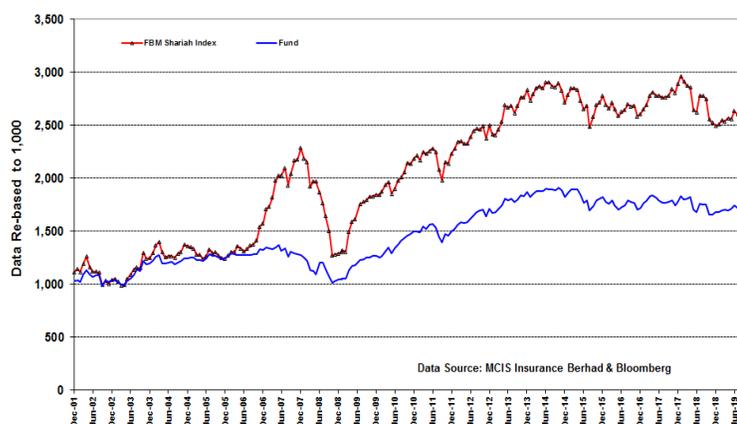
The Fund is considered high risk given the exposure to equity securities. The following factors can potentially affect the value of the Fund; consumer sentiment, financial performance of the underlying companies, the performance of the industry and economy, and the share market in general, social and 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 August 2019, the fund had outperformed the benchmark by 70bps MoM (month on month). The outperformance was mainly driven by higher exposure of outperforming securities in the portfolio compared to benchmark.

Jati Fund Performance Since Inception



### Top Ten Holdings

Tenaga Nasional Berhad  
 Axiata Group Berhad  
 Petronas Chemicals Group Berhad  
 Perlis Plantation Berhad  
 Sime Darby Plantation Berhad  
 Telekom Malaysia Berhad  
 Petronas Gas Berhad  
 Maxis Berhad  
 IHH Healthcare Berhad  
 MISC Berhad

### Fund Information

NAV (30.08.19)	RM0.8602
Fund Size	RM14.41 million
Inception Date	15-Oct-01
Fund Management Fee	1.35% p.a.
Pricing	Daily
Price Quote	Major Newspaper, or <a href="http://www.mcis.my">http://www.mcis.my</a>
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%	83%
Cash	0%	20%	17%

### Performance Table

Period	Fund	Index*
1 month (%)	-0.06%	-0.76%
3 months (%)	0.49%	0.99%
6 months (%)	1.12%	1.53%
12 months (%)	-1.95%	-6.99%
2 years (% pa)	-1.30%	-3.34%
3 years (% pa)	-1.31%	-1.41%
5 years (% pa)	-1.91%	-2.06%
Since Inception	3.07%	5.45%
Yield #	2.38%	2.70%

**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

The FBMKLCI lost -1.4% or 22 points m-o-m and -4.6% YTD to close at 1,612 points at the end of August 2019. The market fell throughout the month due to escalating US-China trade tensions that resulted in the US imposing 15% tariffs on a variety of Chinese goods and China starting to impose new duties on a USD75 billion target list effective 1 September 2019. However, both sides are expected to meet for talks in October. The performance in August was weaker than the historical trend of -0.6% m-o-m over the past 10 years.

The month of August recorded a total foreign net outflow of -RM2.60 billion, the largest since June 2018 which saw foreign investors selling RM4.93 billion worth of local equities. Nevertheless, this was the second lowest monthly foreign net outflow amongst the seven markets that MIDF Investment monitors. On a year-to-date basis, the foreign net outflow from Malaysia stands at RM7.34 billion.

On local equity market, Malaysia's economy has recorded a strong growth of 4.9% for the second quarter of 2019 (2Q19), supported by higher household spending and private investment. This is compared with gross domestic product (GDP) growth of 4.5% in 1Q19 and 2Q18 respectively.

The global equity markets also ended the month in weaker mode due to the trade tension. Dow Jones and S&P 500 closed lower by -1.7 and -1.8% m-o-m respectively. Eurozone shares ended lower in August with the MSCI EMU (Economic and Monetary Union) index returning -1.2%. Weak economic data from Germany weighed on stock markets while Brexit uncertainty remains another key concern for markets.

**Chart 1: FBMKLCI Daily Chart**



Source: CIMB Research

**Chart 2: FBMKLCI Weekly Chart**



Source: CIMB Research

## Market Outlook & Strategy

Technically, a series of lower highs and lower lows was formed after the FBMKLCI hit an all-time high of 1,896 in April '18. However, the latest low (1,581) did not fall below the previous low of 1,572. This may stage a technical rebound in the near term. Strong resistance is seen at 1,645-1,650 and 1,572 is the critical support for the benchmark.

Based on historical data, the FBMKLCI performance tends to be negative in September, having registered an average monthly loss of -0.2% over the past 10 years.

Moving forward, we continue to be cautious on the equity market outlook. 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 surged moving the yields lower across the curve in August after a new round of intensified trade tension between US and China and the heightened worry of a potential global recession. Ringgit weakened further to RM4.2050/USD from RM4.126/USD a month ago. Brent crude oil prices moved lower from USD65.17/barrel in July '19 to USD60.43/barrel in August '19 amid the weakening demand for the commodities.

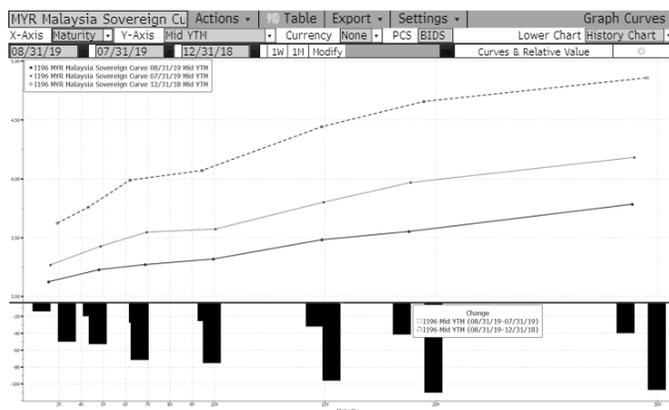
On the local economic data, the GDP growth was seen at +4.9% YoY for 2Q2019 (1Q2019: +4.5% YoY), beat the market consensus of +4.7% YoY. Headline inflation in July moved slightly lower to +1.4% YoY (June '19: +1.5% YoY). Malaysia’s trade was seen mixed as the exports rebounded to +1.7% YoY (June '19: +3.4% YoY) while the imports continues to contract to -5.9% YoY in July '19 (June '19: -9.8% YoY). This has caused the trade balance to widen to +RM14.3 billion (June'19: +RM10.5 billion), totalling the YTD trade balance at +RM81.6 billion.

External reserve fell slightly to USD103.5 billion as at end August '19 (end-July'19: USD103.9 billion), as BNM reduced their net foreign currency short position for two consecutive months, down to USD12.7 billion from USD14.6 billion in July '19. The reserve is sufficient to cover 7.6 months of retained import and 1.1 times short term external debt, and is above the IMF’s estimate of adequate reserve level of USD97.4 billion.

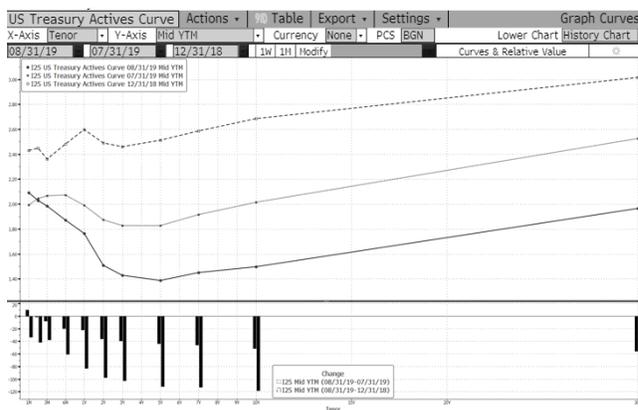
The auctions unveiled in August 2019 are as follows;

Government Auctions				
Issue	Issue Date	Amount	Bid-cover	Avg Yield
		(RM million)	(times)	(%)
5year Re-Issuance of GII(Mat 10/24)	9/8/2019	3,000.00	4.14	3.35
20year Re-Issuance of MGS(Mat 06/38)	15/8/2019	4,000.00	3.15	3.75
10year Re-Issuance of GII(Mat 07/29)	30/8/2019	3,000.00	2.00	3.32

Source: Bank Negara Malaysia



Source: Bloomberg



Source: Bloomberg

The US Treasury yield curve inverted when the 10-year US Treasury yield went lower than 2-year US Treasury yield at 1.47% and 1.52% respectively, signalling the economy would potentially go into recession in the near future. The 10-year UST yield was last seen at 1.50% as at end-Aug'19.

## Market Outlook & Strategy

Following the US Fed rate cut by 25bps in May 2019 amid escalating US-China trade tension, BNM is expected to turn into more-dovish monetary stance for 2H2019, 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.