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# Investment Link Fund Performance Report October 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 Index turned positive in the month of October as it gained 18 points to close at 1,597.98 points (+0.9% m-o-m). However, the local bourse still lagging by -5.5% for YTD period. The performance in Oct 2019 was weaker than the historical trend, as the Malaysian market has posted an average mom gain of 1.8% in Oct over the past 10 years. It was in line with the FTSE Bursa EMAS which gained 0.9% m-o-m, closed at 11,305.73 points.

Malaysia Government Securities (“MGS”) prices dropped in the month of October arising from the improving global risk sentiment due to positive trade talk progress as well as the 25bps US Fed rate cut, the third cut in 2019. Ringgit on the other hand strengthened against the Dollar to MYR4.1775/USD (Sep’19: MYR4.1865/USD). Brent crude oil prices fell slightly in October, moving lower to USD60.23/barrel compared to a month earlier of USD60.78/barrel.

On the local economic data, headline inflation abated to +1.1% YoY in Sep’19 (Aug’19:+1.5% YoY) due to easing of all major components except Education and Miscellaneous Goods and Service. Exports dropped to -6.8% YoY in Sep’19.

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 Income fund had outperformed their benchmarks.

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

Performance Table: Funds vs Benchmarks

|               | Asiapac Fund |           | Balanced Fund |           | Dividend Fund |           | Equity Fund |           | Global Yakin Fund |           | Income Fund |           | Jati Fund |           | Titan Fund |           |
|---------------|--------------|-----------|---------------|-----------|---------------|-----------|-------------|-----------|-------------------|-----------|-------------|-----------|-----------|-----------|------------|-----------|
|               | Fund         | Benchmark | Fund          | Benchmark | Fund          | Benchmark | Fund        | Benchmark | Fund              | Benchmark | Fund        | Benchmark | Fund      | Benchmark | Fund       | Benchmark |
| Monthly (%)   | 1.27%        | 1.34%     | 0.24%         | 0.32%     | 0.11%         | 0.89%     | 0.58%       | 0.89%     | 1.73%             | 2.38%     | 0.19%       | -0.25%    | 0.40%     | 0.52%     | 0.14%      | 2.67%     |
| 3 Months (%)  | -0.56%       | -2.57%    | 0.54%         | -0.27%    | -0.88%        | -2.26%    | -0.46%      | -2.26%    | 1.15%             | 1.37%     | 1.79%       | 1.72%     | -0.33%    | -1.44%    | n/a        | n/a       |
| 6 Months (%)  | 0.75%        | -3.04%    | 2.61%         | 0.95%     | -0.88%        | -2.70%    | -0.98%      | -2.70%    | 3.70%             | 0.35%     | 4.83%       | 4.66%     | 1.22%     | -0.06%    | n/a        | n/a       |
| 12 Months (%) | 5.32%        | 3.97%     | 4.94%         | 1.08%     | -0.05%        | -6.51%    | -0.62%      | -6.51%    | 9.45%             | 6.37%     | 8.52%       | 9.11%     | 3.62%     | 0.49%     | n/a        | n/a       |

Source: MCI/S Insurance Berhad

# AsiaPac Fund Monthly Report (October 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.

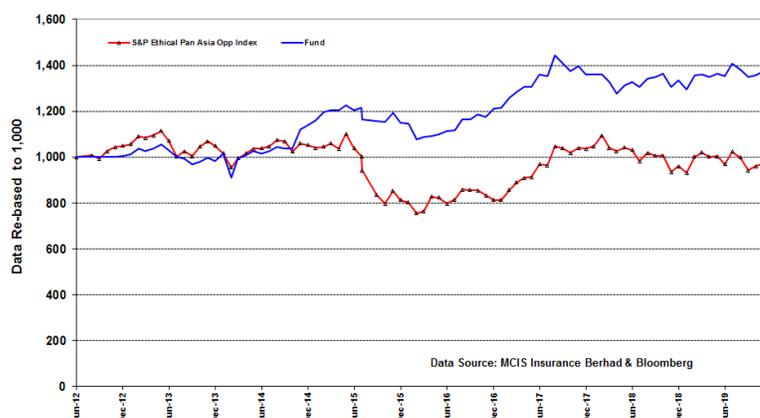
The following factors can potentially affect the value of the Fund; economic and political developments in related countries, foreign exchange fluctuation, illiquid and inefficient securities in the Emerging Markets, and the financial performance of the underlying companies.

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 October 2019, the fund had underperformed the benchmark by 7bps MoM (month on month). However for since inception period, the fund had outperformed the benchmark.

AsiaPac Fund Performance Since Inception



## Top Ten Holdings

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

## Fund Information

|                           |   |
|---------------------------|---|
| NAV (31.10.19)            | RM0.6875  |
| Fund Size                 | RM50.26 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 (MCIS Life)                                       |
| 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 (%)     | 1.27%  | 1.34%  |
| 3 months (%)    | -0.56% | -2.57% |
| 6 months (%)    | 0.75%  | -3.04% |
| 12 months (%)   | 5.32%  | 3.97%  |
| 2 years (% pa)  | -0.75% | -3.28% |
| 3 years (% pa)  | 5.41%  | 5.33%  |
| 5 years (% pa)  | 4.18%  | -1.71% |
| Since Inception | 4.44%  | -0.38% |

**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 (October 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

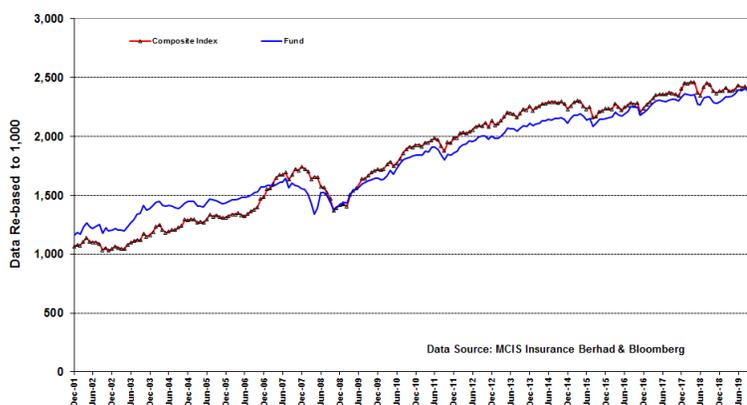
The Fund is considered medium risk given the mixed exposure of equity securities, fixed income and cash. The following factors can potentially affect the value of the Fund; consumer sentiment, financial performance of the underlying companies, industry and economy development, social and political factors, 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 October 2019, the fund had underperformed the benchmark by 8bps 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  
Edra Solar Sdn Bhd  
CIMB Bank Berhad (Bond)  
Northern Gateway Infrastructure Sdn Bhd (Bond)  
Sabah Development Bank Berhad (Bond)  
Tenaga Nasional Berhad (Equity)  
Projek Lebuhraya Utara-Selatan (Bond)  
Malaysia Steel Works (KL) Berhad (Bond)  
Malayan Banking Berhad (Equity)  
Bank Pembangunan Malaysia Berhad (Bond)

### Fund Information

|                           |   |
|---------------------------|---|
| NAV (31.10.19)            | RM1.2011  |
| Fund Size                 | RM8.01 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 (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% | 45%            |
| Cash             | 0%  | 20% | 14%            |

### Performance Table

| Period          | Fund  | Index* |
|-----------------|-------|--------|
| 1 month (%)     | 0.24% | 0.32%  |
| 3 months (%)    | 0.54% | -0.27% |
| 6 months (%)    | 2.61% | 0.95%  |
| 12 months (%)   | 4.94% | 1.08%  |
| 2 years (% pa)  | 1.80% | 1.06%  |
| 3 years (% pa)  | 2.19% | 1.80%  |
| 5 years (% pa)  | 2.12% | 0.97%  |
| Since Inception | 4.97% | 4.98%  |

**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 (October 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

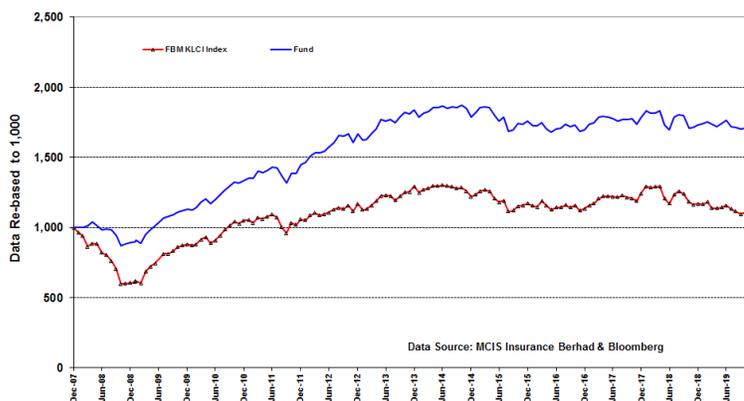
The Fund is considered high risk given the exposure to equity securities. The following factors can potentially affect the value of the Fund; consumer sentiment, financial performance of the underlying companies, the performance of the industry and economy, and the share market in general, social and 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 October 2019, the fund had underperformed the benchmark by 78bps MoM (month on month). The underperformance was mainly driven by higher exposure of underperforming 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  
Malayan Banking Berhad  
IOI Corporation Berhad  
Sime Darby Plantation Berhad  
Petronas Dagangan Berhad

### Fund Information

|                           |   |
|---------------------------|---|
| NAV (31.10.19)            | RM0.8101  |
| Fund Size                 | RM30.36 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 (MCIS Life)                                       |
| 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 (%)     | 0.11%  | 0.89%  |
| 3 months (%)    | -0.88% | -2.26% |
| 6 months (%)    | -0.88% | -2.70% |
| 12 months (%)   | -0.05% | -6.51% |
| 2 years (% pa)  | -1.95% | -4.39% |
| 3 years (% pa)  | -0.48% | -1.51% |
| 5 years (% pa)  | -1.87% | -2.94% |
| Since Inception | 4.61%  | 0.85%  |
| Yield #         | 3.46%  | 3.52%  |

**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 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 (October 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

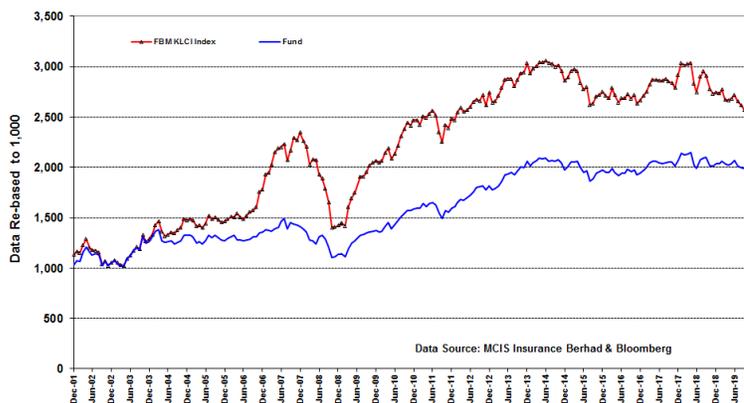
The Fund is considered high risk given the exposure to equity securities. The following factors can potentially affect the value of the Fund; consumer sentiment, financial performance of the underlying companies, the performance of the industry and economy, and the share market in general, social and 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 October 2019, the fund had underperformed the benchmark by 31bps 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  
Public Bank Berhad  
IOI Corporation 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 (31.10.19)            | RM1.0018  |
| Fund Size                 | RM9.24 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 (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 (%)     | 0.58%  | 0.89%  |
| 3 months (%)    | -0.46% | -2.26% |
| 6 months (%)    | -0.98% | -2.70% |
| 12 months (%)   | -0.62% | -6.51% |
| 2 years (% pa)  | -1.20% | -4.39% |
| 3 years (% pa)  | 0.45%  | -1.51% |
| 5 years (% pa)  | -0.74% | -2.94% |
| Since Inception | 3.92%  | 5.42%  |
| Yield #         | 3.37%  | 3.52%  |

**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 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 (October 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.

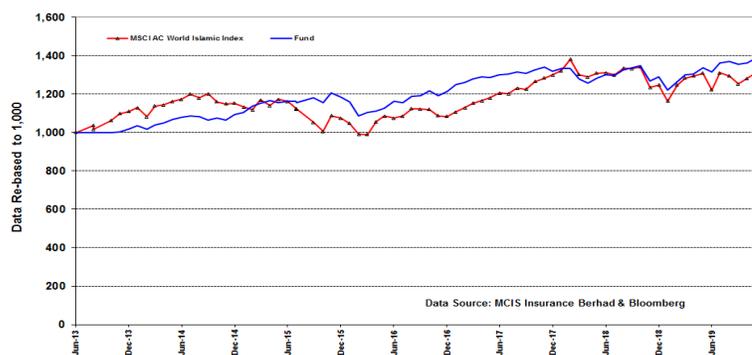
The following factors can potentially affect the value of the Fund; economic and political developments in related countries, foreign exchange fluctuation, illiquid and inefficient securities in the Emerging Markets, and the financial performance of the underlying companies.

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 October 2019, the fund had underperformed the benchmark by 165bps 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 (31.10.19)            | RM0.6928  |
| Fund Size                 | RM46.45 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 (MCIS Life)                                       |
| Exceptional Circumstances | Refer to your Policy Document   |

### Asset Allocation Ranges

| Asset Class | Min | Max  | Current Actual |
|-------------|-----|------|----------------|
| ASIWEF      | 80% | 100% | 81%            |
| Cash        | 0%  | 20%  | 19%            |

### Performance Table

| Period          | Fund  | Index* |
|-----------------|-------|--------|
| 1 month (%)     | 1.73% | 2.38%  |
| 3 months (%)    | 1.15% | 1.37%  |
| 6 months (%)    | 3.70% | 0.35%  |
| 12 months (%)   | 9.45% | 6.37%  |
| 2 years (% pa)  | 1.66% | 1.17%  |
| 3 years (% pa)  | 5.16% | 6.45%  |
| 5 years (% pa)  | 5.42% | 3.40%  |
| Since Inception | 5.28% | 4.38%  |

**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 (October 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.

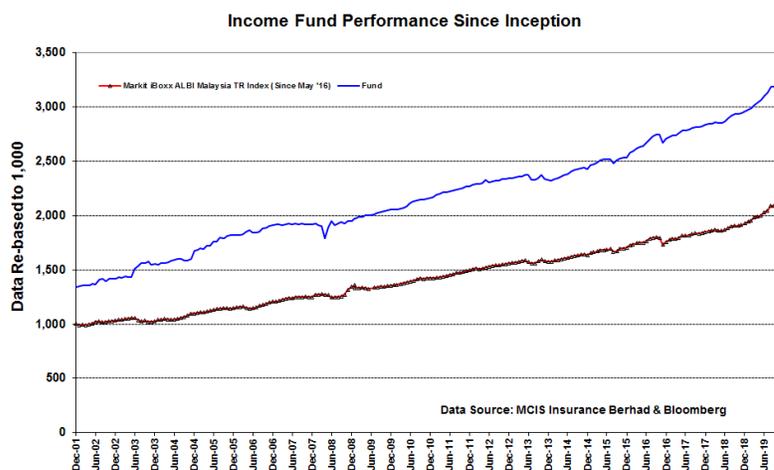
### Risks

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 October 2019, the fund had outperformed the benchmark by 44bps MoM (month on month). The outperformance was due to outperforming of the fixed income securities compared to the benchmark index.



### Top Ten Holdings

Sabah Development Bank Berhad  
 Telekosang Hydro One Sdn Bhd  
 Edra Solar 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 (31.10.19)            | RM1.5960  |
| Fund Size                 | RM32.85 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 (MCIS Life)                                       |
| Exceptional Circumstances | Refer to your Policy Document   |

### Asset Allocation Ranges

| Asset Class  | Min | Max  | Current Actual |
|--------------|-----|------|----------------|
| Fixed Income | 75% | 100% | 91%            |
| Cash         | 0%  | 25%  | 9%             |

### Performance Table

| Period          | Fund  | Index* |
|-----------------|-------|--------|
| 1 month (%)     | 0.19% | -0.25% |
| 3 months (%)    | 1.79% | 1.72%  |
| 6 months (%)    | 4.83% | 4.66%  |
| 12 months (%)   | 8.52% | 9.11%  |
| 2 years (% pa)  | 6.52% | 6.55%  |
| 3 years (% pa)  | 5.13% | 5.02%  |
| 5 years (% pa)  | 5.52% | 4.87%  |
| Since Inception | 6.63% | 4.14%  |

**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 (October 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

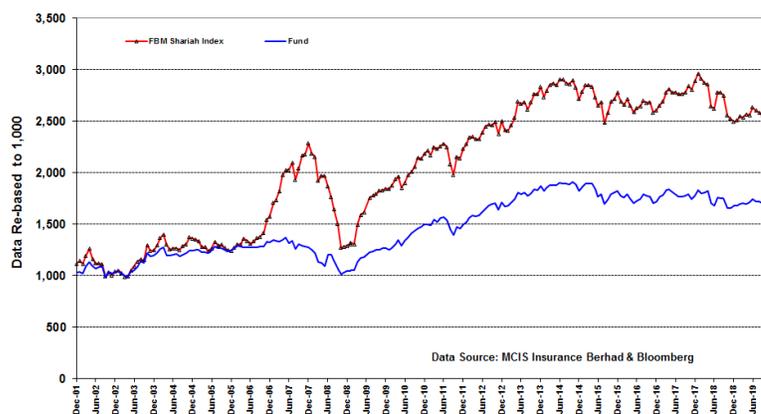
The Fund is considered high risk given the exposure to equity securities. The following factors can potentially affect the value of the Fund; consumer sentiment, financial performance of the underlying companies, the performance of the industry and economy, and the share market in general, social and 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 October 2019, the fund had underperformed the benchmark by 12bps 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  
 Axiata Group Berhad  
 Perlis Plantation Berhad  
 Telekom Malaysia Berhad  
 Petronas Gas Berhad  
 Sime Darby Plantation Berhad  
 MISC Berhad  
 Maxis Berhad  
 IHH Healthcare Berhad

### Fund Information

|                           |   |
|---------------------------|---|
| NAV (31.10.19)            | RM0.8579  |
| Fund Size                 | RM14.63 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 (MCIS Life)                                       |
| Exceptional Circumstances | Refer to your Policy Document   |

### Asset Allocation Ranges

| Asset Class      | Min | Max  | Current Actual |
|------------------|-----|------|----------------|
| Malaysian Equity | 80% | 100% | 81%            |
| Cash             | 0%  | 20%  | 19%            |

### Performance Table

| Period          | Fund   | Index* |
|-----------------|--------|--------|
| 1 month (%)     | 0.40%  | 0.52%  |
| 3 months (%)    | -0.33% | -1.44% |
| 6 months (%)    | 1.22%  | -0.06% |
| 12 months (%)   | 3.62%  | 0.49%  |
| 2 years (% pa)  | -2.12% | -4.91% |
| 3 years (% pa)  | -1.02% | -1.51% |
| 5 years (% pa)  | -2.16% | -2.38% |
| Since Inception | 3.03%  | 5.36%  |
| Yield #         | 2.36%  | 2.58%  |

**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 (October 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.

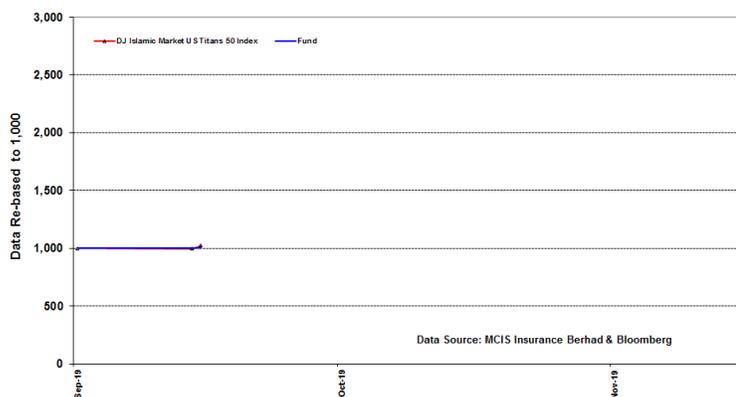
The following factors can potentially affect the value of the Fund; economic and political developments in related countries, foreign exchange fluctuation, illiquid and inefficient securities in the Emerging Markets, and the financial performance of the underlying companies.

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 October 2019, the fund had underperformed the benchmark by 253bps MoM (month on month).

Titan Fund Performance Since Inception



### Top Ten Holdings

-

### Fund Information

|                           |   |
|---------------------------|---|
| NAV (31.10.19)            | RM0.5005  |
| Fund Size                 | RM3.03 million  |
| Inception Date            | 17-Sept-2019  |
| Fund Management Fee       | 1.20% 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 (MCIS Life)                                       |
| Exceptional Circumstances | Refer to your Policy Document   |

### Asset Allocation Ranges

| Asset Class | Min | Max  | Current Actual |
|-------------|-----|------|----------------|
| MyETFDJ50   | 80% | 100% | 0%             |
| Cash        | 0%  | 20%  | 100%           |

### Performance Table

| Period          | Fund  | Index* |
|-----------------|-------|--------|
| 1 month (%)     | 0.14% | 2.67%  |
| 3 months (%)    | -     | -      |
| 6 months (%)    | -     | -      |
| 12 months (%)   | -     | -      |
| 2 years (% pa)  | -     | -      |
| 3 years (% pa)  | -     | -      |
| 5 years (% pa)  | -     | -      |
| Since Inception | 0.66% | 14.43% |

**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 turned positive in the month of October as it gained 18 points to close at 1,597.98 points (+0.9% m-o-m). However, the local bourse still lagging by -5.5% for YTD period. The performance in Oct 2019 was weaker than the historical trend, as the Malaysian market has posted an average mom gain of 1.8% in Oct over the past 10 years. It was in line with the FTSE Bursa EMAS which gained 0.9% m-o-m, closed at 11,305.73 points.

The average daily value traded on the Malaysian stock exchange rose 2.5% m-o-m but fell 12.4% y-o-y to RM1.89billion in October 2019. The m-o-m increase in trading value could be partly due to higher trading participation by local institutional investors.

During the month, foreign investors bought RM9.5billion of equities but sold a higher amount, or RM10billion of equities, resulting in net selling of equity of RM0.5billion (below the average monthly foreign outflow for equity in 10M19 of RM0.84billion). This would place foreign investors as net sellers in the Malaysian equity market in eight out of the ten months of this year.

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 0.5% and 2.0% respectively. The S&P 500 touched a new all-time high in the final week of trading, powered by technology stocks and a new-found enthusiasm for cyclical stocks. Stocks continued their climb following a widely expected Fed rate cut, with the S&P 500 recording yet another historical high in the final days of trading. Meanwhile, Bloomberg European 500 index increased 0.6% on monthly basis.

**Chart 1: FBMKLCI Weekly Chart**



Source: Bloomberg

**Chart 2: FBMKLCI Monthly Chart**



Source: Bloomberg

## Market Outlook & Strategy

Technically, the FBMKLCI closed higher in the month of October, but still hovering below 1,600 mark. However, the close back within the wedge pattern likely signals that a rebound is on the way and the local market may continue its upward momentum. For short term, we expect some breather on the market to push higher at the resistance level of 1,630 and support level was seen at 1,550 level.

Based on historical data, we note that the FBMKLCI's performance tends to be negative in November, having registered an average monthly loss of 1.3% over the past 10 years. The losses registered in the past could be due partly to disappointments during the 3Q results season.

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 dropped in the month of October arising from the improving global risk sentiment due to positive trade talk progress as well as the 25bps US Fed rate cut, the third cut in 2019. Ringgit on the other hand strengthened against the Dollar to MYR4.1775/USD (Sep’19: MYR4.1865/USD). Brent crude oil prices fell slightly in October, moving lower to USD60.23/barrel compared to a month earlier of USD60.78/barrel.

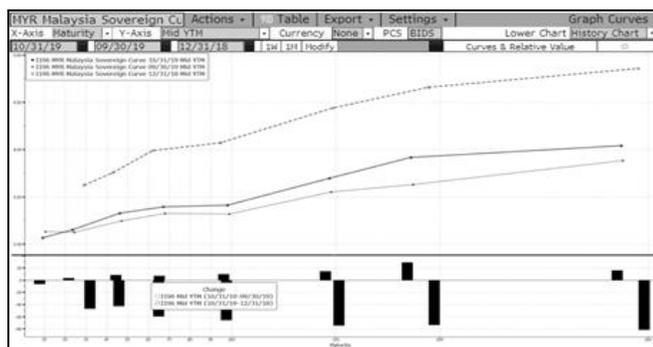
On the local economic data, headline inflation abated to +1.1% YoY in Sep’19 (Aug’19:+1.5% YoY) due to easing of all major components except Education and Miscellaneous Goods and Service. Exports dropped to -6.8% YoY in Sep’19 (Aug’19: -0.8% YoY), mainly dragged by manufacturing products (Sep’19: -6.3% YoY; Aug’19: -2.6% YoY) and Refined Petroleum products (Sep’19: -13.4% YoY; Aug’19: +7.0% YoY). Imports on the other hand grew by +2.4% YoY (Aug’19: -12.5% YoY) after 4 months of decline as all components rebounded, including Intermediate Goods (Sep’19: +11.1% YoY; Aug’19: -13.8% YoY) and Consumption Goods (Sep’19: +15.1% YoY; Aug’19: -12.8% YoY). All in all, trade balance was seen shrinking slightly to +MYR8.3 billion (Aug’19: +MYR10.9 billion).

External reserve rose slightly to USD103.2 billion as at end-Oct’19 (end-Sep’19: USD103.0 billion). 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.

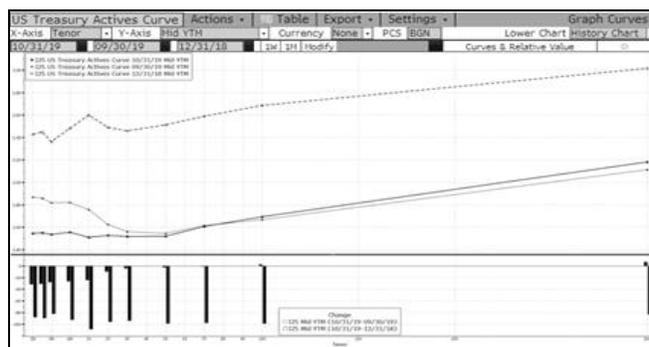
The auctions unveiled in October 2019 are as follows;

| Government Auctions                  |            |              |           |           |
|--------------------------------------|------------|--------------|-----------|-----------|
| Issue                                | Issue Date | Amount       | Bid-cover | Avg Yield |
|                                      |            | (RM million) | (times)   | (%)       |
| 10year Re-Issuance of MGS(Mat 08/29) | 8/10/2019  | 3,000.00     | 1.23      | 3.41      |
| 20year Re-Issuance of GII(Mat 09/39) | 15/10/2019 | 2,500.00     | 3.32      | 3.84      |
| 5year Re-Issuance of MGS(Mat 06/24)  | 31/10/2019 | 3,500.00     | 1.43      | 3.36      |

Source: Bank Negara Malaysia



Source: Bloomberg



Source: Bloomberg

The 10-year US Treasury (“UST”) yield was volatile in the month of Oct’19, mainly driven by the poor economic data release, 25bps US Fed rate cut and a potential trade deal between US and China. After the slur of news flows, the 10-year UST yield settled down at 1.69% as compared to 1.67% a month earlier.

### 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.