



## **Investment Linked Fund Performance Report March 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 fell 64 points (or -3.8% m-o-m) in March to close at 1,643 points and ended 2.8% lower y-o-y in 1Q19. This represents the worst monthly performances by the local bourse since October 2018. It underperformed the FBM EMAS Index which fell by 2.3% during the same period. The average daily value traded on Bursa Malaysia in March rose 25% m-o-m due to higher trading activities by local retail investors.

For fixed income market, Malaysia Government Securities (“MGS”) continued its rally into March, driving the yields lower across the curve on the back of an Overnight Policy Rate (“OPR”) cut speculation this year. Bank Negara Malaysia (“BNM”) released its Annual Report in the month, signalling a more dovish stance with lower revised projections of GDP growth and inflation.

On the local economic front, Malaysia’s exports registered a sharp decline of 5.3% y-o-y in February 2019, after expanding 3.1% in the previous month. We believe it was likely distorted by the timing of the Lunar New Year holidays, which fell on early February 2019, compared to mid-month in February 2018. This was also mirrored by China’s export data, which saw a 20.7% decline in the same month, but preliminary numbers are pointing to a recovery in March.

For equity, we are cautious on the equity market outlook especially on the first half of the year. Corporate earnings were still weak and 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 latest BNM Annual Report, BNM is expected to turn dovish in monetary policy in order to support the weak economy. The external risk factors such as geopolitical tension in the Middle-East, US-China trade war 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, all of the funds outperformed their benchmarks except for Global Yakin and Income Funds.

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 (%)	-0.79%	-1.63%	0.02%	-1.17%	-0.90%	-3.75%	-1.35%	-3.75%	0.28%	0.88%	0.91%	1.41%	0.16%	-0.38%
3 Months (%)	4.39%	7.75%	1.82%	0.09%	0.23%	-2.78%	-0.07%	-2.78%	6.85%	11.23%	2.03%	2.97%	1.39%	1.60%
6 Months (%)	3.46%	-0.38%	0.18%	-2.24%	-3.41%	-8.34%	-3.04%	-8.34%	-3.38%	-3.50%	2.85%	4.12%	-2.64%	-7.81%
12 Months (%)	2.85%	-2.24%	-0.40%	-3.13%	-4.37%	-11.80%	-4.63%	-11.80%	3.61%	0.48%	5.35%	6.02%	-5.81%	-11.66%

Source: MCIS Insurance Berhad

# AsiaPac Fund Monthly Report (March 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.

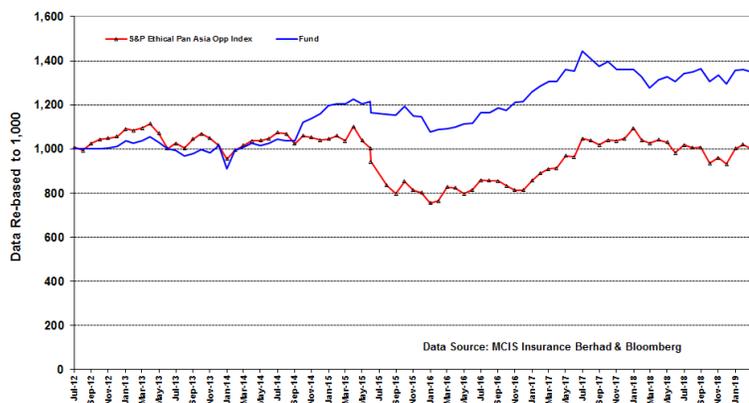
The following factors can potentially affect the value of the Fund; economic and political developments in related countries, foreign exchange fluctuation, illiquid and inefficient securities in the Emerging Markets, and the financial performance of the underlying companies.

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 March 2019, the fund had outperformed the benchmark by 84bps 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 (29.03.19)	RM0.6754
Fund Size	RM49.67 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%	79.7%
Cash	0%	20%	20.3%

## Performance Table

Period	Fund	Index*
1 month (%)	-0.79%	-1.63%
3 months (%)	4.39%	7.75%
6 months (%)	3.46%	-0.38%
12 months (%)	2.85%	-2.24%
2 years (% pa)	3.48%	10.23%
3 years (% pa)	7.11%	6.61%
5 years (% pa)	5.67%	-0.26%
Since Inception	4.56%	0.04%

**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 (March 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

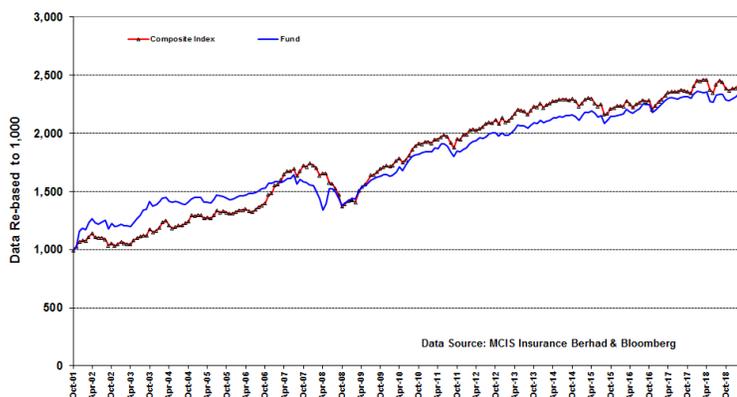
The Fund is considered medium risk given the mixed exposure of equity securities, fixed income and cash. The following factors can potentially affect the value of the Fund; consumer sentiment, financial performance of the underlying companies, industry and economy development, social and political factors, 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 March 2019, the fund had outperformed the benchmark by 119bps MoM (month on month). The outperformance was mainly driven by higher exposure of outperforming securities in the portfolio compared to benchmark.

Balanced Fund Performance Since Inception



### Top Ten Holdings

- Malaysian Government Securities (Bond)
- CIMB Bank Berhad (Bond)
- Northern Gateway Infrastructure Sdn Bhd (Bond)
- Sabah Development Bank Berhad (Bond)
- Tenaga Nasional Berhad (Equity)
- Malayan Banking Berhad (Equity)
- Sabah Credit Corporation (Bond)
- Projek Lebuhraya Utara-Selatan (Bond)
- Malaysia Steel Works (KL) Berhad (Bond)
- CIMB Bank Berhad (Equity)

### Fund Information

NAV (29.03.19)	RM1.1693
Fund Size	RM7.78 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%	44%
Fixed Income	40%	60%	53%
Cash	0%	20%	3%

### Performance Table

Period	Fund	Index*
1 month (%)	0.02%	-1.17%
3 months (%)	1.82%	0.09%
6 months (%)	0.18%	-2.24%
12 months (%)	-0.40%	-3.13%
2 years (% pa)	1.25%	1.34%
3 years (% pa)	1.94%	1.51%
5 years (% pa)	2.04%	1.11%
Since Inception	4.97%	5.09%

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

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

\* 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 (March 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

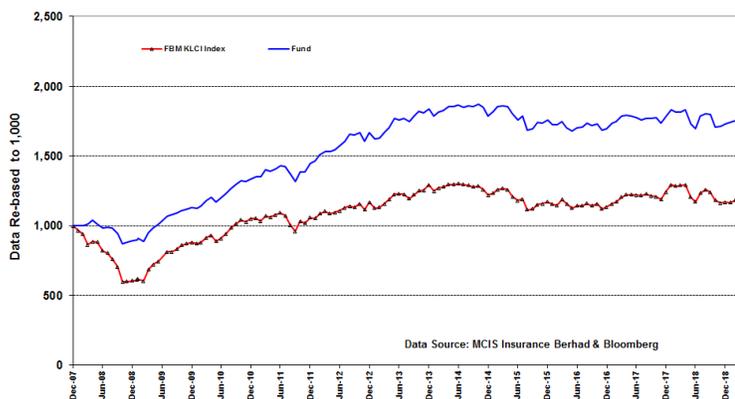
The Fund is considered high risk given the exposure to equity securities. The following factors can potentially affect the value of the Fund; consumer sentiment, financial performance of the underlying companies, the performance of the industry and economy, and the share market in general, social and 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 March 2019, the fund had outperformed the benchmark by 285bps 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 Chemicals Group Berhad  
 Petronas Gas Berhad  
 Public Bank Berhad  
 Maxis Berhad  
 Tenaga Nasional Berhad  
 Malayan Banking Berhad  
 DiGi.Com Berhad  
 IOI Corporation Berhad  
 Petronas Dagangan Berhad  
 Sime Darby Plantation Berhad

### Fund Information

NAV (29.03.19)	RM0.8251
Fund Size	RM31.30 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%	98%
Cash	0%	20%	2%

### Performance Table

Period	Fund	Index*
1 month (%)	-0.90%	-3.75%
3 months (%)	0.23%	-2.78%
6 months (%)	-3.41%	-8.34%
12 months (%)	-4.37%	-11.80%
2 years (% pa)	-1.45%	-2.81%
3 years (% pa)	-0.21%	-1.46%
5 years (% pa)	-1.01%	-2.33%
Since Inception	5.03%	1.15%
Yield #	3.47%	3.43%

**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 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 (March 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

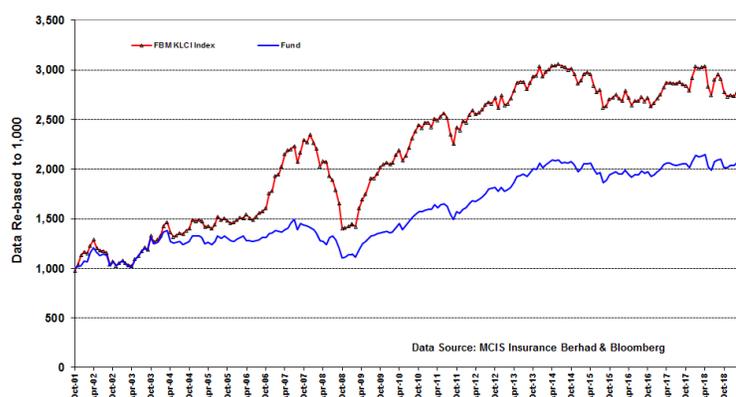
The Fund is considered high risk given the exposure to equity securities. The following factors can potentially affect the value of the Fund; consumer sentiment, financial performance of the underlying companies, the performance of the industry and economy, and the share market in general, social and 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 March 2019, the fund had outperformed the benchmark by 240bps 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

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

## Fund Information

NAV (29.03.19)	RM1.0171
Fund Size	RM9.54 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%	95%
Cash	0%	20%	5%

## Performance Table

Period	Fund	Index*
1 month (%)	-1.35%	-3.75%
3 months (%)	-0.07%	-2.78%
6 months (%)	-3.04%	-8.34%
12 months (%)	-4.63%	-11.80%
2 years (% pa)	-0.26%	-2.81%
3 years (% pa)	0.75%	-1.46%
5 years (% pa)	-0.33%	-2.33%
Since Inception	4.14%	5.77%
Yield #	3.40%	3.43%

**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 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 (March 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.

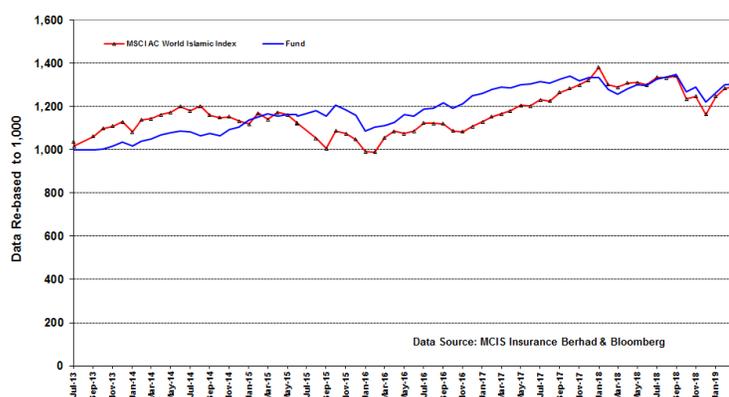
The following factors can potentially affect the value of the Fund; economic and political developments in related countries, foreign exchange fluctuation, illiquid and inefficient securities in the Emerging Markets, and the financial performance of the underlying companies.

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 March 2019, the fund had underperformed the benchmark by 60bps 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 (29.03.19)	RM0.6509
Fund Size	RM40.05 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%	82%
Cash	0%	20%	18%

### Performance Table

Period	Fund	Index*
1 month (%)	0.28%	0.88%
3 months (%)	6.85%	11.23%
6 months (%)	-3.38%	-3.50%
12 months (%)	3.61%	0.48%
2 years (% pa)	0.51%	5.38%
3 years (% pa)	5.41%	6.99%
5 years (% pa)	4.38%	3.12%
Since Inception	4.69%	4.58%

**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 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 (March 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.

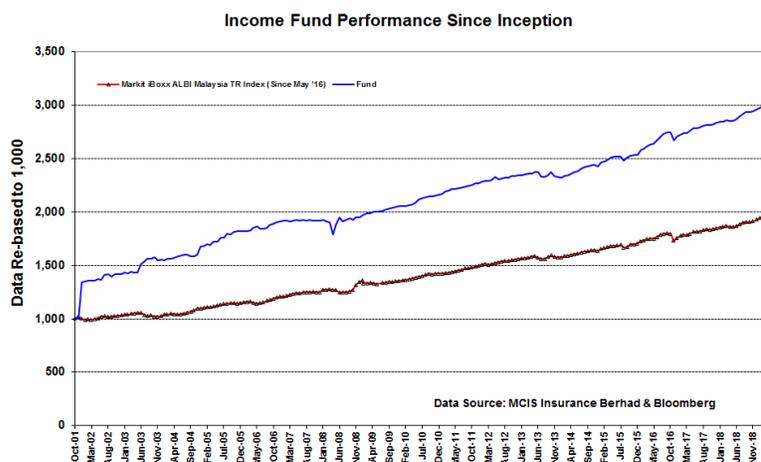
### Risks

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 March 2019, the fund had underperformed the benchmark by 50bps MoM (month on month). The underperformance was due to underperforming of the fixed income securities compared to the benchmark index.



### Top Ten Holdings

Northern Gateway Infrastructure Sdn Bhd  
 UiTM Solar Power Sdn Berhad  
 SAJ Capital Sdn Bhd  
 Malaysia Steel Works (KL) Berhad  
 YTL Corporation Berhad  
 Sabah Development Bank Berhad  
 CIMB Bank Berhad  
 Quantum Solar Park Malaysia Sdn Bhd  
 Asian Finance Bank Berhad  
 Malaysian Government Securities

### Fund Information

NAV (29.03.19)	RM1.5092
Fund Size	RM30.06 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%	87%
Cash	0%	25%	13%

### Performance Table

Period	Fund	Index*
1 month (%)	0.91%	1.41%
3 months (%)	2.03%	2.97%
6 months (%)	2.85%	4.12%
12 months (%)	5.35%	6.02%
2 years (% pa)	4.95%	5.43%
3 years (% pa)	4.84%	4.37%
5 years (% pa)	5.15%	4.51%
Since Inception	6.52%	4.00%

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

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

\* The benchmark index is Markit iBoxx ALBI Malaysia TR Index (Since Dec '12). Prior to that, the index used was HSBC Malaysia All Bond Index. Benchmark return is calculated on re-based basis. The source is from the subscription of Markit Indices.

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 (March 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

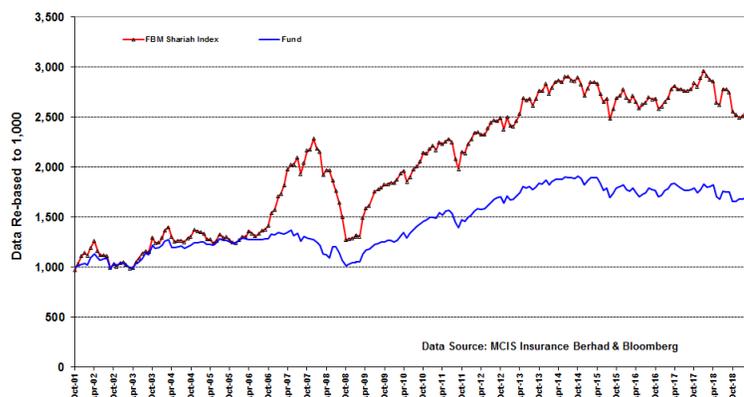
The Fund is considered high risk given the exposure to equity securities. The following factors can potentially affect the value of the Fund; consumer sentiment, financial performance of the underlying companies, the performance of the industry and economy, and the share market in general, social and 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 March 2019, the fund had outperformed the benchmark by 54bps 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

Petronas Chemicals Group Berhad  
 Tenaga Nasional Berhad  
 Axiata Group Berhad  
 Petronas Gas Berhad  
 Perlis Plantation Berhad  
 Sime Darby Plantation Berhad  
 Maxis Berhad  
 Kuala Lumpur Kepong Berhad  
 IHH Healthcare Berhad  
 IOI Corporation Berhad

### Fund Information

NAV (29.03.19)	RM0.8521
Fund Size	RM13.62 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%	87%
Cash	0%	20%	13%

### Performance Table

Period	Fund	Index*
1 month (%)	0.16%	-0.38%
3 months (%)	1.39%	1.60%
6 months (%)	-2.64%	-7.81%
12 months (%)	-5.81%	-11.66%
2 years (% pa)	-3.51%	-4.48%
3 years (% pa)	-1.65%	-2.21%
5 years (% pa)	-1.91%	-2.32%
Since Inception	3.09%	5.47%
Yield #	2.66 %	2.84%

**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 Index fell 64 points (or -3.8% m-o-m) in March to close at 1,643 points and ended 2.8% lower y-o-y in 1Q19. This represents the worst monthly performances by the local bourse since October 2018. It underperformed the FBM EMAS Index which fell by 2.3% during the same period. The average daily value traded on Bursa Malaysia in March rose 25% m-o-m due to higher trading activities by local retail investors.

The decline in the market was driven by concerns over potential earnings risks for banks due to a possible overnight policy rate (OPR) cut and corporate earnings risk due to slowing global growth prospects and policy uncertainties. This has resulted in net foreign outflow doubling from RM0.8billion in February 19 to RM1.6billion in March 2019. Key index stocks that contributed to the decline in March were Malaysia Airports, Hartalega, Genting, CIMB Group and Public Bank.

On the local economic front, Malaysia's exports registered a sharp decline of 5.3% y-o-y in February 2019, after expanding 3.1% in the previous month. We believe it was likely distorted by the timing of the Lunar New Year holidays, which fell on early February 2019, compared to mid-month in February 2018. This was also mirrored by China's export data, which saw a 20.7% decline in the same month, but preliminary numbers are pointing to a recovery in March.

The Global equity markets extended its rally for a third straight month. This was backed by positive sentiment on a dovish Federal Reserve and a potential of US-China trade deal trumped yield curve inversion concerns as well as mixed economic prints coming out from the US. Dow Jones and S&P 500 Index gained 0.05% m-o-m and 1.8% m-o-m respectively.

Chart 1: FBMKLCI Daily Chart



Source: CIMB Research

Chart 2: FBMKLCI Weekly Chart



Source: CIMB Research

## Market Outlook & Strategy

Technically the selling is likely to continue as there are no signs of a reversal just yet. The next level to be tested is the December 2018 low of 1,626. The wedge support at 1,610-1,617 is the next support, followed by the psychological 1,600 levels. Anything below 1,581 is very negative for the benchmark index. Cycle-wise, most of the longer-term cycles are still on a downtrend. The cycles should keep the local market under pressure until mid-year. Generally for 2019, the bears are likely to have the upper hand.

Based on historical data, the performance of the FBMKLCI in April tends to be positive, registering an average monthly gain of 1.6% over the past 10 years and positive return of 2.1% over the past 40 years.

Moving forward, we are cautious on the equity market outlook especially on the first half of the year. 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”) continued its rally into March, driving the yields lower across the curve on the back of an Overnight Policy Rate (“OPR”) cut speculation this year. Bank Negara Malaysia (“BNM”) released its Annual Report in the month, signalling a more dovish stance with lower revised projections of GDP growth and inflation. MGS levels were last seen at: 3Y 3.421% (-15), 5Y 3.532% (-18), 7Y 3.716% (-15), 10Y 3.773% (-12), 15Y 4.092% (-20), 20Y 4.292% (-20), 30Y 4.581% (-13). Ringgit weakened against the green back to RM4.0810/USD (Feb’19: RM4.0650/USD). Brent crude oil prices ended higher to USD68.39/barrel compared to USD66.03/barrel a month earlier.

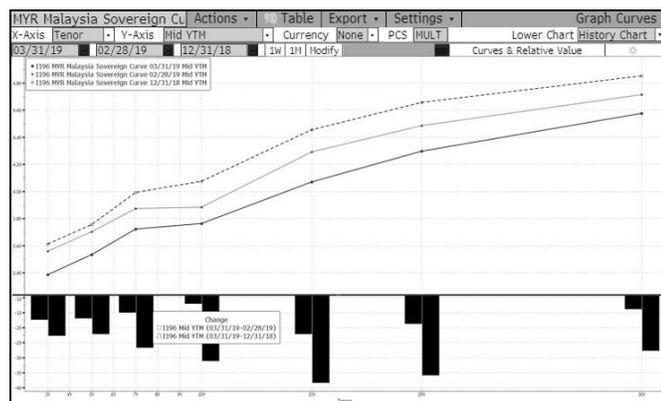
On local economic data, Malaysia’s inflation maintained in the negative territory at -0.4% (Jan’19: -0.7%) for the second consecutive month in February on the back of high base crude oil prices a year earlier, which has resulted in decline in Transport cost at -6.8% (Jan’19: -7.8%). BNM has projected the inflation to move slightly higher in the later months, making the 2019 full year inflation in a range of 0.7%-1.7%. Trade started sluggish in 2019, with exports and imports in January 2019 grew slowly at +3.1% (Dec’18: +5.1%) and +1.0% (Dec’18: +1.0%) respectively, where the trade balance was seen higher at RM11.5bil (Dec’18: RM10.7bil).

External reserve increased to USD102.4bil in end-Feb’19 (end-Jan’19: USD102.1bil) following the strong net foreign flows returning into the local bond market. The reserve is sufficient to cover 7.4 months of retained import and 1.0 times short term external debt, and is above the IMF’s estimate of adequate reserve level of USD96.9bil.

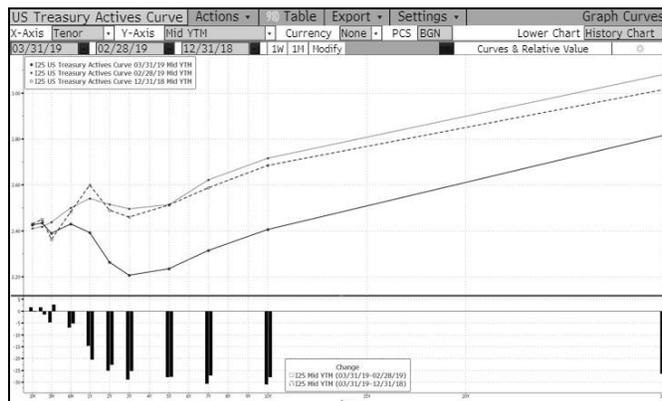
The auctions unveiled in March 2019 are as follows;

Government Auctions Issue	Issue Date	Amount (RM million)	Bid-cover (times)	Avg Yield (%)
3-year Re-Issuance of MGS (Mat 03/22)	8/3/2019	3,000.00	3.13	3.48
20-year New Issuance of GII (Mat 09/39)	15/3/2019	4,500.00	2.76	4.47
30-year Re-Issuance of MGS (Mat 07/48)	22/3/2019	4,000.00	1.72	4.59
7-year New Issuance of GII (Mat 03/26)	29/3/2019	4,000.00	2.33	3.73

Source: Bank Negara Malaysia



Source: Bloomberg



Source: Bloomberg

The 10-year US Treasury yield dipped to a 15-month low at 2.368% after the US Fed has changed its monetary policy to the interest rates unchanged for the rest of the year, signaling its worries on the US economy amid US-China trade war.

### Market Outlook & Strategy

Following the latest BNM Annual Report, BNM is expected to turn dovish in monetary policy in order to support the weak economy. The external risk factors such as geopolitical tension in the Middle-East, US-China trade war 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.