



member of  Sanlam group

Investment Link Fund Performance Report September 2019

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EXECUTIVE SUMMARY

The FBMKLCI Index continued its bearish momentum to close the month of September in negative territory. The local benchmark index closed lower by -1.8% m-o-m and -6.3% YTD at 1,584 points, the lowest YTD closing. It underperformed the FTSE Bursa EMAS which fell a lower rate of -1.3% during the same period.

Malaysia Government Securities (“MGS”) saw some selling-off on the longer-end of the curve amid the worries of potential exclusion of Malaysian bonds from the FTSE Russell World Government Bond Index. Ringgit strengthened to MYR4.1865/USD (Sep’19: MYR4.2050/USD) after the US Fed cut the overnight rate by 25bps to 2.00%. Brent crude oil prices rallied to USD69.02/barrel in middle of the month after the Saudi’s oil facility being attacked, threatening 5% of the global oil supply, as compared to a month earlier at USD60.43/barrel.

On the local economic data, headline inflation was relatively flat at 1.5% YoY in Aug’19 (Jul’19: 1.4% YoY). Exports and imports fell in Aug’19 to -0.8% YoY (Jul’19: +1.7% YoY) and -12.5% YoY (Jul’19: -5.9% YoY) respectively amid the global trade tension.

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. Investors will also focus on Budget 2020 announcement scheduled on 11 October 2019 for clearer indicator on government’s moves to grow Malaysia’s economic condition.

For fixed income, following the US Fed rate cut by 25bps in September 2019 amid escalating US-China trade tension, BNM is expected to turn into more-dovish monetary stance in 4Q2019, 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 Balanced, Equity, Income and Jati funds 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	
	Fund	Benchmark	Fund	Benchmark	Fund	Benchmark	Fund	Benchmark	Fund	Benchmark	Fund	Benchmark	Fund	Benchmark
Monthly (%)	0.71%	1.87%	-0.32%	-0.99%	-0.54%	-1.75%	-0.35%	-1.75%	0.69%	2.34%	0.04%	-0.24%	-0.66%	-1.21%
3 Months (%)	-3.41%	-6.26%	-0.06%	-1.31%	-3.41%	-5.28%	-3.56%	-5.28%	0.12%	-2.22%	2.69%	2.76%	-2.28%	-3.00%
6 Months (%)	0.52%	-4.29%	2.47%	0.69%	-1.93%	-3.63%	-2.07%	-3.63%	4.62%	-0.93%	5.55%	5.15%	0.28%	0.69%
12 Months (%)	-0.34%	-4.66%	2.66%	-1.56%	-5.27%	-11.67%	-5.05%	-11.67%	1.08%	-4.39%	8.56%	9.48%	-2.37%	-7.18%

Source: MCIS 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.

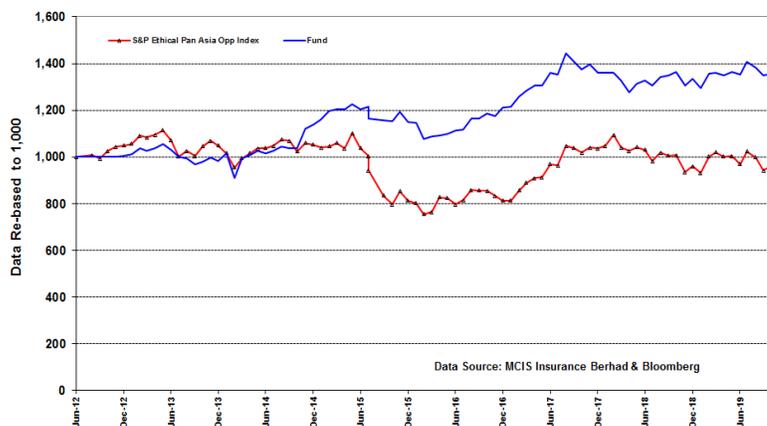
The following factors can potentially affect the value of the Fund; economic and political developments in related countries, foreign exchange fluctuation, illiquid and inefficient securities in the Emerging Markets, and the financial performance of the underlying companies.

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 116bps 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 (30.09.19)	RM0.6789
Fund Size	RM49.11 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%	89%
Cash	0%	20%	11%

Performance Table

Period	Fund	Index*
1 month (%)	0.71%	1.87%
3 months (%)	-3.41%	-6.26%
6 months (%)	0.52%	-4.29%
12 months (%)	-0.34%	-4.66%
2 years (% pa)	-0.57%	-2.92%
3 years (% pa)	4.64%	3.93%
5 years (% pa)	5.54%	-1.28%
Since Inception	4.31%	-0.56%

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

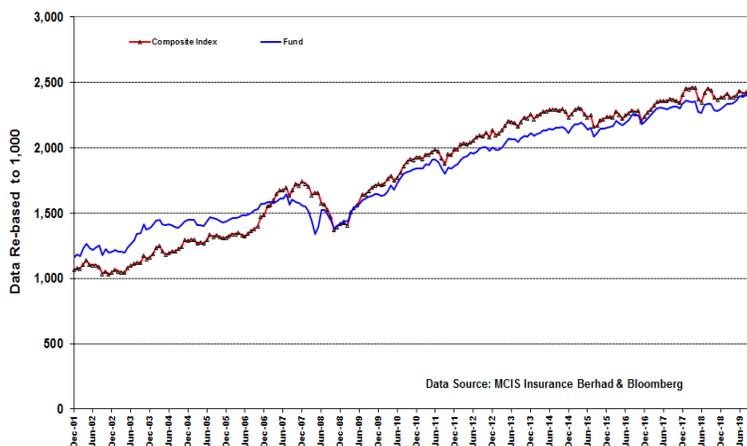
The Fund is considered medium risk given the mixed exposure of equity securities, fixed income and cash. The following factors can potentially affect the value of the Fund; consumer sentiment, financial performance of the underlying companies, industry and economy development, social and political factors, 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 outperformed the benchmark by 67bps 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
CIMB Bank Berhad (Bond)
Northern Gateway Infrastructure Sdn Bhd (Bond)
Sabah Development Bank Berhad (Bond)
Tenaga Nasional Berhad (Equity)
Sabah Credit Corporation (Bond)
Projek Lebuhraya Utara-Selatan (Bond)
Malaysia Steel Works (KL) Berhad (Bond)
Malayan Banking Berhad (Equity)
Bank Pembangunan Malaysia Berhad (Bond)

Fund Information

NAV (30.09.19)	RM1.1982
Fund Size	RM7.99 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%	42%
Cash	0%	20%	17%

Performance Table

Period	Fund	Index*
1 month (%)	-0.32%	-0.99%
3 months (%)	-0.06%	-1.31%
6 months (%)	2.47%	0.69%
12 months (%)	2.66%	-1.56%
2 years (% pa)	1.72%	0.73%
3 years (% pa)	2.13%	1.85%
5 years (% pa)	2.18%	1.01%
Since Inception	4.98%	4.99%

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

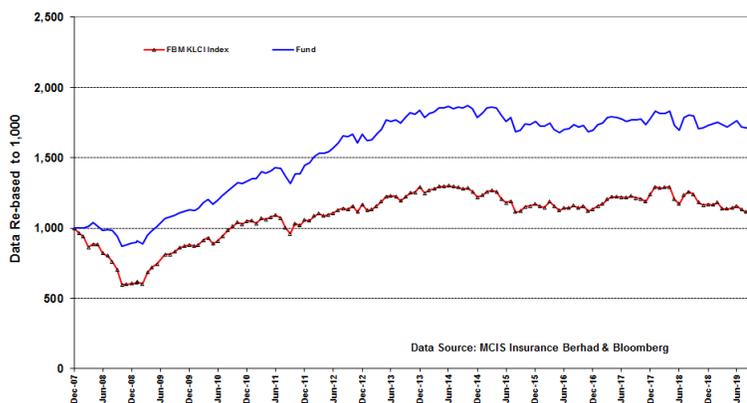
The Fund is considered high risk given the exposure to equity securities. The following factors can potentially affect the value of the Fund; consumer sentiment, financial performance of the underlying companies, the performance of the industry and economy, and the share market in general, social and 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 outperformed the benchmark by 121bps 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
 IOI Corporation Berhad
 Malayan Banking Berhad
 Petronas Dagangan Berhad
 Sime Darby Plantation Berhad

Fund Information

NAV (30.09.19)	RM0.8092
Fund Size	RM30.39 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%	91%
Cash	0%	20%	9%

Performance Table

Period	Fund	Index*
1 month (%)	-0.54%	-1.75%
3 months (%)	-3.41%	-5.28%
6 months (%)	-1.93%	-3.63%
12 months (%)	-5.27%	-11.67%
2 years (% pa)	-1.95%	-5.02%
3 years (% pa)	-0.35%	-1.40%
5 years (% pa)	-1.67%	-3.02%
Since Inception	4.64%	0.78%
Yield #	3.46%	3.63%

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

The Fund returns are calculated by MCIS 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

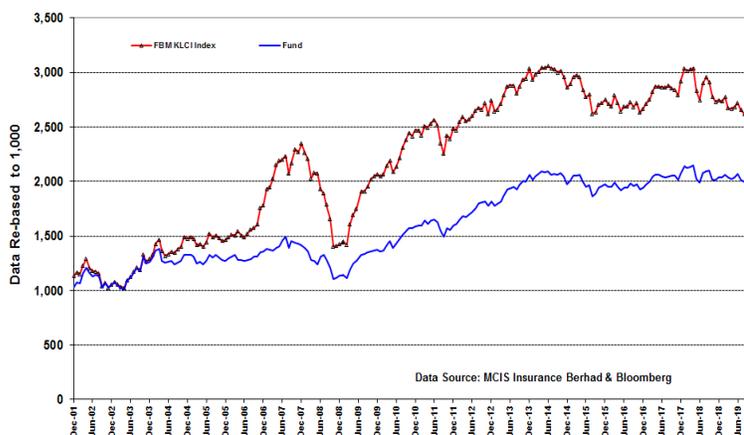
The Fund is considered high risk given the exposure to equity securities. The following factors can potentially affect the value of the Fund; consumer sentiment, financial performance of the underlying companies, the performance of the industry and economy, and the share market in general, social and 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 outperformed the benchmark by 140bps 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 (30.09.19)	RM0.9960
Fund Size	RM9.20 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 (%)	-0.35%	-1.75%
3 months (%)	-3.56%	-5.28%
6 months (%)	-2.07%	-3.63%
12 months (%)	-5.05%	-11.67%
2 years (% pa)	-1.47%	-5.02%
3 years (% pa)	0.52%	-1.40%
5 years (% pa)	-0.67%	-3.02%
Since Inception	3.90%	0.78%
Yield #	3.37%	3.63%

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

The Fund returns are calculated by MCIS 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.

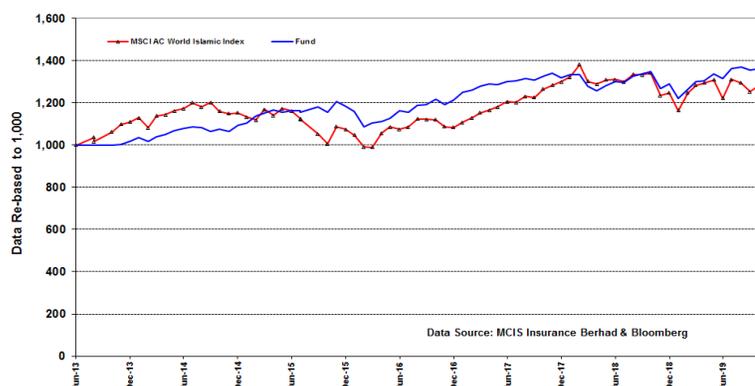
The following factors can potentially affect the value of the Fund; economic and political developments in related countries, foreign exchange fluctuation, illiquid and inefficient securities in the Emerging Markets, and the financial performance of the underlying companies.

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 (30.09.19)	RM0.6810
Fund Size	RM44.95 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 (%)	0.69%	2.34%
3 months (%)	0.12%	-2.22%
6 months (%)	4.62%	-0.93%
12 months (%)	1.08%	-4.39%
2 years (% pa)	1.39%	0.66%
3 years (% pa)	3.89%	4.59%
5 years (% pa)	4.85%	2.53%
Since Inception	5.07%	4.05%

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.

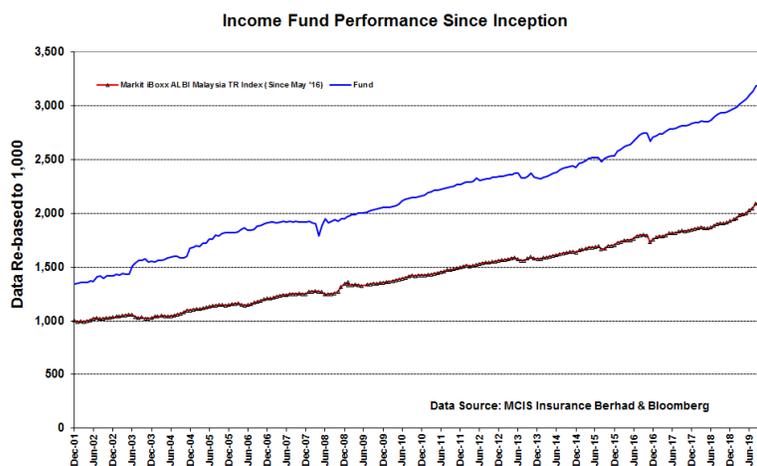
Risks

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 28bps MoM (month on month). The outperformance was due to outperforming 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 (30.09.19)	RM1.5930
Fund Size	RM32.21 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%	83%
Cash	0%	25%	17%

Performance Table

Period	Fund	Index*
1 month (%)	0.04%	-0.24%
3 months (%)	2.69%	2.76%
6 months (%)	5.55%	5.15%
12 months (%)	8.56%	9.48%
2 years (% pa)	6.42%	6.55%
3 years (% pa)	5.04%	5.02%
5 years (% pa)	5.57%	5.03%
Since Inception	6.65%	4.17%

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

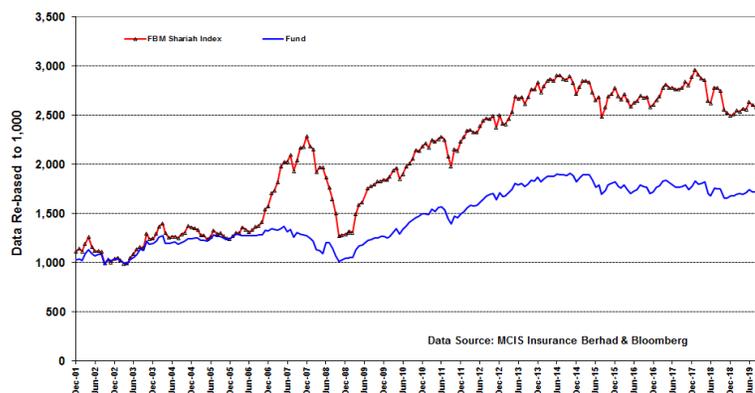
The Fund is considered high risk given the exposure to equity securities. The following factors can potentially affect the value of the Fund; consumer sentiment, financial performance of the underlying companies, the performance of the industry and economy, and the share market in general, social and 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 outperformed the benchmark by 55bps 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
 Petronas Chemicals Group Berhad
 Axiata Group Berhad
 Perlis Plantation Berhad
 Petronas Gas Berhad
 Sime Darby Plantation Berhad
 Telekom Malaysia Berhad
 MISC Berhad
 Maxis Berhad
 IOI Corporation Berhad

Fund Information

NAV (30.09.19)	RM0.8545
Fund Size	RM14.50 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%	82%
Cash	0%	20%	18%

Performance Table

Period	Fund	Index*
1 month (%)	-0.66%	-1.21%
3 months (%)	-2.28%	-3.00%
6 months (%)	0.28%	0.69%
12 months (%)	-2.37%	-7.18%
2 years (% pa)	-2.02%	-4.10%
3 years (% pa)	-1.26%	-1.59%
5 years (% pa)	-1.99%	-2.25%
Since Inception	3.02%	5.35%
Yield #	2.36%	2.67%

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.

Equity Market Review and Outlook

Market Review

The FBMKLCI Index continued its bearish momentum to close the month of September in negative territory. The local benchmark index closed lower by -1.8% m-o-m and -6.3% YTD at 1,584 points, the lowest YTD closing. It underperformed the FTSE Bursa EMAS which fell a lower rate of -1.3% during the same period.

During the month, foreign investors bought RM10.3billion of equities but sold a higher amount, or RM10.8billion of equities, resulting in a net selling of equity of RM0.5billion. For 9M19, Malaysia witnessed net foreign outflow of RM5.8billion, due to concerns over corporate earnings risks, and global uncertainties, namely US-China trade tension, Brexit and geopolitical risks.

The average daily value traded on the Malaysian stock exchange fell -4.3% m-o-m and 26% y-o-y to RM1.83billion in September 2019. The monthly decline in trading value could be due partly to lower trading participation by local institutional investors.

On the other hand, global equity markets performed positively during the month, led by Europe and Japan markets. In the US, Dow Jones and S&P500 posted higher return by 1.9% and 1.7% respectively. Meanwhile, Bloomberg European 500 index increased 3.4% on monthly basis. The US continued to post moderate growth figures as the economy remains one of the strongest in the developed world. The attack on Saudi Arabia's oil refineries (5% of world supply) sent oil prices up and close the month at USD60.78/barrel or +0.6% m-o-m.

Chart 1: FBMKLCI Weekly Chart



Source: Bloomberg

Chart 2: FBMKLCI Monthly Chart



Source: Bloomberg

Market Outlook & Strategy

Technically, the FBMKLCI continued to close lower in September after failing to stay above the 1,600 psychological mark. As the index has fallen below the previous resistance and also moving average, we reckon that the short-term downtrend is likely to continue. With no catalyst to reverse the market, trading is expected to be cautious at best. Continue to look for more downside ahead. The support is seen at 1,500.

Based on historical data, the FBMKLCI's performance tends to be positive in October, having registered an average monthly gain of 1.8% over the past 10 years, and an average monthly gain of 1.2% over the past 40 years. The positive gains in the past could be due partly to positive reaction to Budget goodies.

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. Investors will also focus on Budget 2020 announcement scheduled on 11 October 2019 for clearer indicator on government's moves to grow Malaysia's economic condition.

Fixed Income Review and Outlook

Market Review

Malaysia Government Securities (“MGS”) saw some selling-off on the longer-end of the curve amid the worries of potential exclusion of Malaysian bonds from the FTSE Russell World Government Bond Index. Ringgit strengthened to MYR4.1865/USD (Sep’19: MYR4.2050/USD) after the US Fed cut the overnight rate by 25bps to 2.00%. Brent crude oil prices rallied to USD69.02/barrel in middle of the month after the Saudi’s oil facility being attacked, threatening 5% of the global oil supply, as compared to a month earlier at USD60.43/barrel.

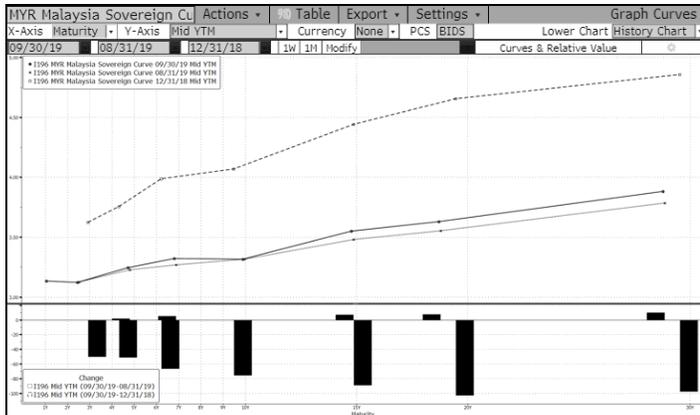
On the local economic data, headline inflation was relatively flat at 1.5% YoY in Aug’19 (Jul’19: 1.4% YoY). Exports and imports fell in Aug’19 to -0.8% YoY (Jul’19: +1.7% YoY) and -12.5% YoY (Jul’19: -5.9% YoY) respectively amid the global trade tension. This has resulted in a shrinking trade balance to a smaller surplus at MYR10.9 billion (Jul’19: +MYR14.3 billion).

External reserve fell again to USD103.0 billion as at end-September 2019 (end-Aug’19: USD103.5 billion), after taking into account the quarterly adjustment for foreign exchange revaluation changes. 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.

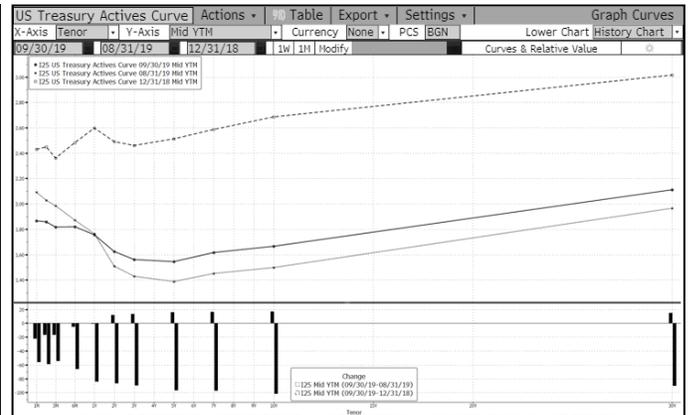
The auctions unveiled in September 2019 are as follows;

Government Auctions				
Issue	Issue Date	Amount	Bid-cover	Avg Yield
		(RM million)	(times)	(%)
7year Re-Issuance of MGS(Mat 07/26)	20/9/2019	3,000.00	1.26	3.39
15year Re-Issuance of GII(Mat 11/34)	30/9/2019	2,500.00	3.20	3.63

Source: Bank Negara Malaysia



Source: Bloomberg



Source: Bloomberg

The 10-year US Treasury (“UST”) Yield spiked to 1.90% in the month following a calmer trade talk atmosphere between US and China. Subsequently, the US Fed cut the overnight rate by 25bps to a range of 1.75%-2.00% as per market expectation, together with a weaker consumer confidence index (Sep’19:125.1; Aug’19:133.3), moving the 10-year UST yield lower to 1.67% as at end-Sep’19.

Market Outlook & Strategy

Following the US Fed rate cut by 25bps in September 2019 amid escalating US-China trade tension, BNM is expected to turn into more-dovish monetary stance in 4Q2019, 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.