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# Investment Link Fund Performance Report July 2021

## **General Advice Warning**

The information contained in this material is general information and intended for the use of professional advisers, researchers and trustees. It does not take into account the objectives, financial situation or needs of any person. These factors should be considered before acting on this information.

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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 continued its negative momentum in the month of July 21 which saw the index dropped by 2.5% or 38 points MoM to close at 1,494.60 points, closing at the lowest for the year-to-date (YTD). The weak performance was due to persistent increase in new Covid-19 cases in Malaysia and political concern. Average daily trading volumes in July fell by 15% to 5.1bil (vs. 6bil units in June), while average daily trading value fell to RM3.1bil (vs. RM3.4bil in June).

Malaysia Government Securities (“MGS”) prices were rallying at the belly-to-long end of the curve in Jul’21 following the lower US Treasury yields and the slower economic recovery expectation due to the worsening COVID-19 pandemic in the country. Brent crude oil prices continued to edge slightly higher to USD76.33/barrel (Jun’21: USD75.13/barrel) given the increasing global demand and slower recovery in US shale oil rig count. On the other hand, Ringgit continued to weaken further to RM4.2205/USD (Jun’21: RM4.1490/USD), reflecting the Dollar strengthening and political turmoil in Malaysia.

On local economic data, the exports and imports sustained its double digits growth in June’21 at +27.2% YoY and +32.1% YoY respectively, thanks to the fact that 18 manufacturing and manufacturing-related services industries in Malaysia are allowed to operate even during the MCO period. All-in-all, the trade balance widened to +RM22.2 billion in Jun’21, compared to a month earlier at +RM13.8 billion.

We believe that outlook for the local equity market will improve after the herd immunity is established by end of the year. It will be the key success factor as this will improve the domestic activities locally.

For fixed income, following the OPR cut by 125bps and SRR cut by 100bps in 2020, BNM is anticipated to maintain the current monetary policy throughout 2021 given the hope of economic recovery post COVID-19 pandemic. The external risk factors such as trade war between US and China and the 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 table below, on monthly basis, most of the funds outperformed their benchmarks except for Jati Fund and Titan Fund.

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

Performance Table: Funds vs Benchmarks

	Asiapac Fund		Balanced Fund		Dividend Fund		Equity Fund		Global Yakin Fund		Income Fund		Jati Fund		Titan Fund	
	Fund	Benchmark	Fund	Benchmark	Fund	Benchmark	Fund	Benchmark	Fund	Benchmark	Fund	Benchmark	Fund	Benchmark	Fund	Benchmark
Monthly (%)	-2.33%	-4.79%	-0.81%	-0.84%	-2.15%	-2.48%	-2.42%	-2.48%	5.01%	1.02%	0.96%	0.80%	-2.34%	-1.06%	2.81%	4.22%
3 Months (%)	-2.62%	-8.20%	-0.91%	-2.72%	-4.15%	-6.68%	-3.69%	-6.68%	10.38%	3.50%	1.55%	1.34%	-5.70%	-9.22%	11.55%	8.89%
6 Months (%)	4.46%	-1.29%	-0.70%	-2.82%	-0.74%	-4.58%	-0.59%	-4.58%	16.93%	10.67%	-0.21%	-1.11%	-2.45%	-6.38%	18.61%	19.33%
12 Months (%)	9.97%	9.99%	0.78%	-3.89%	-1.45%	-6.81%	-0.36%	-6.81%	27.39%	26.84%	1.02%	-1.24%	-2.33%	-10.35%	22.96%	38.74%

Source: MCI/Insurance Berhad

# AsiaPac Fund Monthly Report (July 2021)

## 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 Principal S&P Asia Pacific Ethical Dividend Exchange Traded Fund (ETF), managed by Principal Asset Management Berhad 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.

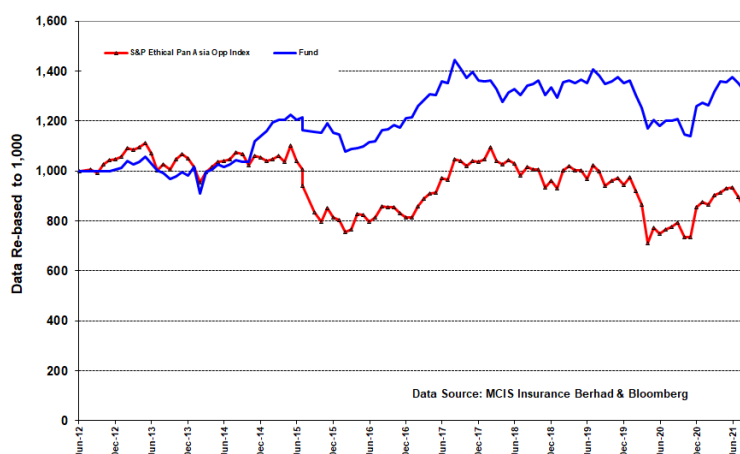
The following factors can potentially affect the value of the Fund; economic and political developments in related countries, foreign exchange fluctuation, illiquid and inefficient securities in the Emerging Markets, and the financial performance of the underlying companies.

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 July 2021, the fund had outperformed the benchmark by 246bps MoM (month-on-month). The fund had outperformed the benchmark since inception.

AsiaPac Fund Performance Since Inception



## Top Ten Holdings

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

## Fund Information

NAV (30.07.21)	RM0.6603
Fund Size	RM66.81 million
Inception Date	15-July-2012
Fund Management Fee	0.85% p.a.
Pricing	Daily
Price Quote	Major Newspaper, or <a href="http://www.mcis.my">http://www.mcis.my</a>
Fund Manager	MCIS Insurance Berhad (MCIS Life)
Exceptional Circumstances	Refer to your Policy Document

## Asset Allocation Ranges

Asset Class	Min	Max	Current Actual
ETF	80%	100%	94%
Cash	0%	20%	6%

## Performance Table

Period	Fund	Index*
1 month (%)	-2.33%	-4.79%
3 months (%)	-2.62%	-8.20%
6 months (%)	4.46%	-1.29%
12 months (%)	9.97%	9.99%
2 years (% pa)	-2.27%	-7.55%
3 years (% pa)	-0.56%	-5.71%
5 years (% pa)	2.56%	-0.11%
Since Inception (% pa)	3.11%	-1.73%

**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 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 (July 2021)

## 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

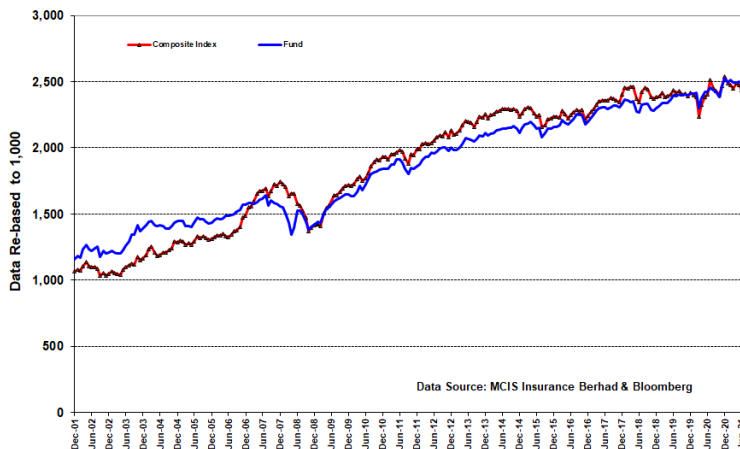
The Fund is considered medium risk given the mixed exposure of equity securities, fixed income and cash. The following factors can potentially affect the value of the Fund; consumer sentiment, financial performance of the underlying companies, industry and economy development, social and political factors, 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 July 2021, the fund had outperformed the benchmark by 3bps MoM (month-on-month). The outperformance was mainly driven by lower exposure of outperforming securities in the portfolio compared to benchmark.

Balanced Fund Performance Since Inception



## Top Ten Holdings

- Telekosang Hydro One Sdn Bhd (Bond)
- Edra Solar Sdn Bhd (Bond)
- CIMB Bank Berhad (Bond)
- Northern Gateway Infrastructure Sdn Bhd (Bond)
- Sabah Development Bank Berhad (Bond)
- CIMB Bank Berhad (Equity)
- Projek Lebuh raya Utara-Selatan (Bond)
- Malayan Banking Berhad (Equity)
- Malaysia Building Society Berhad (Bond)
- Malaysia Steel Works (KL) Berhad (Bond)

## Fund Information

NAV (30.07.21)	RM1.2366
Fund Size	RM8.5 million
Inception Date	15-Oct-01
Fund Management Fee	1.25% p.a.
Pricing	Daily
Price Quote	Major Newspaper, or <a href="http://www.mcis.my">http://www.mcis.my</a>
Fund Manager	MCIS Insurance Berhad (MCIS Life)
Exceptional Circumstances	Refer to your Policy Document

## Asset Allocation Ranges

Asset Class	Min	Max	Current Actual
Malaysian Equity	40%	60%	47%
Fixed Income	40%	60%	46%
Cash	0%	20%	7%

## Performance Table

Period	Fund	Index*
1 month (%)	-0.81%	-0.84%
3 months (%)	-0.91%	-2.72%
6 months (%)	-0.70%	-2.82%
12 months (%)	0.78%	-3.89%
2 years (% pa)	1.74%	0.03%
3 years (% pa)	2.06%	-0.07%
5 years (% pa)	2.22%	1.31%
Since Inception (% pa)	4.67%	4.55%

**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 Market iBoxx ALBI Malaysia TR Index (Since June '16). 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 Market 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 (July 2021)

## 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

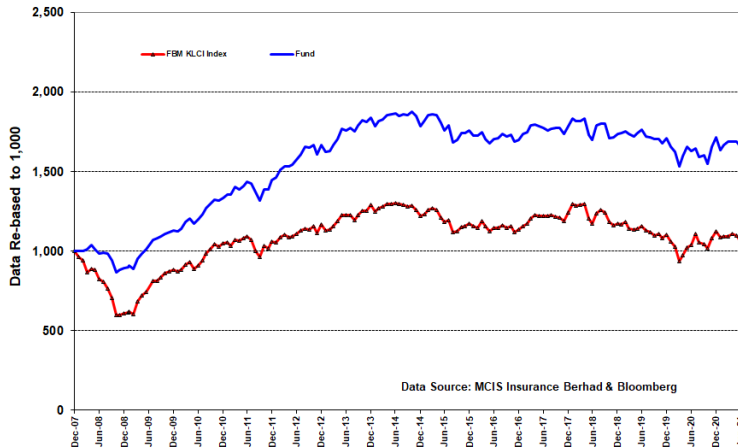
The Fund is considered high risk given the exposure to equity securities. The following factors can potentially affect the value of the Fund; consumer sentiment, financial performance of the underlying companies, the performance of the industry and economy, and the share market in general, social and 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 July 2021, the fund had outperformed the benchmark by 33bps MoM (month-on-month). The outperformance was mainly driven by lower exposure of outperforming securities in the portfolio compared to benchmark.

Dividend Fund Performance Since Inception



## Top Ten Holdings

Malayan Banking Berhad  
Petronas Chemicals Group Berhad  
Public Bank Berhad  
Maxis Berhad  
Petronas Gas Berhad  
CIMB Bank Berhad  
Axiata Group Berhad  
Tenaga Nasional Berhad  
DiGi.Com Berhad  
IOI Corporation Berhad

## Fund Information

NAV (30.07.21)	RM0.7692
Fund Size	RM28.75 million
Inception Date	21-Jan-08
Fund Management Fee	1.5% p.a.
Pricing	Daily
Price Quote	Major Newspaper, or <a href="http://www.mcis.my">http://www.mcis.my</a>
Fund Manager	MCIS Insurance Berhad (MCIS Life)
Exceptional Circumstances	Refer to your Policy Document

## Asset Allocation Ranges

Asset Class	Min	Max	Current Actual
Malaysian Equity	80%	100%	95%
Cash	0%	20%	5%

## Performance Table

Period	Fund	Index*
1 month (%)	-2.15%	-2.48%
3 months (%)	-4.15%	-6.68%
6 months (%)	-0.74%	-4.58%
12 months (%)	-1.45%	-6.81%
2 years (% pa)	-2.99%	-4.39%
3 years (% pa)	-3.22%	-5.73%
5 years (% pa)	-1.08%	-2.00%
Since Inception (% pa)	3.61%	0.25%
Yield #	2.88%	4.04%

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\* 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 (July 2021)

## 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

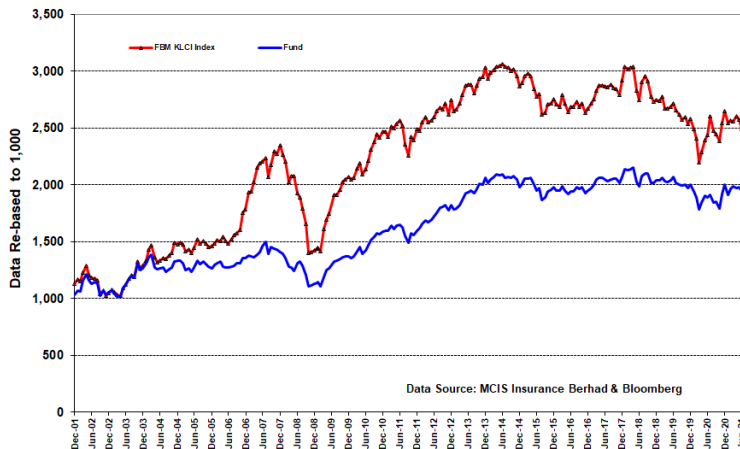
The Fund is considered high risk given the exposure to equity securities. The following factors can potentially affect the value of the Fund; consumer sentiment, financial performance of the underlying companies, the performance of the industry and economy, and the share market in general, social and 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 July 2021, the fund had outperformed the benchmark by 6bps MoM (month-on-month). The outperformance was mainly driven by lower exposure of outperforming securities in the portfolio compared to benchmark.

Equity Fund Performance Since Inception



## Top Ten Holdings

Malayan Banking Berhad  
CIMB Bank Berhad  
Tenaga Nasional Berhad  
Public Bank Berhad  
IOI Corporation Berhad  
Petronas Chemicals Group Berhad  
DiGi.Com Berhad  
Maxis Berhad  
Axiata Group Berhad  
Sime Darby Plantation Berhad

## Fund Information

NAV (30.07.21)	RM0.9505
Fund Size	RM9.48 million
Inception Date	15-Oct-01
Fund Management Fee	1.40% p.a.
Pricing	Daily
Price Quote	Major Newspaper, or <a href="http://www.mcis.my">http://www.mcis.my</a>
Fund Manager	MCIS Insurance Berhad (MCIS Life)
Exceptional Circumstances	Refer to your Policy Document

## Asset Allocation Ranges

Asset Class	Min	Max	Current Actual
Malaysian Equity	80%	100%	95%
Cash	0%	20%	5%

## Performance Table

Period	Fund	Index*
1 month (%)	-2.42%	-2.48%
3 months (%)	-3.69%	-6.68%
6 months (%)	-0.59%	-4.58%
12 months (%)	-0.36%	-6.81%
2 years (% pa)	-2.82%	-4.39%
3 years (% pa)	-2.95%	-5.73%
5 years (% pa)	-0.41%	-2.00%
Since Inception (% pa)	3.29%	4.58%
Yield #	2.91%	4.04%

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

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\* 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 (July 2021)

## 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 (ASWEF) 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.

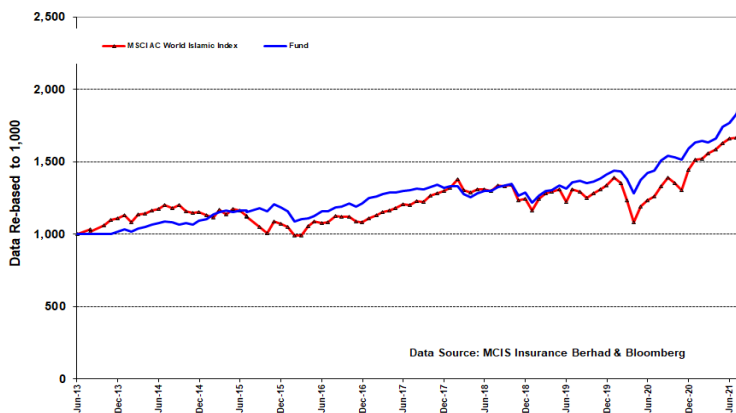
The following factors can potentially affect the value of the Fund; economic and political developments in related countries, foreign exchange fluctuation, illiquid and inefficient securities in the Emerging Markets, and the financial performance of the underlying companies.

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 July 2021, the fund had outperformed the benchmark by 399bps 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 (ASWEF)

## Fund Information

NAV (30.07.21)	RM0.9599
Fund Size	RM104.6 million
Inception Date	8-July-2013
Fund Management Fee	0.85% p.a.
Pricing	Daily
Price Quote	Major New newspaper, or <a href="http://www.mcis.my">http://www.mcis.my</a>
Fund Manager	MCIS Insurance Berhad (MCIS Life)
Exceptional Circumstances	Refer to your Policy Document

## Asset Allocation Ranges

Asset Class	Min	Max	Current Actual
ASWEF	80%	100%	91%
Cash	0%	20%	9%

## Performance Table

Period	Fund	Index*
1 month (%)	5.01%	1.02%
3 months (%)	10.38%	3.50%
6 months (%)	16.93%	10.67%
12 months (%)	27.39%	26.84%
2 years (% pa)	18.39%	14.11%
3 years (% pa)	13.11%	8.09%
5 years (% pa)	10.10%	10.68%
Since Inception (% pa)	8.40%	6.67%

**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 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 (July 2021)

## 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.

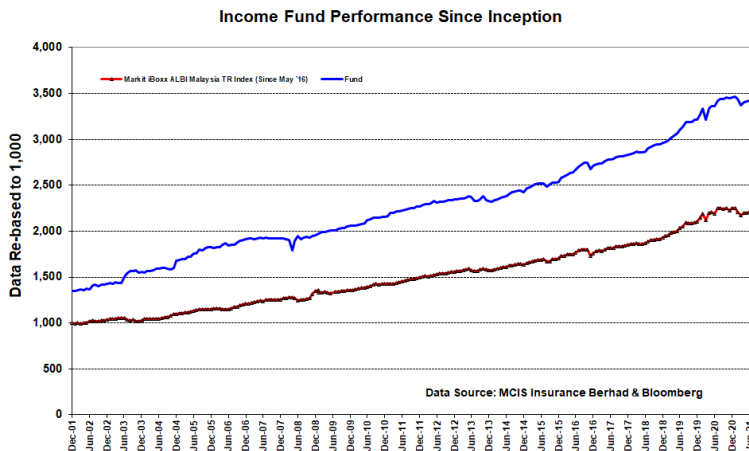
## Risks

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 July 2021, the fund had outperformed the benchmark by 16bps MoM (month-on-month). The outperformance was due to outperforming of the fixed income securities compared to the benchmark index.



## Top Ten Holdings

Malaysian Government Securities  
Leader Energy Sdn Berhad  
Cello Capital Berhad  
Telekosang Hydro One Sdn Bhd  
Sabah Development Bank Berhad  
Edra Solar Sdn Bhd  
Northern Gateway Infrastructure Sdn Bhd  
UiTM Solar Power Sdn Berhad  
Swirl Assets Berhad  
SAJ Capital Sdn Bhd

## Fund Information

NAV (30.07.21)	RM1.7291
Fund Size	RM44.05 million
Inception Date	15-Oct-01
Fund Management Fee	0.5% p.a.
Pricing	Daily
Price Quote	Major New paper, or <a href="http://www.mcis.my">http://www.mcis.my</a>
Fund Manager	MCIS Insurance Berhad (MCIS Life)
Exceptional Circumstances	Refer to your Policy Document

## Asset Allocation Ranges

Asset Class	Min	Max	Current Actual
Fixed Income	75%	100%	92%
Cash	0%	25%	8%

## Performance Table

Period	Fund	Index*
1 month (%)	0.96%	0.80%
3 months (%)	1.55%	1.34%
6 months (%)	-0.21%	-1.11%
12 months (%)	1.02%	-1.24%
2 years (% pa)	5.01%	4.24%
3 years (% pa)	6.06%	5.60%
5 years (% pa)	5.07%	4.47%
Since Inception (% pa)	6.46%	4.11%

**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 June '16). 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 (July 2021)

### 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

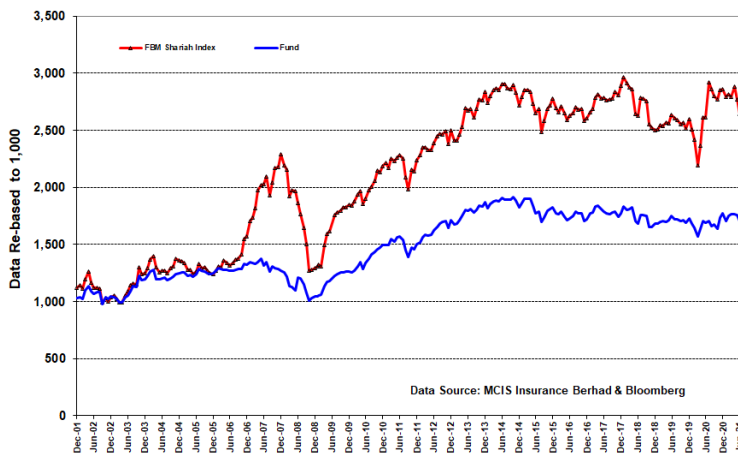
The Fund is considered high risk given the exposure to equity securities. The following factors can potentially affect the value of the Fund; consumer sentiment, financial performance of the underlying companies, the performance of the industry and economy, and the share market in general, social and 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 July 2021, the fund had underperformed the benchmark by 128bps MoM (month-on-month). The underperformance was mainly driven by lower exposure of underperforming securities in the portfolio compared to benchmark.

Jati Fund Performance Since Inception



### Top Ten Holdings

Telekom Malaysia Berhad  
 Dialog Group Berhad  
 Tenaga Nasional Berhad  
 IOI Corporation Berhad  
 Axiata Group Berhad  
 Petronas Gas Berhad  
 Sime Darby Plantation Berhad  
 Maxis Berhad  
 Sime Darby Berhad  
 MSC Berhad

### Fund Information

NAV (30.07.21)	RM0.8336
Fund Size	RM18.46 million
Inception Date	15-Oct-01
Fund Management Fee	1.35% p.a.
Pricing	Daily
Price Quote	Major Newspaper, or <a href="http://www.mcis.my">http://www.mcis.my</a>
Fund Manager	MCIS Insurance Berhad (MCIS Life)
Exceptional Circumstances	Refer to your Policy Document

### Asset Allocation Ranges

Asset Class	Min	Max	Current Actual
Malaysian Equity	80%	100%	92%
Cash	0%	20%	8%

### Performance Table

Period	Fund	Index*
1 month (%)	-2.34%	-1.06%
3 months (%)	-5.70%	-9.22%
6 months (%)	-2.45%	-6.38%
12 months (%)	-2.33%	-10.35%
2 years (% pa)	-1.59%	0.19%
3 years (% pa)	-1.80%	-2.02%
5 years (% pa)	-0.93%	-0.25%
Since Inception (% pa)	2.61%	4.97%
Yield #	2.67%	3.47%

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

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

\* Index is FBMS Index sourced from Bloomberg.  
 # Yield data is sourced from Bloomberg, and MCIS Life.

The NAV per unit of the Fund is the total market value of assets in the Fund divided by the total number of units of the Fund. Transaction costs, taxes and applicable fees are provided for in the net asset value.

# Titan Fund Monthly Report (July 2021)

## Investment Objective

The Fund invests in MyETF Dow Jones U.S. Titans 50 ("MyETFDJ50") which aims to provide investment results that closely correspond to the performance of the Dow Jones Islamic Market U.S. Titans 50 Index.

## Investment Strategy

MyETFDJ50 is managed by i-VCAP Management Sdn Bhd and it invests into 50 largest Shariah compliant companies listed in the U.S. MyETFDJ50 is a passively managed fund.

## Risks

The Fund is considered low risk given the exposure to only one underlying securities with no attempt to select stocks individually or to take defensive positions in declining markets. Risk is managed at the management level, where the asset allocation of the fund to be reviewed on regular basis, and adjusted to commensurate with the Investment Team view on the relative attractiveness of each asset class.

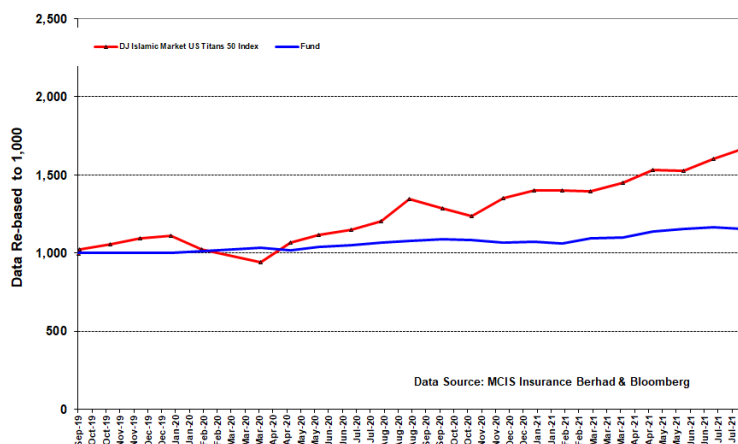
The following factors can potentially affect the value of the Fund; economic and political developments in related countries, foreign exchange fluctuation, illiquid and inefficient securities in the Emerging Markets, and the financial performance of the underlying companies.

The Fund is suitable for investors who are seeking for diversification and investment opportunities in Shariah-compliant equities in the U.S. market and seeking liquid financial instruments with an index tracking feature.

## Fund Performance

For the month ended July 2021, the fund had underperformed the benchmark by 141bps MoM (month-on-month).

Titan Fund Performance Since Inception



## Fund Information

NAV (30.07.21)	RM0.6905
Fund Size	RM47.2 million
Inception Date	17-Sept-2019
Fund Management Fee	0.85% p.a.
Pricing	Daily
Price Quote	Major Newspaper, or <a href="http://www.mcis.my">http://www.mcis.my</a>
Fund Manager	MCIS Insurance Berhad (MCIS Life)
Exceptional Circumstances	Refer to your Policy Document

## Asset Allocation Ranges

Asset Class	Min	Max	Current Actual
MyETFDJ50	80%	100%	80%
Cash	0%	20%	10%

## Performance Table

Period	Fund	Index*
1 month (%)	2.81%	4.22%
3 months (%)	11.55%	8.89%
6 months (%)	18.61%	19.33%
12 months (%)	22.96%	38.74%
2 years (% pa)	n/a	n/a
3 years (% pa)	n/a	n/a
5 years (% pa)	n/a	n/a
Since Inception (% pa)	18.35%	30.64%

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

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\* Index Dow Jones Islamic Market U.S. Titans50 Index sourced from Bloomberg.

The NAV per unit of the Fund is the total market value of assets in the Fund divided by the total number of units of the Fund. Transaction costs, taxes and applicable fees are provided for in the net asset value.

## Top Ten Holdings

MyETFDJ50

# Equity Market Review and Outlook

## Market Review

The FBMKLCI Index continued its negative momentum in the month of July 21 which saw the index dropped by 2.5% or 38 points MoM to close at 1,494.60 points, closing at the lowest level year-to-date (YTD). The weak performance was due to persistent increase in new Covid-19 cases in Malaysia and political concern. Average daily trading volumes in July fell by 15% to 5.1bil (vs. 6bil units in June), while average daily trading value fell to RM3.1bil (vs. RM3.4bil in June).

Local retailers were the largest net buyer group in the Malaysian equity market in July to RM798.6mil (vs. RM1,694mil in June 21). Local institutional investors turned as net buyer of equity market totalling RM537.7mil in July 21 (vs. net sold of 1,188mil in June 21). Foreign investors net sell rose to RM1,336mil in July (vs. net sell of RM1,173mil in July). As a result, cumulatively YTD, retailers are the only net buyers of the local equity market to the tune of RM8.97bil. Local institutions and foreign investors were net sellers to the tune of -RM3.43bil and -RM5.54bil, respectively.

Globally, it was a positive month for equity markets in the US and Europe. In the US, strong corporate earnings had pushed the market in July amid the fear of Covid-19 cases. Dow Jones Industrial index strengthen by 1.3% MoM and the broader S&P 500 index closed 2.3% MoM higher. Euro area also showed positive returns with Bloomberg European 500 index closed 1.2% MoM. However, Asian market showed mixed performance with negative biased, where MSCI Asia APEX50 ex-Japan closed -9.6% MoM. It was led by China after a crackdown by Chinese authorities on technology and education companies prompted a sharp sell-off.

**Chart 1: FBMKLCI Daily Chart**



Source: MCIS/Bloomberg

**Chart 2: FBMKLCI Monthly Chart**



Source: MCIS/Bloomberg

## Market Outlook & Strategy

Traditionally, FBMKLCI index's performance tends to be negative in August, with the benchmark posting 1.7% MoM gain over the past 10 years and 1.9% in 43 years. We expect the market to be supportive by its attractive valuations at current levels of 1.51x as it is now below its 25-year historical average of P/B (1.86x).

Technically, the benchmark has been trading below its 1,500 psychological mark in July and recorded intra-month lows YTD in two months. We expect more weakness to follow in the coming of weeks. Support band is seen at 1,475-1,490 levels. A break below 1,452 would be very negative for the index because it eliminates the higher high and higher low sequence from the March 20 low. A fall to retest the strong historical support near the 1,330-1,380 levels cannot be ruled out thereafter. As long as the index stays below the 50-week EMA (1,567) and the longer term 200-week EMA (1,615), the overall market is likely to remain under pressure.

For the short term, the FBMKLCI index may consolidate with no catalyst to boost the market sentiment. We see this as opportunity to accumulate selected stocks at lower levels. However, for the longer run, we believe the local equity market will improve when the herd immunity is established by end of the year. It will be the key success factor as this will improve the domestic activities locally.

## Fixed Income Review and Outlook

### Market Review

Malaysia Government Securities (“MGS”) prices were rallying at the belly-to-long end of the curve in Jul’21 following the lower US Treasury yields and the slower economic recovery expectation due to the worsening COVID-19 pandemic in the country. Brent crude oil prices continued to edge slightly higher to USD76.33/barrel (Jun’21: USD75.13/barrel) given the increasing global demand and slower recovery in US shale oil rig count. On the other hand, Ringgit continued to weaken further to RM4.2205/USD (Jun’21: RM4.1490/USD), reflecting the Dollar strengthening and political turmoil in Malaysia.

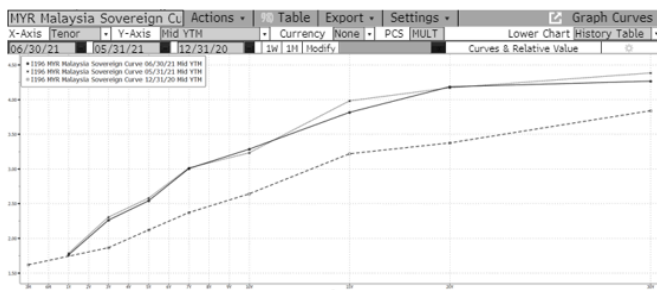
On local economic data, the exports and imports sustained its double digits growth in June’21 at +27.2% YoY (May’21: +47.0% YoY) and +32.1% YoY (May’21: +48.4% YoY) respectively, thanks to the fact that 18 manufacturing and manufacturing-related services industries in Malaysia are allowed to operate even during the MCO period. All-in-all, the trade balance widened to +RM22.2 billion in Jun’21, compared to a month earlier at +RM13.8 billion.

Inflation eased in Jun’21 to +3.4% YoY (May’21: +4.4% YoY) given the diminishing of high base effect. Transport cost increased at a slower pace by +16.6% YoY (May’21: +26.0% YoY), following lower rise in of Personal Transport Equipment and Fuels & lubricants for personal transport equipment. As a response to the higher global crude oil prices, the Government has decided to cap RON95 and diesel retail fuel prices at RM2.05/litre (Jun’20: RM1.52) and RM2.15/litre (Jun’20: RM1.69) respectively, while RON97 is kept floated (Jun’21: RM2.66; Jun’20: RM1.82). The unemployment rate took a hit due to the prolonged lockdown enforced in the country, moving up to 4.8% in Jun’21 (May’21: 4.5%). Labour force participation rate dropped slightly to 68.3% compared to a month earlier at 68.5%. Malaysia external reserves was unchanged at USD111.1 billion as at end-Jul’21. The reserve is sufficient to cover 8 months of retained imports and 1.1x short-term external debt.

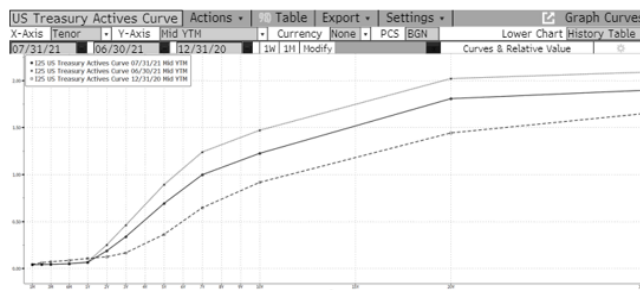
The auctions unveiled in July 2021 are as follow;

Government Auctions Issue	Issue Date	Amount (RM million)	Bid-cover (times)	Avg Yield (%)
15year Re-Issuance of GII (Mat 7/36)	15/7/2021	4,500.00	3.06	3.98
5year Re-Issuance of MGS (Mat 11/26)	23/7/2021	5,000.00	1.51	2.62
10year Re-Issuance of GII (Mat 10/30)	30/7/2021	5,500.00	3.40	3.29

Source: Bank Negara Malaysia



Source: Bloomberg



Source: Bloomberg

The 10-year US Treasury (“UST”) yield moved lower to 1.22% (end-Jun’21: 1.47%), reflecting the slower-than-expected market economic recovery and dovish statement by the US Fed. The COVID-19 Delta variant renewed epidemic worry in the US, bringing up the daily infection rate up to the 100,000 mark.

### Market Outlook & Strategy

Following the OPR cut by 125bps and SRR cut by 100bps in 2020, BNM is anticipated to maintain the current monetary policy throughout 2021 given the hope of economic recovery post COVID-19 pandemic. The external risk factors such as trade war between US and China and the 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.