



Investment Linked Fund Performance Report May 2019

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EXECUTIVE SUMMARY

The FBMKLCI Index rose 0.5% m-o-m (or 8.5 points) to close at 1,651 points at the end of May 2019. The average daily value traded on the Malaysian stock exchange fell 5.5% m-o-m to RM2.25billion in May 2019, partly due to lower trading activities by local institution and retail investors.

For fixed income market, Malaysia Government Securities (“MGS”) prices rallied across the curve, moving the yields lower in May following a 25bps cut in Overnight Policy Rate (“OPR”) by BNM in addition to the worsening US-China trade war tension, weaker GDP figure as well as the lower US Treasury yields. Ringgit was seen weakening further against the green back to RM 4.1890/USD from RM 4.1330/USD a month earlier. Brent crude oil prices were last seen at USD64.49/barrel compared to USD72.80/barrel a month before.

On the local economic front, Malaysia’s Industrial Production Index (IPI) growth accelerated in April to grow 4% y-o-y, from 3.1% in March. This was above Bloomberg’s consensus and our estimate of 2.5% and 2.4% respectively and was mainly led by rebound in mining activity and a broad-based acceleration in manufacturing activity, buoyed by both export and domestic-oriented production. The better-than-expected IPI performance in April is evident of a resilient and diversified economy.

For equity, we are cautious on the equity market outlook. 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 25bps OPR cut in May 2019, BNM is expected to maintain slight-dovish monetary stance for the remaining 2019, in line with the weaker economic prospect and the expectation of US Fed rate cuts. 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.

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 (%)	-0.89%	-3.45%	0.88%	0.60%	1.33%	0.52%	0.81%	0.52%	-1.72%	-6.56%	0.81%	0.68%	0.99%	-0.35%
3 Months (%)	-0.66%	-5.00%	1.00%	-0.52%	-0.53%	-3.34%	-1.08%	-3.34%	1.16%	-4.74%	2.62%	2.32%	0.62%	0.54%
6 Months (%)	1.42%	0.90%	3.49%	1.44%	1.86%	-1.73%	1.32%	-1.73%	2.02%	-1.92%	4.32%	4.63%	3.37%	1.40%
12 Months (%)	1.78%	-6.01%	3.75%	1.17%	0.71%	-5.16%	0.76%	-5.16%	0.94%	-6.69%	7.49%	7.67%	0.20%	-3.12%

Source: MCI/S Insurance Berhad

AsiaPac Fund Monthly Report (May 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.

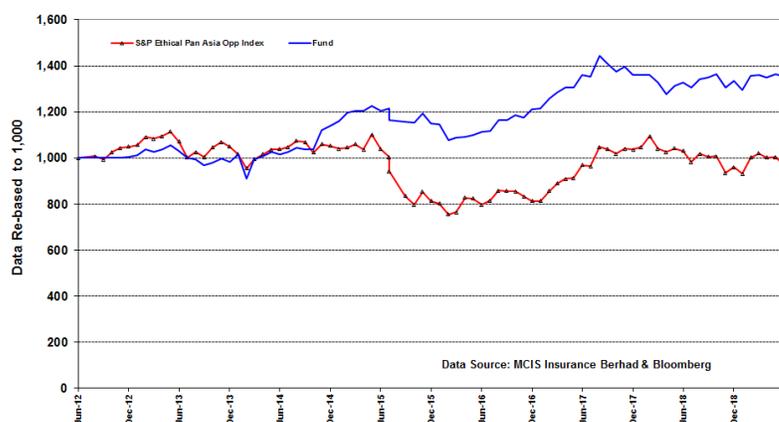
The following factors can potentially affect the value of the Fund; economic and political developments in related countries, foreign exchange fluctuation, illiquid and inefficient securities in the Emerging Markets, and the financial performance of the underlying companies.

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 May 2019, the fund had outperformed the benchmark by 256bps 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 (31.05.19)	RM0.6763
Fund Size	RM50.68 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
Exceptional Circumstances	Refer to your Policy Document

Asset Allocation Ranges

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

Performance Table

Period	Fund	Index*
1 month (%)	-0.89%	-3.45%
3 months (%)	-0.66%	-5.00%
6 months (%)	1.42%	0.90%
12 months (%)	1.78%	-6.01%
2 years (% pa)	-0.27%	-0.08%
3 years (% pa)	6.67%	6.68%
5 years (% pa)	5.87%	-1.40%
Since Inception	4.46%	-0.46%

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 (May 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

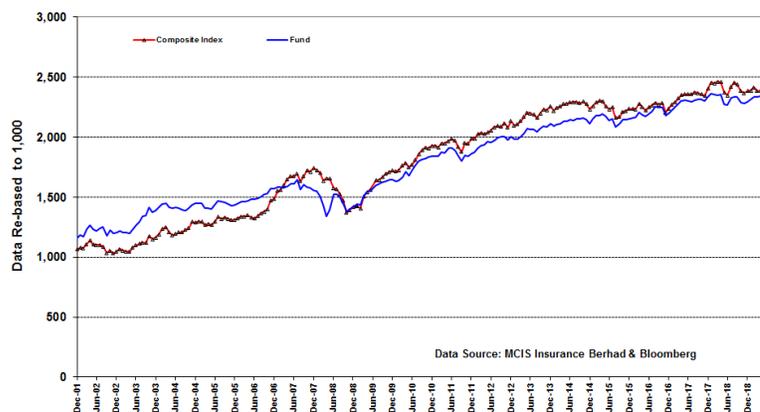
The Fund is considered medium risk given the mixed exposure of equity securities, fixed income and cash. The following factors can potentially affect the value of the Fund; consumer sentiment, financial performance of the underlying companies, industry and economy development, social and political factors, 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 May 2019, the fund had outperformed the benchmark by 28bps 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)
Sabah Credit Corporation (Bond)
Malayan Banking Berhad (Equity)
Projek Lebuh raya Utara-Selatan (Bond)
Malaysia Steel Works (KL) Berhad (Bond)
Bank Pembangunan Malaysia Berhad (Bond)

Fund Information

NAV (31.05.19)	RM1.1808
Fund Size	RM7.8 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
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%	51%
Cash	0%	20%	5%

Performance Table

Period	Fund	Index*
1 month (%)	0.88%	0.60%
3 months (%)	1.00%	-0.52%
6 months (%)	3.49%	1.44%
12 months (%)	3.75%	1.17%
2 years (% pa)	1.20%	0.91%
3 years (% pa)	2.79%	2.61%
5 years (% pa)	2.03%	1.03%
Since Inception	4.98%	5.08%

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 (May 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

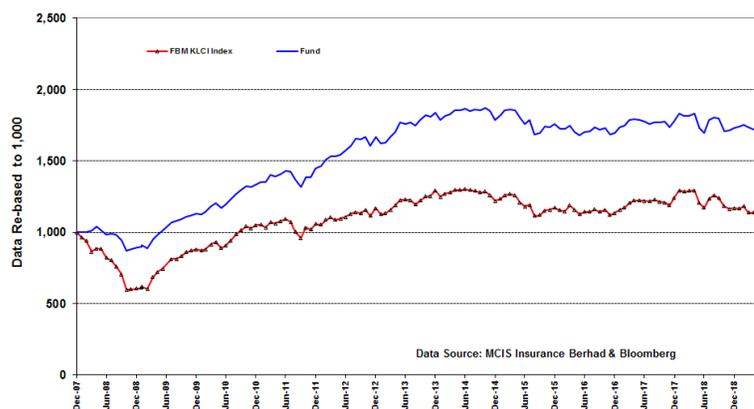
The Fund is considered high risk given the exposure to equity securities. The following factors can potentially affect the value of the Fund; consumer sentiment, financial performance of the underlying companies, the performance of the industry and economy, and the share market in general, social and 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 May 2019, the fund had outperformed the benchmark by 81bps 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
 Public Bank Berhad
 Maxis Berhad
 DiGi.Com Berhad
 Malayan Banking Berhad
 Tenaga Nasional Berhad
 Axiata Group Berhad
 IOI Corporation Berhad
 Petronas Dagangan Berhad

Fund Information

NAV (31.05.19)	RM0.8282
Fund Size	RM31.41 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
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 (%)	1.33%	0.52%
3 months (%)	-0.53%	-3.34%
6 months (%)	1.86%	-1.73%
12 months (%)	0.71%	-5.16%
2 years (% pa)	-1.21%	-3.31%
3 years (% pa)	1.28%	0.51%
5 years (% pa)	-1.25%	-2.50%
Since Inception	4.99%	1.17%
Yield #	3.40%	3.38%

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 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 (May 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

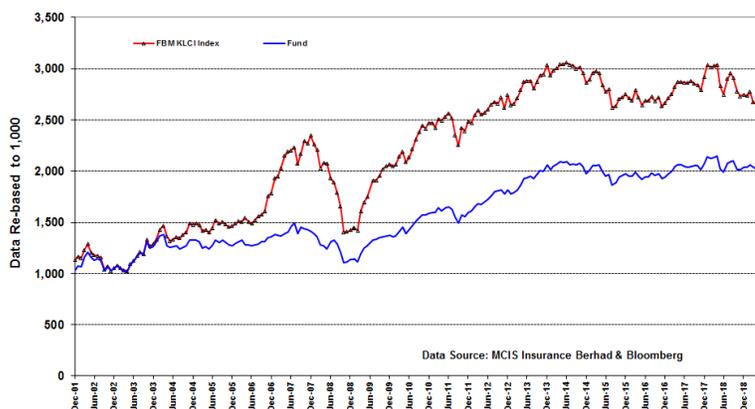
The Fund is considered high risk given the exposure to equity securities. The following factors can potentially affect the value of the Fund; consumer sentiment, financial performance of the underlying companies, the performance of the industry and economy, and the share market in general, social and 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 May 2019, the fund had outperformed the benchmark by 29bps 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
IOI Corporation Berhad
Petronas Chemicals Group Berhad
Petronas Gas Berhad
Petronas Dagangan Berhad
Sime Darby Plantation Berhad
Maxis Berhad
CIMB Bank Berhad

Fund Information

NAV (31.05.19)	RM1.0199
Fund Size	RM9.51 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
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 (%)	0.81%	0.52%
3 months (%)	-1.08%	-3.34%
6 months (%)	1.32%	-1.73%
12 months (%)	0.76%	-5.16%
2 years (% pa)	-0.47%	-3.31%
3 years (% pa)	2.08%	0.51%
5 years (% pa)	-0.42%	-2.50%
Since Inception	4.12%	5.74%
Yield #	3.32%	3.38%

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 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 (May 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.

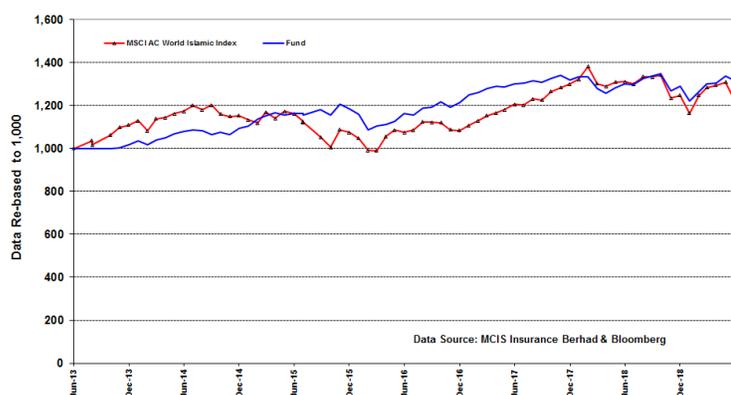
The following factors can potentially affect the value of the Fund; economic and political developments in related countries, foreign exchange fluctuation, illiquid and inefficient securities in the Emerging Markets, and the financial performance of the underlying companies.

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 May 2019, the fund had outperformed the benchmark by 484bps MoM (month on month). The outperformance was mainly due to outperforming of the underlying securities compared to the benchmark index.

Global Yakin Fund Performance Since Inception



Top Ten Holdings

Aberdeen Standard Islamic World Equity Fund (ASIWEF)

Fund Information

NAV (31.05.19)	RM0.6566
Fund Size	RM40.5 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
Exceptional Circumstances	Refer to your Policy Document

Asset Allocation Ranges

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

Performance Table

Period	Fund	Index*
1 month (%)	-1.72%	-6.56%
3 months (%)	1.16%	-4.74%
6 months (%)	2.02%	-1.92%
12 months (%)	0.94%	-6.69%
2 years (% pa)	0.50%	0.68%
3 years (% pa)	4.21%	4.36%
5 years (% pa)	4.04%	1.02%
Since Inception	4.71%	3.44%

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 (May 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.

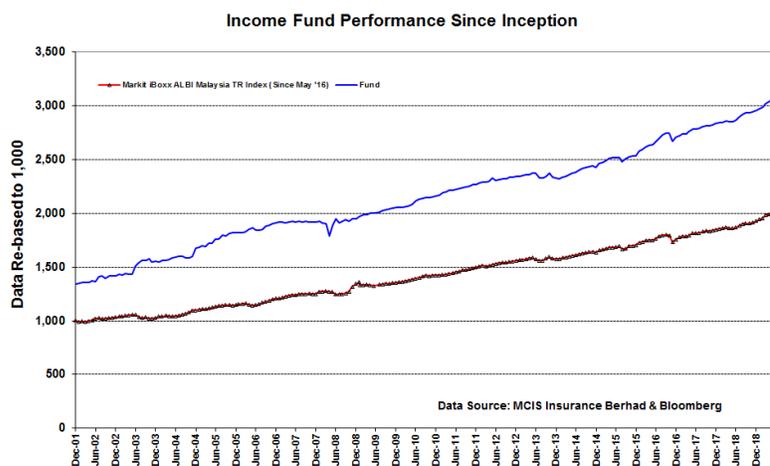
Risks

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 May 2019, the fund had outperformed the benchmark by 13bps MoM (month on month). The outperformance was due to outperforming 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
 YTL Corporation Berhad
 Malaysia Steel Works (KL) Berhad
 CIMB Bank Berhad
 Quantum Solar Park Malaysia Sdn Bhd
 Sabah Development Bank Berhad
 Asian Finance Bank Berhad
 Malaysian Government Securities

Fund Information

NAV (31.05.19)	RM1.5348
Fund Size	RM30.24 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
Exceptional Circumstances	Refer to your Policy Document

Asset Allocation Ranges

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

Performance Table

Period	Fund	Index*
1 month (%)	0.81%	0.68%
3 months (%)	2.62%	2.32%
6 months (%)	4.32%	4.63%
12 months (%)	7.49%	7.67%
2 years (% pa)	5.01%	5.08%
3 years (% pa)	5.13%	4.59%
5 years (% pa)	5.27%	4.53%
Since Inception	6.55%	4.01%

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

The Fund returns are calculated by MCIS 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 (May 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

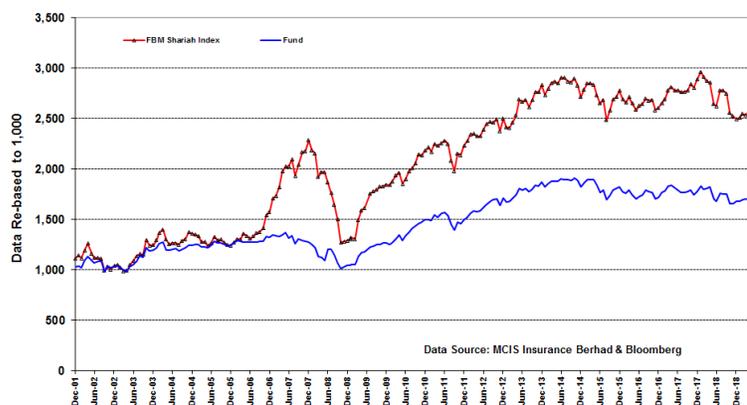
The Fund is considered high risk given the exposure to equity securities. The following factors can potentially affect the value of the Fund; consumer sentiment, financial performance of the underlying companies, the performance of the industry and economy, and the share market in general, social and 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 May 2019, the fund had outperformed the benchmark by 134bps 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
 Telekom Malaysia Berhad
 Sime Darby Plantation Berhad
 Maxis Berhad
 Kuala Lumpur Kepong Berhad
 Sime Darby Berhad

Fund Information

NAV (31.05.19)	RM0.8560
Fund Size	RM13.93 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
Exceptional Circumstances	Refer to your Policy Document

Asset Allocation Ranges

Asset Class	Min	Max	Current Actual
Malaysian Equity	80%	100%	86%
Cash	0%	20%	14%

Performance Table

Period	Fund	Index*
1 month (%)	0.99%	-0.35%
3 months (%)	0.62%	0.54%
6 months (%)	3.37%	1.40%
12 months (%)	0.20%	-3.12%
2 years (% pa)	-2.85%	-4.02%
3 years (% pa)	0.05%	-0.36%
5 years (% pa)	-1.83%	-2.13%
Since Inception	3.09%	5.47%
Yield #	2.44 %	2.73%

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 rose 0.5% m-o-m (or 8.5 points) to close at 1,651 points at the end of May 2019. We believe the rebound in the market was driven by net foreign buying in the later part of May, as investors bargain hunt because they see value emerging following recent underperformance of the index against its regional peers. The average daily value traded on the Malaysian stock exchange fell 5.5% m-o-m to RM2.25billion in May 2019, partly due to lower trading activities by local institution and retail investors.

In the first five months of 2019, Malaysia witnessed net foreign outflow of RM4.9billion. The earnings results season was not inspiring, but we are positive on the potential value creation from the recently proposed Telenor-Axiata merger and spate of M&As in the equity market. Total market capitalisation of all the stocks listed on the main board of Bursa Malaysia fell by 1.2% m-o-m to RM1,727billion in May, which is in contrast of the market gain.

On the local economic front, Malaysia's Industrial Production Index (IPI) growth accelerated in April to grow 4% y-o-y, from 3.1% in March. This was above Bloomberg's consensus and our estimate of 2.5% and 2.4% respectively and was mainly led by rebound in mining activity and a broad-based acceleration in manufacturing activity, buoyed by both export and domestic-oriented production. The better-than-expected IPI performance in April is evident of a resilient and diversified economy.

Global stock markets fell in May across all major regions as trade negotiations between the US and China broke down. The US raised tariffs on USD200 billion worth of Chinese imports to 25%, from 10%, while China announced retaliatory tariffs on US goods. Tensions between the two countries escalated after the US put Chinese telecommunications group Huawei on a trade blacklist, citing security concerns. The Dow Jones Industrial Average dropped 6.69%, while the S&P's 500 Index lost 6.58%. Meanwhile China's Hang Seng Index fell 9.4% on monthly basis.

Chart 1: FBMKLCI Daily Chart



Source: CIMB Research

Chart 2: FBMKLCI Weekly Chart



Source: CIMB Research

Market Outlook & Strategy

Technically for short term, the index could potentially continue its upward trajectory after it broke out of the downtrend line from the 1,732 high on 28th May on the daily chart. However, the index is still consolidating in a major wedge pattern on the weekly chart. On the long run, the key index is likely to remain choppy and volatile in June unless the US and China are able to strike a trade deal.

Based on historical data, the FBMKLCI performance in June tends to be positive, registering an average monthly gain of 0.5% over the past 10 years and positive return of 0.5% as well over the past 40 years.

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

Fixed Income Review and Outlook

Market Review

Malaysia Government Securities (“MGS”) prices rallied across the curve, moving the yields lower in May following a 25bps cut in Overnight Policy Rate (“OPR”) by BNM in addition to the worsening US-China trade war tension, weaker GDP figure as well as the lower US Treasury yields. MGS levels were last seen at: 3Y 3.396% (-1), 5Y 3.528% (-6), 7Y 3.685% (-8), 10Y 3.783% (0), 15Y 4.078% (-5), 20Y 4.267% (-9), 30Y 4.544% (-8). Ringgit was seen weakening further against the green back to RM 4.1890/USD from RM 4.1330/USD a month earlier. Brent crude oil prices were last seen at USD64.49/barrel compared to USD72.80/barrel a month before.

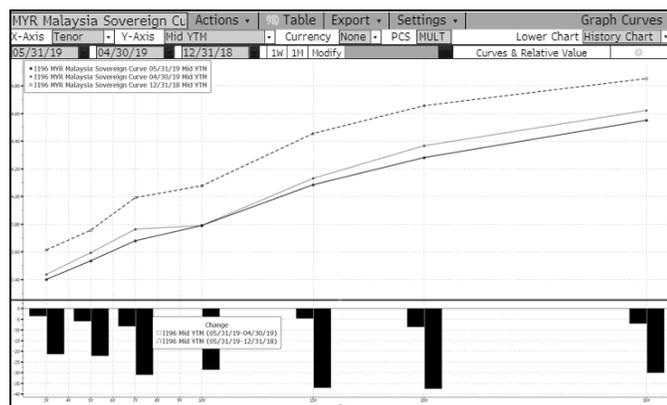
On local economic data, the inflation remains flattish in Apr’19 at +0.2% (Mar’19: +0.2% YoY). It is estimated that inflation will creep higher on the back of broadening SST base, new taxes (sugar tax, departure levy) and higher floating oil price in the second half of 2019. Malaysia’s 1Q19 GDP growth slowed to +4.5% (4Q18: +4.7% YoY) on the back of slower private sector expenditure (1Q19: +5.9% YoY; 4Q18: +7.8% YoY) and decline in public sector spending (1Q19: -1.4% YoY; 4Q18: +0.0% YoY). Both Malaysia’s export and import contracted in Mar’19 to -0.5% YoY (Feb’19: -5.3% YoY) and -0.1% YoY (Feb’19: -9.4% YoY) respectively, but the trade surplus was widened further to RM14.4bil (Feb’19: RM11.1bil).

External reserve decreased slightly to US\$102.8bil in mid-May’19 (end-Apr’19: US\$103.4bil), mainly driven by the foreign capital outflows from local equity 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 US\$96.9bil.

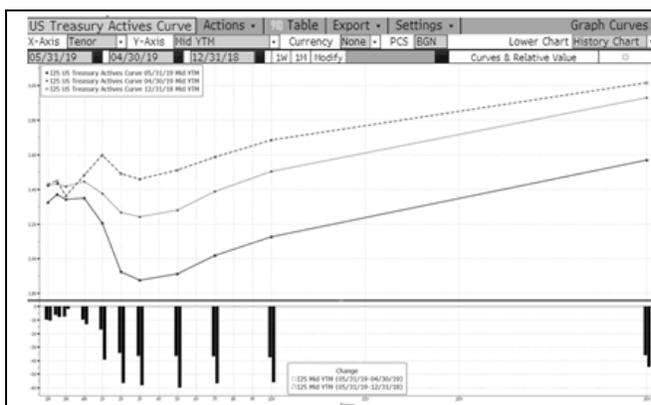
The auctions unveiled in May 2019 are as follows;

Government Auctions Issue	Issue Date	Amount (RM million)	Bid-cover (times)	Avg Yield (%)
30year New Issuance of GII(Mat 11/49)	15/5/2019	4,000.00	3.30	4.64
10year Re-Issuance of MGS(Mat 08/29)	24/5/2019	4,000.00	1.84	3.84
15year New Issuance of GII(Mat 11/34)	31/5/2019	4,000.00	3.38	4.12

Source: Bank Negara Malaysia



Source: Bloomberg



Source: Bloomberg

The 10-year US Treasury Yield collapsed to 2.12% by end-May’19 (end-Apr’19: 2.50%) after the dovish statement made by the FOMC officials. This was further intensified by the worry of a global economy recession from the unresolved US-China trade talks.

Market Outlook & Strategy

Following the 25bps OPR cut in May 2019, BNM is expected to maintain slight-dovish monetary stance for the remaining 2019, in line with the weaker economic prospect and the expectation of US Fed rate cuts. 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.