



Investment Linked Fund Performance Report June 2018

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EXECUTIVE SUMMARY

FBMKLCI Index rebounded in the early part of June but fell for four consecutive days in the middle of the month due to concerns of growing trade tension between US and China as both countries threatened to impose a 25% tariff on goods worth USD34billion effective 6 July. The local benchmark also broke the crucial technical support level of 1,708 points on 21 June. As at 29 June, FBMKLCI closed at 1,691.50 points, fell by 2.8% m-o-m, underperforming FBM EMAS Index which fell by 1.39% m-o-m.

Local bond market was seen mixed in June after a massive foreign sell-off in May, driven by 1MDB scandals post-GE14, 25bps of US rate hike and heightened risk of US trade wars moving the market to a risk-off mode. The shortest MGS benchmark yield moved lower while the belly of the curve steepened, though the 10 year benchmark was seen unchanged at 4.21%. Due to the same reason, the Ringgit was seen weakening to RM4.0375/USD from RM3.9780/USD a month ago. Brent crude oil prices rose slightly to USD79.44/bbl from the previous month of USD77.59/bbl on the back of lower stockpiles in the US and increasing geopolitical tension in the Middle East.

On the local economic front, Malaysia's CPI was seen increasing slightly to +1.8% in May (Apr'18: +1.4%) due to lower oil price base in the previous year. It is expected that the inflation will weaken further in the remaining of 2018, driven by 0% GST policy and fixed RON95 fuel price.

Going forward, apart from local political uncertainties, Malaysian market also is facing headwinds from geopolitical events and outflow of foreign funds, which had affected their year-to-date performance. These have dampened the investors' sentiment. We would look for bottom-fishing opportunities to accumulate quality stocks at lower levels. For fixed income, post OPR rate hike in Jan'18, BNM is likely to maintain a neutral monetary policy for the remaining of 2018 despite the major central banks are still showing signal towards policy tightening. The external risk factors 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, most of the Funds had outperformed the their respective benchmarks, except for Income Fund (in-line) and Jati Fund (underperformed).

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 (%)	-1.78%	-4.68%	-0.50%	-1.16%	-2.08%	-2.82%	-1.73%	-2.82%	-0.31%	-0.80%	0.50%	0.50%	-1.47%	-0.69%
3 Months (%)	2.22%	-4.25%	-3.54%	-4.73%	-6.66%	-9.23%	-6.73%	-9.23%	3.23%	0.87%	0.16%	-0.16%	-6.96%	-8.60%
6 Months (%)	-4.01%	-6.28%	-2.95%	-2.39%	-4.83%	-5.86%	-3.94%	-5.86%	-2.61%	-1.67%	1.18%	1.02%	-5.14%	-9.10%
12 Months (%)	-3.46%	1.90%	-1.71%	-0.54%	-4.39%	-4.09%	-2.92%	-4.09%	-0.52%	8.12%	3.08%	2.90%	-5.91%	-5.69%

Source: MCI Insurance Berhad

AsiaPac Fund Monthly Report (June 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.

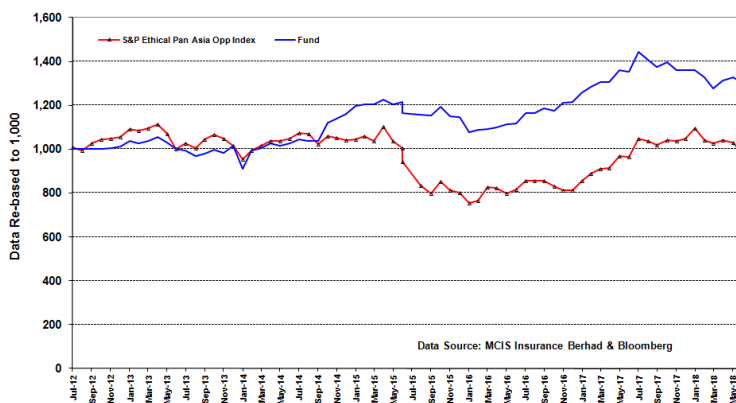
The following factors can potentially affect the value of the Fund; economic and political developments in related countries, foreign exchange fluctuation, illiquid and inefficient securities in the Emerging Markets, and the financial performance of the underlying companies.

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 June 2018, the fund had outperformed the benchmark by 290bps MoM (month on month). The fund had also outperformed the benchmark since inception.

AsiaPac Fund Performance Since Inception



Top Ten Holdings

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

Fund Information

NAV (29.06.18)	RM0.6527
Fund Size	RM42.85 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%	83%
Cash	0%	20%	17%

Performance Table

Period	Fund	Index*
1 month (%)	-1.78%	-4.68%
3 months (%)	2.22%	-4.25%
6 months (%)	-4.01%	-6.28%
12 months (%)	-3.46%	1.90%
2 years (% pa)	16.74%	20.50%
3 years (% pa)	2.43%	-0.75%
5 years (% pa)	5.42%	-0.38%
Since Inception	4.54%	-0.30%

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 (June 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

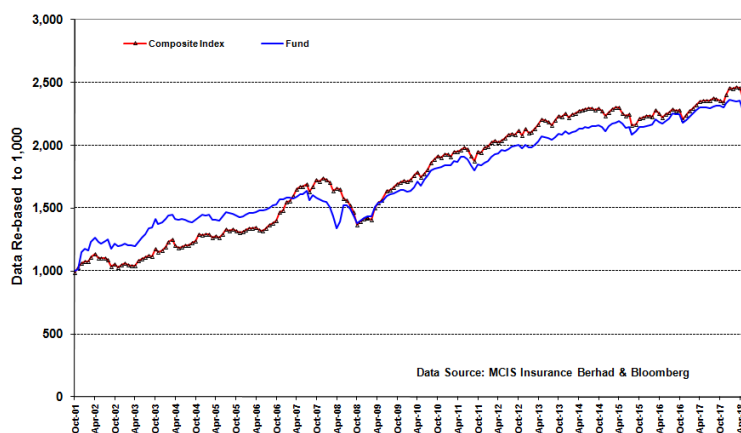
The Fund is considered medium risk given the mixed exposure of equity securities, fixed income and cash. The following factors can potentially affect the value of the Fund; consumer sentiment, financial performance of the underlying companies, industry and economy development, social and political factors, 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 June 2018, the fund had outperformed the benchmark by 66bps 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)
- Tenaga Nasional Berhad (Equity)
- Northern Gateway Infrastructure Sdn Bhd (Bond)
- Sabah Development Bank Berhad
- Sabah Credit Corporation (Bond)
- Malayan Banking Berhad (Equity)
- Projek Lebuhraya Utara-Selatan (Bond)
- CIMB Bank Berhad (Equity)
- Bank Pembangunan Malaysia Berhad (Bond)

Fund Information

NAV (29.06.18)	RM1.1324
Fund Size	RM7.87 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%	47%
Cash	0%	20%	9%

Performance Table

Period	Fund	Index*
1 month (%)	-0.50%	-1.16%
3 months (%)	-3.54%	-4.73%
6 months (%)	-2.95%	-2.39%
12 months (%)	-1.71%	-0.54%
2 years (% pa)	1.54%	2.09%
3 years (% pa)	1.88%	1.67%
5 years (% pa)	1.84%	1.32%
Since Inception	5.00%	5.22%

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 (June 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

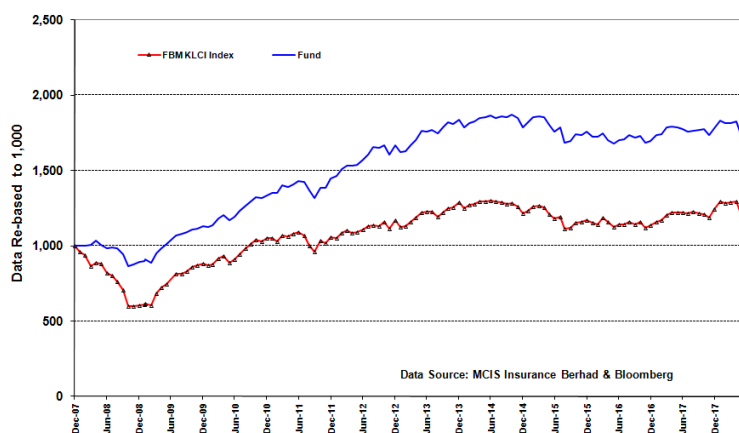
The Fund is considered high risk given the exposure to equity securities. The following factors can potentially affect the value of the Fund; consumer sentiment, financial performance of the underlying companies, the performance of the industry and economy, and the share market in general, social and 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 June 2018, the fund had outperformed the benchmark by 74bps MoM (month on month). The outperformance was mainly driven by higher exposure of outperforming stocks in the portfolio compared to benchmark.

Dividend Fund Performance Since Inception



Top Ten Holdings

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

Fund Information

NAV (29.06.18)	RM0.8053
Fund Size	RM31.56 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 (%)	-2.08%	-2.82%
3 months (%)	-6.66%	-9.23%
6 months (%)	-4.83%	-5.86%
12 months (%)	-4.39%	-4.09%
2 years (% pa)	-0.25%	1.12%
3 years (% pa)	-1.17%	-0.30%
5 years (% pa)	-0.73%	-0.94%
Since Inception	5.16%	1.51%
Yield #	3.62%	3.45%

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 (June 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

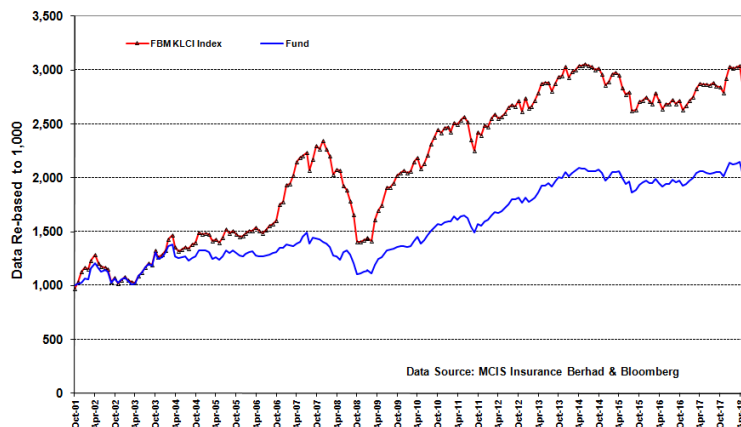
The Fund is considered high risk given the exposure to equity securities. The following factors can potentially affect the value of the Fund; consumer sentiment, financial performance of the underlying companies, the performance of the industry and economy, and the share market in general, social and 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 June 2018, the fund had outperformed the benchmark by 109bps MoM (month on month). The outperformance was mainly driven by higher exposure of outperforming stocks in the portfolio compared to benchmark.

Equity Fund Performance Since Inception



Top Ten Holdings

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

Fund Information

NAV (29.06.18)	RM0.9947
Fund Size	RM9.57 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%	93%
Cash	0%	20%	7%

Performance Table

Period	Fund	Index*
1 month (%)	-1.73%	-2.82%
3 months (%)	-6.73%	-9.23%
6 months (%)	-3.94%	-5.86%
12 months (%)	-2.92%	-4.09%
2 years (% pa)	1.27%	1.12%
3 years (% pa)	0.72%	-0.30%
5 years (% pa)	0.60%	-0.94%
Since Inception	4.19%	6.22%
Yield #	3.66%	3.45%

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 (June 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.

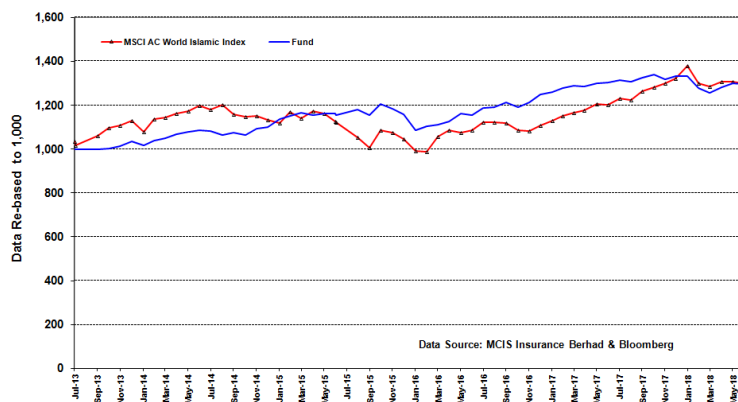
The following factors can potentially affect the value of the Fund; economic and political developments in related countries, foreign exchange fluctuation, illiquid and inefficient securities in the Emerging Markets, and the financial performance of the underlying companies.

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 June 2018, the fund had outperformed the benchmark by 49bps 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 Islamic World Equity Fund (AIWEF)

Fund Information

NAV (29.06.18)	RM0.6485
Fund Size	RM36.67 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%	85%
Cash	0%	20%	15%

Performance Table

Period	Fund	Index*
1 month (%)	-0.31%	-0.80%
3 months (%)	3.23%	0.87%
6 months (%)	-2.61%	-1.67%
12 months (%)	-0.52%	8.12%
2 years (% pa)	5.91%	9.43%
3 years (% pa)	3.76%	4.91%
5 years (% pa)	-	-
Since Inception	5.34%	5.36%

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 (June 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.

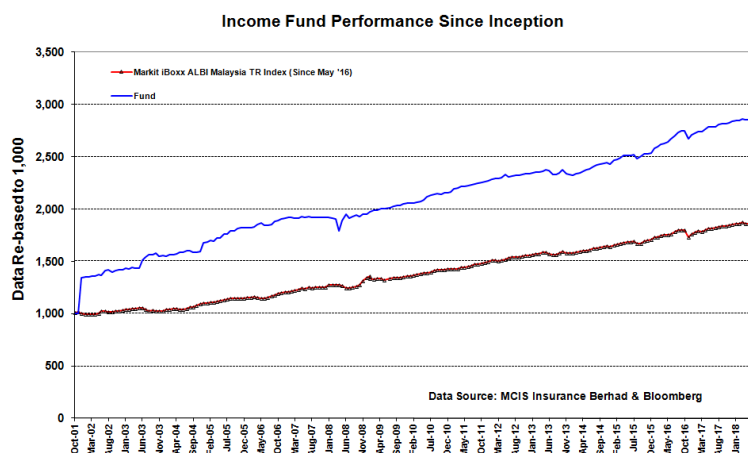
Risks

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 June 2018, the fund performance was in-lined with the benchmark return.



Top Ten Holdings

Malaysian Government Securities
Northern Gateway Infrastructure Sdn Bhd
UiTM Solar Power Sdn Berhad
SAJ Capital Sdn Bhd
YTL Corporation Berhad
Quantum Solar Park Malaysia Sdn Bhd
Sabah Development Bank Berhad
Asian Finance Bank Berhad
PBFIN Berhad
BGSM Management Sdn Bhd

Fund Information

NAV (29.06.18)	RM1.4349
Fund Size	RM27.33 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 (%)	0.50%	0.50%
3 months (%)	0.16%	-0.16%
6 months (%)	1.18%	1.02%
12 months (%)	3.08%	2.90%
2 years (% pa)	3.65%	2.92%
3 years (% pa)	4.48%	3.52%
5 years (% pa)	3.88%	3.50%
Since Inception	6.50%	3.81%

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 (June 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

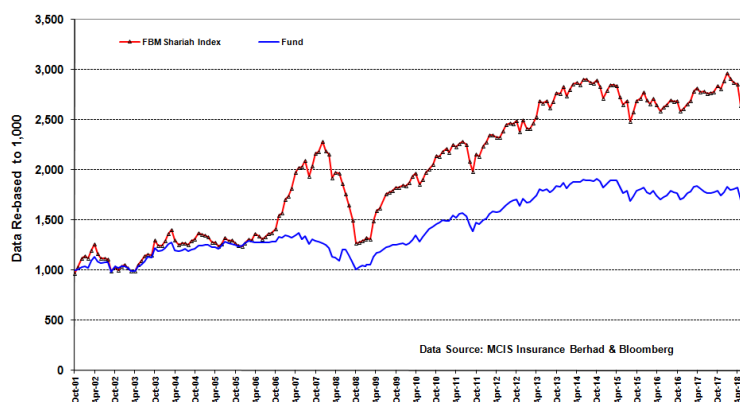
The Fund is considered high risk given the exposure to equity securities. The following factors can potentially affect the value of the Fund; consumer sentiment, financial performance of the underlying companies, the performance of the industry and economy, and the share market in general, social and 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 June 2018, the fund had underperformed the benchmark by 78bps MoM (month on month). The underperformance was mainly driven by higher exposure of underperforming stocks in the portfolio compared to benchmark.

Jati Fund Performance Since Inception



Top Ten Holdings

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

Fund Information

NAV (29.06.18)	RM0.8417
Fund Size	RM12.59 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%	89%
Cash	0%	20%	11%

Performance Table

Period	Fund	Index*
1 month (%)	-1.47%	-0.69%
3 months (%)	-6.96%	-8.60%
6 months (%)	-5.14%	-9.10%
12 months (%)	-5.91%	-5.69%
2 years (% pa)	-1.40%	-0.04%
3 years (% pa)	-1.67%	-0.32%
5 years (% pa)	-1.26%	-0.33%
Since Inception	3.16%	5.93%
Yield #	3.14%	3.09%

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

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

* 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

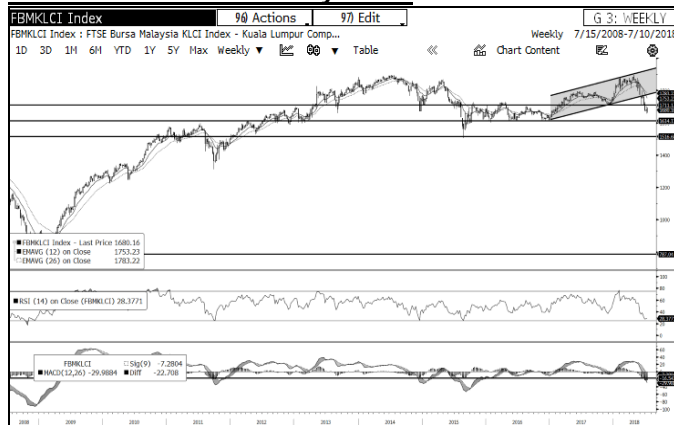
Market Review

FBMKLCI Index rebounded in the early part of June but fell for four consecutive days in the middle of the month due to concerns of growing trade tension between US and China as both countries threatened to impose a 25% tariff on goods worth USD34billion effective 6 July. This, coupled with rising US interest rates (two rate hikes YTD and two more expected in 2H18), unabated daily foreign selling in the local market concerns over corporate earnings risk, pushed the FBMKLCI down to a 16-month low as at 28 June. The local benchmark also broke the crucial technical support level of 1,708 points on 21 June. As at 29 June, FBMKLCI closed at 1,691.50 points, fell by 2.8% m-o-m, underperforming FBM EMAS Index which fell by 1.39% m-o-m.

On the local economic front, Malaysia's unemployment rate held steady in April. The jobless rate came in at 3.3% y-o-y in April, the same rate as in March. In the corresponding month last year, the unemployment rate was 3.4% y-o-y. There were 510,000 unemployed people in April compared with 511,900 a year earlier. The labor force participation rate remained unchanged at 68.2%.

Globally, a measure of U.S. manufacturing activity surged in June likely as steel and aluminium tariffs caused disruptions to the supply chains, resulting in factories taking longer to deliver goods. The Institute for Supply Management (ISM) index of national factory activity jumped to a reading of 60.2 last month from 58.7 in May. A reading above 50 in the ISM index indicates an expansion in manufacturing, which accounts for about 12 percent of the U.S. economy.

Chart 1: FBMKLCI Weekly Chart



Source: Bloomberg

Chart 2: FBMKLCI Monthly Pattern and Cycle Analysis



Source: Bloomberg

Market Outlook & Strategy

Technically, since its high of 1,896.03 level recorded on 20 April 2018, FBMKLCI index has corrected by approximately 11%. The index has also dipped below its 200-days moving average line which is currently at 1,795 level. This will be the point for the index to break in order to reverse its current trend. Most technical indicators are negative. Immediate support is seen at around 1,620 level. Meanwhile, resistance is seen at 1,700 level.

Going forward, apart from local political uncertainties, Malaysian market also is facing headwinds from geopolitical events and outflow of foreign funds, which had affected their year-to-date performance. These have dampened the investors' sentiment. We would look for bottom-fishing opportunities to accumulate quality stocks at lower levels.

Fixed Income Review and Outlook

Market Review

Local bond market was seen mixed in June after a massive foreign sell-off in May, driven by 1MDB scandals post-GE14, 25bps of US rate hike and heightened risk of US trade wars moving the market to a risk-off mode. The shortest MGS benchmark yield moved lower while the belly of the curve steepened, though the 10 year benchmark was seen unchanged at 4.21%. Due to the same reason, the Ringgit was seen weakening to RM4.0375/USD from RM3.9780/USD a month ago. Brent crude oil prices rose slightly to USD79.44/bbl from the previous month of USD77.59/bbl on the back of lower stockpiles in the US and increasing geopolitical tension in the Middle East.

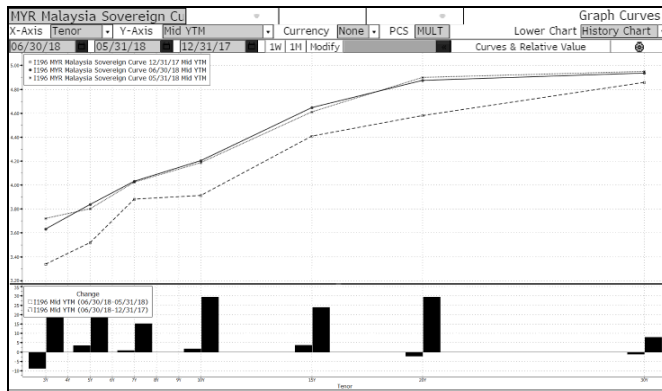
On local economic data, Malaysia's CPI was seen increasing slightly to +1.8% in May (Apr'18: +1.4%) due to lower oil price base in the previous year. It is expected that the inflation will weaken further in the remaining of 2018, driven by 0% GST policy and fixed RON95 fuel price. Export growth in Malaysia accelerated by +14.0% in April (Mar'18: +2.2%), driven by E&E shipments due to high demand from the US, together with double digit growth in chemicals, petrol and petrol related products and metals export. Imports made a comeback in April to +9.1%, compared to -9.6% in Mar'18. All in all, the trade balance remained healthy at a surplus of RM13.1 billion (Mar'18: +RM14.7 billion).

External reserve was reduced to US\$107.9 billion in mid-Jun'18 compared to US\$109.4 billion a month ago amid the massive sell-off in local portfolios due to unexpected GE14 result as well as increased risk aversion by foreign investors in the emerging market. The reserve is sufficient to cover 7.5 months of retained import and 1.0 times short term external debt.

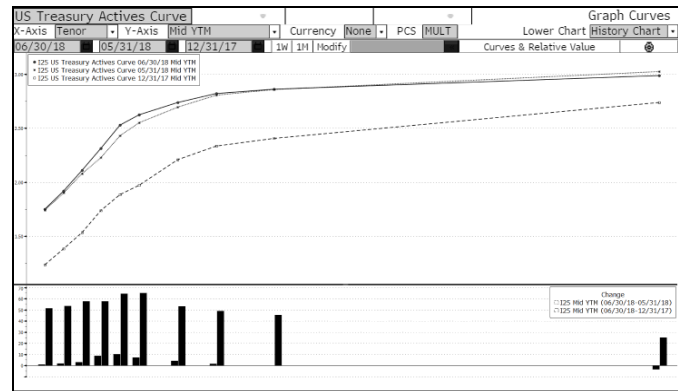
The auctions unveiled in June 2018 are as follows;

Government Auctions				
Issue	Issue Date	Amount (RM million)	Bid-cover (times)	Avg Yield (%)
20Year New Issuance of MGS(Mat 06/38)	8/6/2018	2,500.00	1.94	4.89
15Year Re-Issuance of GII(Mat 06/33)	29/6/2018	3,500.00	2.78	4.78

Source: Bank Negara Malaysia



Source: Bloomberg



Source: Bloomberg

The 10 year US Treasury note was unchanged at 2.86%, though during the month of June, the UST yield shot up to 2.97% prior to the 2nd Federal Reserve rate hike this year. However, as the noises of US trade war against its allies and China deepened, the UST was seen supported at 2.86% as market is taking a risk-off position.

Market Outlook & Strategy

Post OPR rate hike in Jan'18, BNM is likely to maintain a neutral monetary policy for the remaining of 2018 despite the major central banks are still showing signal towards policy tightening. The external risk factors such as geopolitical tension in North Korea, potential 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 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.