



Investment Linked Fund Performance Report January 2018

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EXECUTIVE SUMMARY

January was a very good month for global markets and Malaysia, thanks to improved global economic prospects. During the month, the FBMKLCI gained 4% m-o-m to close at 1,868 points. This represents the highest closing since September 2014. The gain was driven mainly by the stronger ringgit, foreign funds inflows and improved market sentiments. The FBMKLCI outperformed the broader market as the FBM Emas posted lower gain of 3.3% m-o-m. Average daily value traded on Bursa during the month increased 29% m-o-m to RM3.46bil, the highest monthly trading value since February 2007.

MGS yields were seen higher across the curve during the period under review, as BNM hiked OPR rate as per market expectation to 3.25% in January. BNM commented that the strong growth is expected to continue in 2018 from new and on-going infrastructure projects and capital spending. Aligned to that, MGS levels were up 4 bps to 11 bps across the curve. Ringgit continued to strengthen to RM3.8975/USD from RM4.0445/USD supported by Malaysia strong economic outlook, increasing commodity price as well as the weakening dollar due to US government momentarily shut down in January. Brent was last seen at USD69.05/bbl vs USD66.87/bbl as of end-2017.

On local economic data, Malaysia's inflation rate inched higher to +3.5% in Dec'17 (Nov'17: +3.4%), mainly contributed by firmer cost of transport.

On the outlook, we are expecting positive local equity market in the first half of the year towards the GE14. Continuous inflow of foreign fund, better corporate earnings, and initial public offering (IPO) activities will be the catalysts for the better outlook on the Bursa Malaysia in the year 2018.

For fixed income, post OPR rate hike in Jan'18, BNM is likely to maintain a stable monetary stance for the remaining of 2018 despite the major central banks still showing signal tightening policy. The external risk factors such as geopolitical tension in North Korea, Brexit and fluctuation in crude oil prices will continue to weigh on the local market, but we believe corporate bond space still provides attractive yields given stable monetary stance from BNM and strong fundamentals in local market. 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 only Jati Fund had outperformed its benchmarks. Meanwhile other funds had underperformed 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 (%)	0.06%	4.49%	1.34%	2.17%	2.79%	3.99%	3.24%	3.99%	0.03%	4.55%	0.30%	0.35%	3.16%	2.67%
3 Months (%)	-2.51%	5.33%	2.03%	4.09%	3.22%	6.90%	4.16%	6.90%	-0.64%	7.72%	1.12%	1.27%	2.22%	4.40%
6 Months (%)	-5.85%	4.50%	3.00%	4.15%	4.21%	6.17%	5.07%	6.17%	1.37%	12.29%	1.96%	2.08%	3.33%	7.39%
12 Months (%)	8.09%	27.69%	6.04%	8.09%	5.52%	11.79%	8.28%	11.79%	5.65%	22.31%	4.32%	4.40%	3.47%	11.70%

Source: MCIS Insurance Berhad

AsiaPac Fund Monthly Report (January 2018)

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.

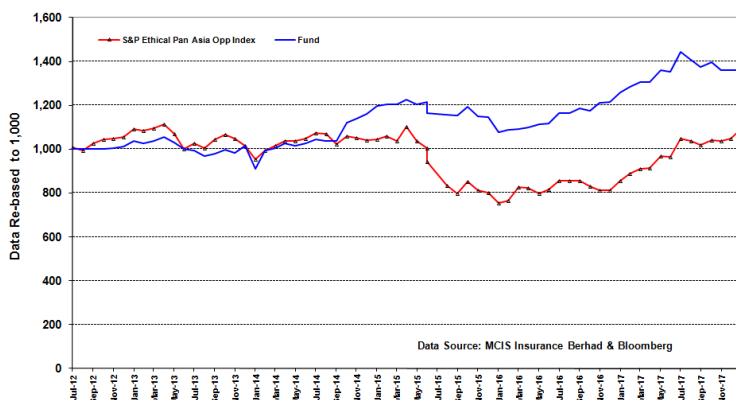
The following factors can potentially affect the value of the Fund; economic and political developments in related countries, foreign exchange fluctuation, illiquid and inefficient securities in the Emerging Markets, and the financial performance of the underlying companies.

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 January 2018, the fund had underperformed the benchmark by 443bps MoM (month on month). This was mainly due to strengthening of ringgit during the period. However for since inception period, the fund had outperformed the benchmark.

AsiaPac Fund Performance Since Inception



Top Ten Holdings

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

Fund Information

NAV (30.01.18)	RM0.6804
Fund Size	RM42.65 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%	88%
Cash	0%	20%	12%

Performance Table

Period	Fund	Index*
1 month (%)	0.06%	4.49%
3 months (%)	-2.51%	5.33%
6 months (%)	-5.85%	4.50%
12 months (%)	8.09%	27.69%
2 years (% pa)	26.40%	44.95%
3 years (% pa)	4.40%	1.54%
5 years (% pa)	5.55%	0.08%
Since Inception	5.67%	1.64%

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.

Other Charges: Switching Fee, you are entitled to four free switches per policy year. Additional switches within the same year will be charged at 1% of the value of units switched, subject to a maximum of RM 50; and all taxes, duties and other charges incurred in the purchase, sale, valuation and maintenance of the investments of the Fund.

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 (January 2018)

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

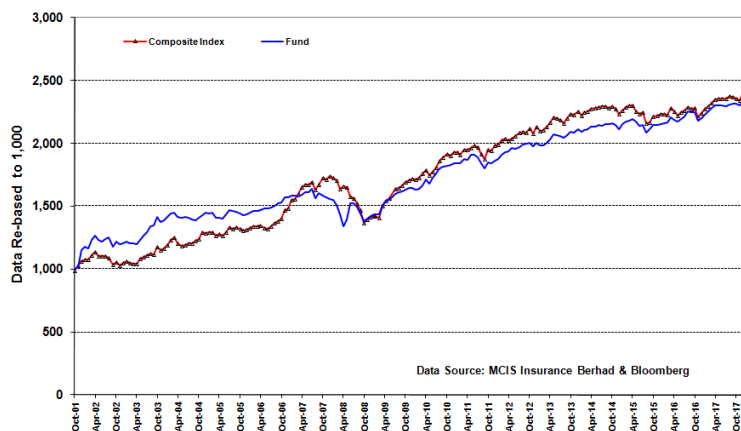
The Fund is considered medium risk given the mixed exposure of equity securities, fixed income and cash. The following factors can potentially affect the value of the Fund; consumer sentiment, financial performance of the underlying companies, industry and economy development, social and political factors, 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 January 2018, the fund had underperformed the benchmark by 83bps MoM (month on month). The underperformance was mainly driven by higher exposure of underperforming securities in the portfolio compared to benchmark.

Balanced Fund Performance Since Inception



Top Ten Holdings

Malaysian Government Securities (Bond)
CIMB Bank Berhad (Bond)
Sarawak Hidro Sdn Bhd (Bond)
Tenaga Nasional Berhad (Equity)
Malayan Banking Berhad (Equity)
Sabah Credit Corporation (Bond)
Projek Lebuhraya Utara-Selatan (Bond)
CIMB Bank Berhad (Equity)
Telekom Malaysia Berhad (Equity)
AmanahRaya Real Estate Investment Trust (Reits)

Fund Information

NAV (30.01.18)	RM1.1824
Fund Size	RM8.04 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%	49%
Fixed Income	40%	60%	48%
Cash	0%	20%	3%

Performance Table

Period	Fund	Index*
1 month (%)	1.34%	2.17%
3 months (%)	2.03%	4.09%
6 months (%)	3.00%	4.15%
12 months (%)	6.04%	8.09%
2 years (% pa)	4.65%	4.78%
3 years (% pa)	3.21%	2.82%
5 years (% pa)	3.56%	3.21%
Since Inception	5.41%	5.66%

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.

Other Charges: Switching Fee, you are entitled to four free switches per policy year. Additional switches within the same year will be charged at 1% of the value of units switched, subject to a maximum of RM 50; and all taxes, duties and other charges incurred in the purchase, sale, valuation and maintenance of the investments of the Fund.

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 (January 2018)

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

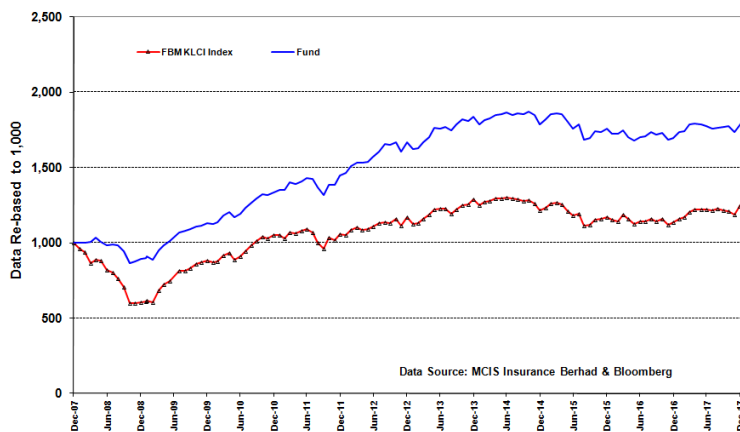
The Fund is considered high risk given the exposure to equity securities. The following factors can potentially affect the value of the Fund; consumer sentiment, financial performance of the underlying companies, the performance of the industry and economy, and the share market in general, social and 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 January 2018, the fund had underperformed the benchmark by 120bps MoM (month on month). The underperformance was mainly driven by higher exposure of underperforming stocks 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
Telekom Malaysia Berhad
Malayan Banking Berhad
Tenaga Nasional Berhad
DiGi.Com Berhad
Axiata Group Berhad
IOI Corporation Berhad

Fund Information

NAV (30.01.18)	RM0.8698
Fund Size	RM34.96 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%	96%
Cash	0%	20%	4%

Performance Table

Period	Fund	Index*
1 month (%)	2.79%	3.99%
3 months (%)	3.22%	6.90%
6 months (%)	4.21%	6.17%
12 months (%)	5.52%	11.79%
2 years (% pa)	3.02%	5.85%
3 years (% pa)	0.22%	1.61%
5 years (% pa)	2.47%	2.80%
Since Inception	6.18%	2.58%
Yield #	3.08%	3.14%

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

The Fund returns are calculated by MCIS 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.

Other Charges: Switching Fee, you are entitled to four free switches per policy year. Additional switches within the same year will be charged at 1% of the value of units switched, subject to a maximum of RM 50; and all taxes, duties and other charges incurred in the purchase, sale, valuation and maintenance of the investments of the Fund.

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 (January 2018)

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

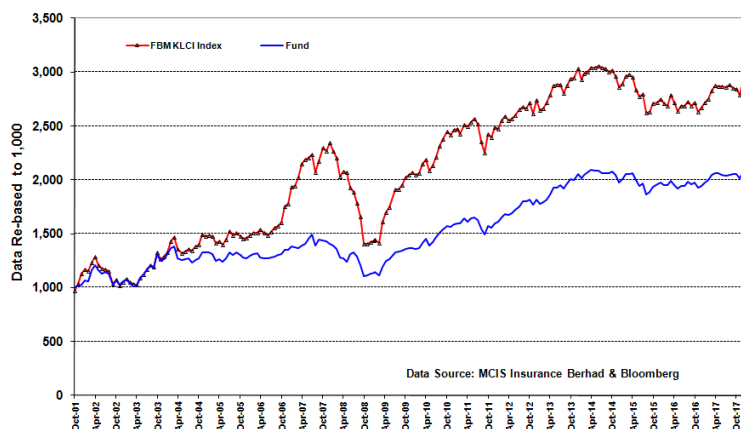
The Fund is considered high risk given the exposure to equity securities. The following factors can potentially affect the value of the Fund; consumer sentiment, financial performance of the underlying companies, the performance of the industry and economy, and the share market in general, social and 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 January 2018, the fund had underperformed the benchmark by 75bps MoM (month on month). The underperformance was mainly driven by higher exposure of underperforming stocks in the portfolio compared to benchmark.

Equity Fund Performance Since Inception



Top Ten Holdings

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

Fund Information

NAV (30.01.18)	RM1.0690
Fund Size	RM10.33 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%	97%
Cash	0%	20%	3%

Performance Table

Period	Fund	Index*
1 month (%)	3.24%	3.99%
3 months (%)	4.16%	6.90%
6 months (%)	5.07%	6.17%
12 months (%)	8.28%	11.79%
2 years (% pa)	4.70%	5.85%
3 years (% pa)	2.08%	1.61%
5 years (% pa)	3.73%	2.80%
Since Inception	4.76%	7.04%
Yield #	3.13%	3.14%

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

The Fund returns are calculated by MCIS 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.

Other Charges: Switching Fee, you are entitled to four free switches per policy year. Additional switches within the same year will be charged at 1% of the value of units switched, subject to a maximum of RM 50; and all taxes, duties and other charges incurred in the purchase, sale, valuation and maintenance of the investments of the Fund.

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 (January 2018)

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 Islamic World Equity Fund (AIWEF) which managed by Aberdeen Islamic Asset Management 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.

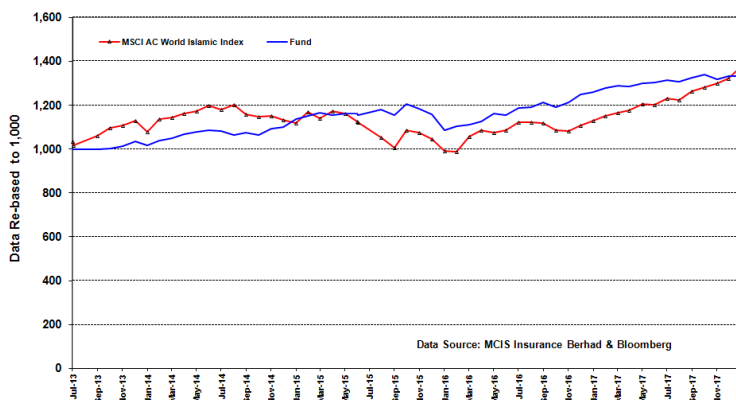
The following factors can potentially affect the value of the Fund; economic and political developments in related countries, foreign exchange fluctuation, illiquid and inefficient securities in the Emerging Markets, and the financial performance of the underlying companies.

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 January 2018, the fund had underperformed the benchmark by 452bps 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 Islamic World Equity Fund (AIWEF)

Fund Information

NAV (30.01.18)	RM0.6661
Fund Size	RM35.15 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
AIWEF	80%	100%	92%
Cash	0%	20%	8%

Performance Table

Period	Fund	Index*
1 month (%)	0.03%	4.55%
3 months (%)	-0.64%	7.72%
6 months (%)	1.37%	12.29%
12 months (%)	5.65%	22.31%
2 years (% pa)	10.73%	18.06%
3 years (% pa)	5.42%	7.33%
5 years (% pa)	-	-
Since Inception	6.46%	7.29%

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.

Other Charges: Switching Fee, you are entitled to four free switches per policy year. Additional switches within the same year will be charged at 1% of the value of units switched, subject to a maximum of RM 50; and all taxes, duties and other charges incurred in the purchase, sale, valuation and maintenance of the investments of the Fund.

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 (January 2018)

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.

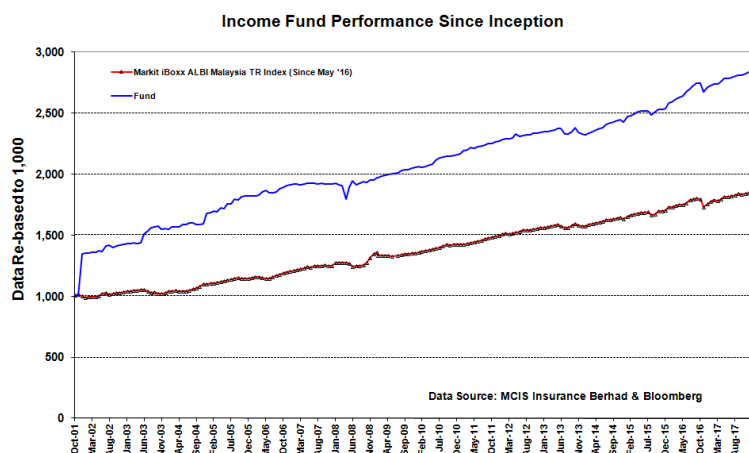
Risks

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 January 2018, the fund had underperformed the benchmark by 5bps MoM (month on month). The underperformance was due to underperforming of the fixed income securities compared to the benchmark index.



Top Ten Holdings

Malaysian Government Securities
Northern Gateway Infrastructure Sdn Bhd
SAJ Capital Sdn Bhd
YTL Corporation Berhad
Quantum Solar Park Malaysia Sdn Bhd
Sabah Development Bank Berhad
Government Investment Issue
PBFIN Berhad
BGSM Management Sdn Bhd
Sabah Credit Corporation

Fund Information

NAV (30.01.18)	RM1.4223
Fund Size	RM26.94 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%	96%
Cash	0%	25%	4%

Performance Table

Period	Fund	Index*
1 month (%)	0.30%	0.35%
3 months (%)	1.12%	1.27%
6 months (%)	1.96%	2.08%
12 months (%)	4.32%	4.40%
2 years (% pa)	4.93%	3.61%
3 years (% pa)	4.82%	3.92%
5 years (% pa)	3.91%	3.50%
Since Inception	6.61%	3.86%

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.

Other Charges: Switching Fee, you are entitled to four free switches per policy year. Additional switches within the same year will be charged at 1% of the value of units switched, subject to a maximum of RM 50; and all taxes, duties and other charges incurred in the purchase, sale, valuation and maintenance of the investments of the Fund.

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 (January 2018)

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

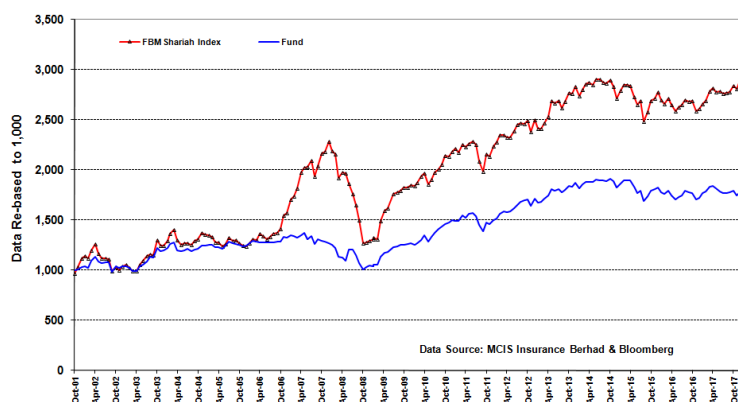
The Fund is considered high risk given the exposure to equity securities. The following factors can potentially affect the value of the Fund; consumer sentiment, financial performance of the underlying companies, the performance of the industry and economy, and the share market in general, social and 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 January 2018, the fund had outperformed the benchmark by 49bps MoM (month on month). The outperformance was mainly driven by higher exposure of outperforming stocks in the portfolio compared to benchmark.

Jati Fund Performance Since Inception



Top Ten Holdings

Tenaga Nasional Berhad
 Petronas Chemicals Group Berhad
 Axiata Group Berhad
 Sime Darby Plantation Berhad
 Petronas Gas Berhad
 Maxis Berhad
 Telekom Malaysia Berhad
 IOI Corporation Berhad
 IHH Healthcare Berhad
 MISC Berhad

Fund Information

NAV (30.01.18)	RM0.9153
Fund Size	RM13.0 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%	94%
Cash	0%	20%	6%

Performance Table

Period	Fund	Index*
1 month (%)	3.16%	2.67%
3 months (%)	2.22%	4.40%
6 months (%)	3.33%	7.39%
12 months (%)	3.47%	11.70%
2 years (% pa)	1.57%	4.86%
3 years (% pa)	-0.62%	2.05%
5 years (% pa)	1.78%	4.21%
Since Inception	3.77%	6.88%
Yield #	2.70%	2.47%

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 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.

Other Charges: Switching Fee, you are entitled to four free switches per policy year. Additional switches within the same year will be charged at 1% of the value of units switched, subject to a maximum of RM 50; and all taxes, duties and other charges incurred in the purchase, sale, valuation and maintenance of the investments of the Fund.

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

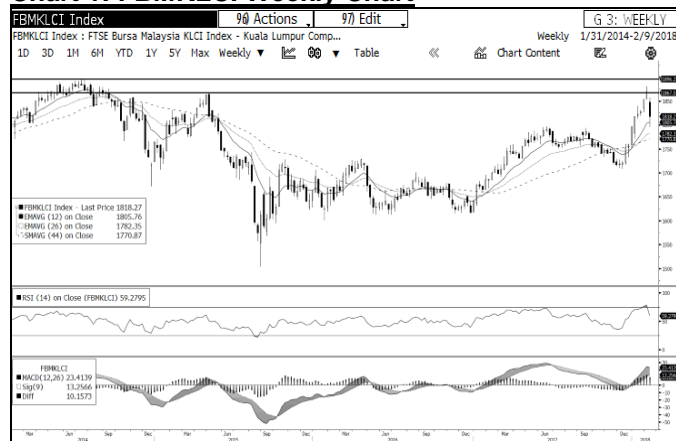
Market Review

January was a very good month for global markets and Malaysia, thanks to improved global economic prospects. During the month, the FBMKLCI gained 4% m-o-m to close at 1,868 points. This represents the highest closing since September 2014. The gain was driven mainly by the stronger ringgit, foreign funds inflows and improved market sentiments. The FBMKLCI outperformed the broader market as the FBM Emas posted lower gain of 3.3% m-o-m. Average daily value traded on Bursa during the month increased 29% m-o-m to RM3.46bil, the highest monthly trading value since February 2007.

The finance sector gained 6.1% m-o-m and was the top performing sector during the month as BNM raised the OPR by 25bps to 3.25%. This marked the first interest rate hike by the central bank since July 2014. The top three performing FBMKLCI stocks for January were Nestle, Sime Darby and CIMB while the worst performing stocks were Genting, Petronas Gas and YTL Corporation.

Globally, the U.S. stocks rose in January, capping off a strong start to 2018. The Dow Jones industrial average and S&P 500 notched their best monthly performances since March 2016. The Dow gained 5.6% to close at 26,149.39 points. The U.S. economic data have been strong lately. ADP and Moody's Analytics indicated that private companies added 234,000 jobs in January, meanwhile, weekly jobless claims remain near their lowest levels in about 40 years.

Chart 1: FBMKLCI Weekly Chart



Source: CIMB Research

Chart 2: FBMKLCI Monthly Pattern and Cycle Analysis



Source: Bloomberg

Market Outlook & Strategy

Technically, the multi-year reversal Head & Shoulder pattern has broken out in January. Note that the index is now overbought and market breath is negative, warning that a pullback could take place soon. 1,708 is the critical support level. However, there is still opportunity that the index could climb higher to test the all-time high of 1,896 in February based on the breakout measurement.

Historically, February has been a good month for the Malaysian market with a 40-year average m-o-m gain of 2.4%. We expect the FBMKLCI to track the performance of the regional markets in February. All eyes will be on how the corporates fare in the upcoming February results season. A stronger-than-expected results season will boost market sentiment and fuel the ongoing market rally. Investors will also be closely tracking the political news for hints on when the 14th General Elections (GE14) will be held. The current term of Parliament expires on 24 Jun and the general elections must be held within 60 days after that date.

On the outlook, we are expecting positive local equity market in the first half of the year towards the GE14. Continuous inflow of foreign fund, better corporate earnings, and initial public offering (IPO) activities will be the catalysts for the better outlook on the Bursa Malaysia in the year 2018.

Fixed Income Review and Outlook

Market Review

Malaysian Government Security (“MGS”) yields were seen higher across the curve during the period under review, as BNM hiked OPR rate as per market expectation to 3.25% in January. BNM commented that the strong growth is expected to continue in 2018 from new and on-going infrastructure projects and capital spending. Aligned to that, MGS levels were up 4 bps to 11 bps across the curve. Ringgit continued to strengthen to RM3.8975/USD from RM4.0445/USD supported by Malaysia strong economic outlook, increasing commodity price as well as the weakening dollar due to US government momentarily shut down in January. Brent was last seen at USD69.05/bbl vs USD66.87/bbl as of end-2017.

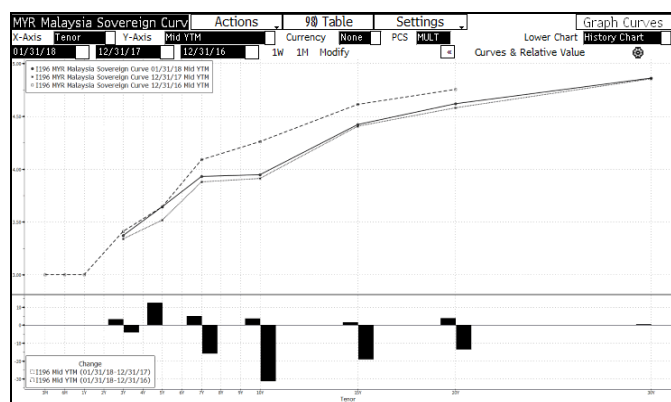
On local economic data, Malaysia’s inflation rate inched higher to +3.5% in Dec’17 (Nov’17: +3.4%), mainly contributed by firmer cost of transport. Malaysia’s exports rose +14.4% YoY in Nov’17 vs +18.9% in Oct’17, due to lower shipments of commodities. Import grew slower at +15.2% YoY vs +20.9% in Oct’17. All in all, trade surplus narrowed slightly to RM9.95bil vs RM10.56bil in Oct’17. Malaysia’s external reserves move up to USD103.0 bil mid-Jan’18, which is sufficient to cover 7 months of retained import and 1.1 times short term external debt.

US Senate has approved Jerome Powell to be the new head of US Fed. The confirmation came in a vote of 84-13, an unsurprising action given Powell’s support among Republicans and Democrats alike who expect him to follow the policies of the outgoing chair, Janet Yellen.

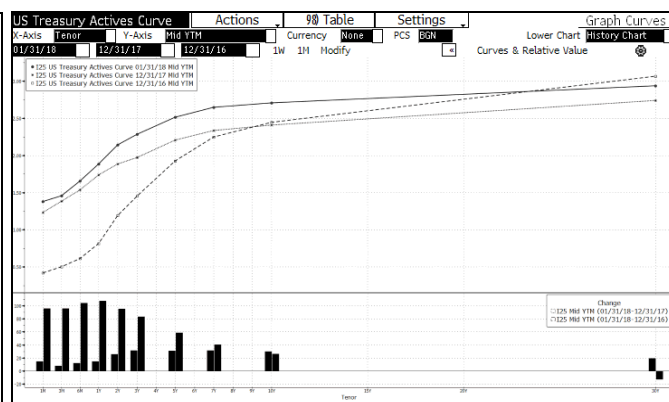
The auctions unveiled in January 2018 are as follows;

Government Auctions				
Issue	Issue Date	Amount (RM million)	Bid-cover (times)	Avg Yield (%)
20-Year Re-Issuance of MGS(Mat Apr/37)	5/1/2018	3,000.00	1.91	4.61
5-Year Re-Issuance of GII(Mat Apr/22)	15/1/2018	4,000.00	2.58	3.82
15-Year Re-Issuance of MGS(Mat Apr/33)	29/1/2018	3,500.00	2.47	4.45

Source: Bank Negara Malaysia



Source: Bloomberg



Source: Bloomberg

10-year US Treasury yield shoots up by 30 bps to 2.71% as China slows the purchase of US Treasury Bonds. China is the biggest foreign holder of US Treasury Bonds totaling at US\$1,176 bil, followed by Japan at US\$1,084 bil. The US Fed also indicates that they might hike the Federal funds rate 3 times in 2018 in the wake of inflation data picking up.

Market Outlook & Strategy

Post OPR rate hike in Jan’18, BNM is likely to maintain a stable monetary stance for the remaining of 2018 despite the major central banks still showing signal tightening policy. The external risk factors such as geopolitical tension in North Korea, Brexit and fluctuation in crude oil prices will continue to weigh on the local market, but we believe corporate bond space still provides attractive yields given stable monetary stance from BNM and strong fundamentals in local market. As such, we will keep looking to buy on dips of corporate bonds if the opportunity arises.