



Investment Linked Fund Performance Report March 2018

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EXECUTIVE SUMMARY

It was a relatively good month for Malaysian markets in March, despite rising concerns over escalation in US-China trade tensions, which have impacted sentiment in the global markets. The FBMKLCI ended March with a 0.4% m-o-m gain to close at 1,863 points and giving a gain of 3.7% for the 1Q18. The FBMKLCI outperformed the broader market for the third consecutive month in 2018, as the FTSE EMAS fell 1.5% m-o-m and +0.80% q-o-q.

Malaysian Government Security (“MGS”) bond yields had reversed the trend, moving the yield curve down 5-14 basis points (“bps”) as market expectation of a second rate hike diminished, after dovish statement made in the recent BNM meeting as well as the latest low inflation figures. Ringgit strengthened to RM3.8620/USD from a month earlier of RM3.9150/USD, following the higher Brent crude oil prices at USD70.27/bbl.

Malaysia’s real GDP started to slow in 4Q17 to 5.9% y-o-y, after reaching its peak of +6.2% in 3Q17. However, the growth momentum remains strong. For the full-year 2017, real GDP registered the strongest growth in three years of 5.9%, picking up from +4.2% in 2016, and 5% in 2015. This was mainly due to the surge in exports and subsequent pick-up in domestic demand.

Going forward, we are expecting positive local equity market in the first half of the year towards the GE14. 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 such as geopolitical tension in North Korea, potential US trade war with China 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, Jati Funds had outperformed the benchmark. 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 (%)	-3.87%	-1.39%	-0.47%	0.48%	0.09%	0.39%	0.26%	0.39%	-1.71%	-1.07%	0.56%	0.58%	0.34%	-1.47%
3 Months (%)	-6.10%	-2.13%	0.62%	2.45%	1.96%	3.71%	2.99%	3.71%	-5.66%	-2.52%	1.02%	1.18%	1.96%	-0.54%
6 Months (%)	-7.02%	0.73%	1.38%	4.02%	2.51%	6.14%	3.96%	6.14%	-5.16%	1.79%	1.85%	1.85%	1.64%	3.39%
12 Months (%)	-2.24%	12.75%	2.94%	6.01%	1.55%	7.09%	4.31%	7.09%	-2.50%	10.52%	4.55%	4.84%	-1.16%	3.27%

Source: MCI S Insurance Berhad

AsiaPac Fund Monthly Report (March 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.

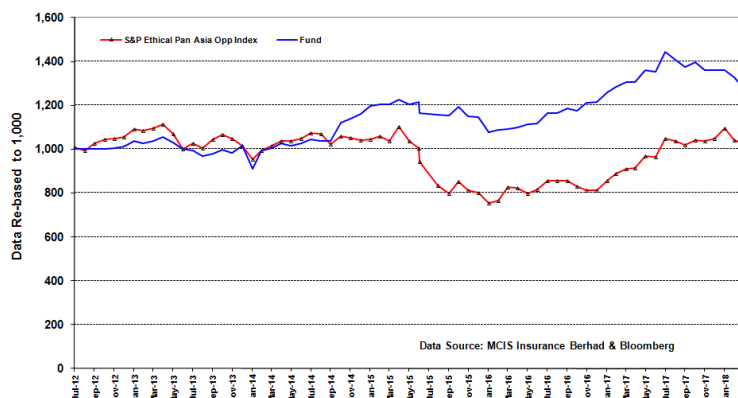
The following factors can potentially affect the value of the Fund; economic and political developments in related countries, foreign exchange fluctuation, illiquid and inefficient securities in the Emerging Markets, and the financial performance of the underlying companies.

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 March 2018, the fund had underperformed the benchmark by 248bps 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 (30.03.18)	RM0.6385
Fund Size	RM40.88 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%	85%
Cash	0%	20%	15%

Performance Table

Period	Fund	Index*
1 month (%)	-3.87%	-1.39%
3 months (%)	-6.10%	-2.13%
6 months (%)	-7.02%	0.73%
12 months (%)	-2.24%	12.75%
2 years (% pa)	17.01%	23.95%
3 years (% pa)	1.98%	-0.35%
5 years (% pa)	4.23%	-1.30%
Since Inception	4.34%	0.44%

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

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

* Index is S&P Ethical Pan Asia Select Dividend Opportunities sourced from Bloomberg.

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

Balanced Fund Monthly Report (March 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

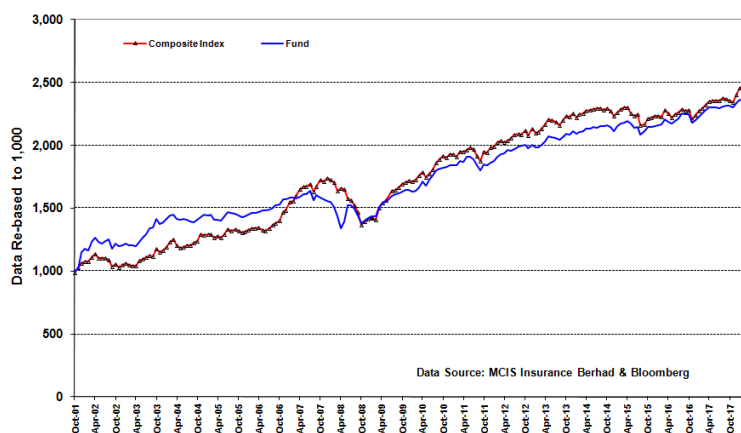
The Fund is considered medium risk given the mixed exposure of equity securities, fixed income and cash. The following factors can potentially affect the value of the Fund; consumer sentiment, financial performance of the underlying companies, industry and economy development, social and political factors, 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 March 2018, the fund had underperformed the benchmark by 95bps 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)
- Northern Gateway Infrastructure Sdn Bhd (Bond)
- Malayan Banking Berhad (Equity)
- Sabah Credit Corporation (Bond)
- Projek Lebuhraya Utara-Selatan (Bond)
- CIMB Bank Berhad (Equity)
- Telekom Malaysia Berhad (Equity)

Fund Information

NAV (30.03.18)	RM1.1740
Fund Size	RM7.91 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%	48%
Fixed Income	40%	60%	49%
Cash	0%	20%	3%

Performance Table

Period	Fund	Index*
1 month (%)	-0.47%	0.48%
3 months (%)	0.62%	2.45%
6 months (%)	1.38%	4.02%
12 months (%)	2.94%	6.01%
2 years (% pa)	3.13%	3.90%
3 years (% pa)	2.48%	2.26%
5 years (% pa)	3.20%	2.91%
Since Inception	5.31%	5.61%

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

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

* The benchmark index is a composite of 50% FBM KLCI Index and 50% of Markit iBoxx ALBI Malaysia TR Index (Since Dec '12). Prior to that, the index used was HSBC Malaysia All Bond Index for the fixed income portion. Benchmark return is calculated on re-based basis. The source is from the subscription of Markit Indices.

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

Dividend Fund Monthly Report (March 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

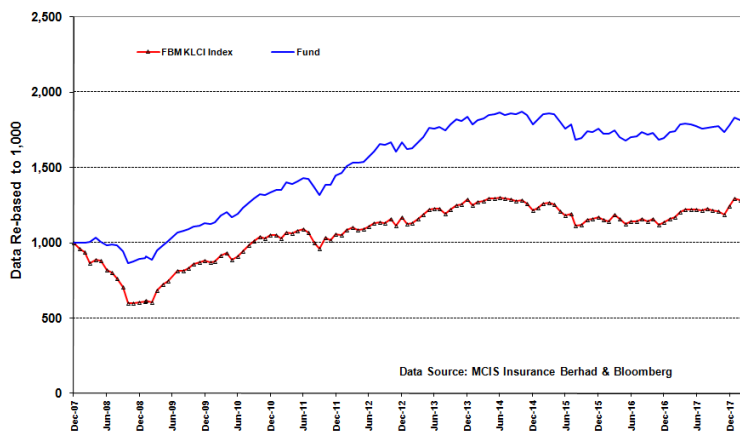
The Fund is considered high risk given the exposure to equity securities. The following factors can potentially affect the value of the Fund; consumer sentiment, financial performance of the underlying companies, the performance of the industry and economy, and the share market in general, social and 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 March 2018, the fund had underperformed the benchmark by 30bps 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
Tenaga Nasional Berhad
Malayan Banking Berhad
Axiata Group Berhad
DiGi.Com Berhad
Telekom Malaysia Berhad
IOI Corporation Berhad

Fund Information

NAV (30.03.18)	RM0.8628
Fund Size	RM34.55 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%	93%
Cash	0%	20%	7%

Performance Table

Period	Fund	Index*
1 month (%)	0.09%	0.39%
3 months (%)	1.96%	3.71%
6 months (%)	2.51%	6.14%
12 months (%)	1.55%	7.09%
2 years (% pa)	1.94%	4.16%
3 years (% pa)	-0.76%	0.59%
5 years (% pa)	1.73%	2.20%
Since Inception	6.00%	2.51%
Yield #	3.29%	3.36%

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 FBM KLCI sourced from Bloomberg.

Yield data is sourced from Bloomberg, and MCIS.

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

Equity Fund Monthly Report (March 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

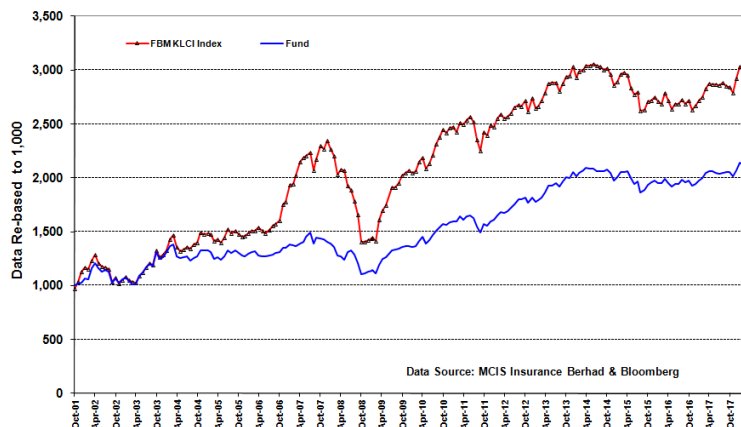
The Fund is considered high risk given the exposure to equity securities. The following factors can potentially affect the value of the Fund; consumer sentiment, financial performance of the underlying companies, the performance of the industry and economy, and the share market in general, social and 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 March 2018, the fund had underperformed the benchmark by 13bps 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
Public Bank Berhad
Malayan Banking Berhad
IOI Corporation Berhad
Petronas Chemicals Group Berhad
CIMB Bank Berhad
Sime Darby Plantation Berhad
Telekom Malaysia Berhad
Petronas Gas Berhad
Petronas Dagangan Berhad

Fund Information

NAV (30.03.18)	RM1.0665
Fund Size	RM10.25 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%	92%
Cash	0%	20%	8%

Performance Table

Period	Fund	Index*
1 month (%)	0.26%	0.39%
3 months (%)	2.99%	3.71%
6 months (%)	3.96%	6.14%
12 months (%)	4.31%	7.09%
2 years (% pa)	3.56%	4.16%
3 years (% pa)	1.30%	0.59%
5 years (% pa)	3.24%	2.20%
Since Inception	4.70%	6.95%
Yield #	3.36%	3.36%

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 FBM KLCI sourced from Bloomberg.

Yield data is sourced from Bloomberg, and MCIS.

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

Global Yakin Fund

Monthly Report (March 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.

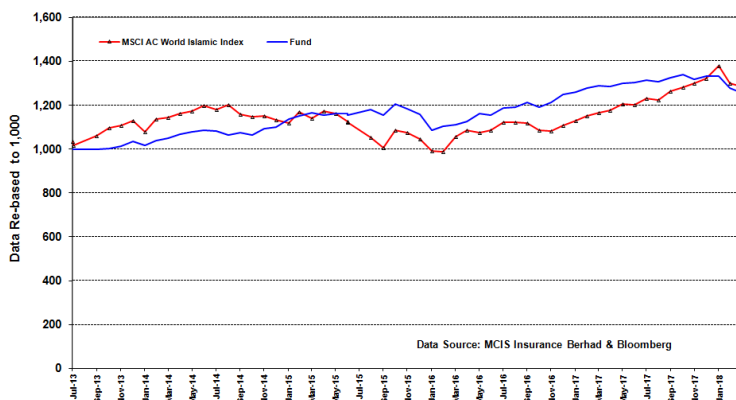
The following factors can potentially affect the value of the Fund; economic and political developments in related countries, foreign exchange fluctuation, illiquid and inefficient securities in the Emerging Markets, and the financial performance of the underlying companies.

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 March 2018, the fund had underperformed the benchmark by 64bps 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 (30.03.18)	RM0.6282
Fund Size	RM34.24 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%	88%
Cash	0%	20%	12%

Performance Table

Period	Fund	Index*
1 month (%)	-1.71%	-1.07%
3 months (%)	-5.66%	-2.52%
6 months (%)	-5.16%	1.79%
12 months (%)	-2.50%	10.52%
2 years (% pa)	6.31%	10.41%
3 years (% pa)	2.52%	4.17%
5 years (% pa)	-	-
Since Inception	4.92%	5.46%

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

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

* Index is MSCI AC World Islamic sourced from Bloomberg.

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

Income Fund

Monthly Report (March 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.

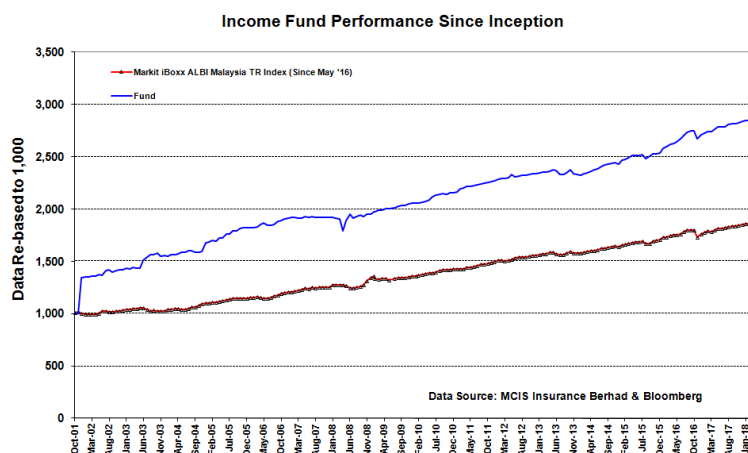
Risks

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 March 2018, the fund had underperformed the benchmark by 2bps 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
Danga Capital Berhad
SAJ Capital Sdn Bhd
YTL Corporation Berhad
Quantum Solar Park Malaysia Sdn Bhd
Sabah Development Bank Berhad
Malaysia Building Society Berhad
PBFIN Berhad
BGSM Management Sdn Bhd

Fund Information

NAV (30.03.18)	RM1.4326
Fund Size	RM27.20 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%	97%
Cash	0%	25%	3%

Performance Table

Period	Fund	Index*
1 month (%)	0.56%	0.58%
3 months (%)	1.02%	1.18%
6 months (%)	1.85%	1.85%
12 months (%)	4.55%	4.84%
2 years (% pa)	4.59%	3.56%
3 years (% pa)	4.75%	3.83%
5 years (% pa)	3.98%	3.53%
Since Inception	6.59%	3.87%

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

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

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

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

Jati Fund

Monthly Report (March 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

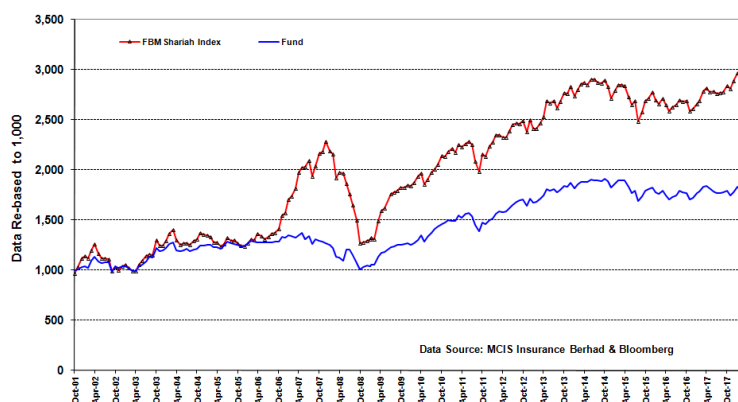
The Fund is considered high risk given the exposure to equity securities. The following factors can potentially affect the value of the Fund; consumer sentiment, financial performance of the underlying companies, the performance of the industry and economy, and the share market in general, social and 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 March 2018, the fund had outperformed the benchmark by 181bps 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
 IOI Corporation Berhad
 Perlis Plantation Berhad
 IHH Healthcare Berhad
 Kuala Lumpur Kepong Berhad

Fund Information

NAV (30.03.18)	RM0.9047
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%	90%
Cash	0%	20%	10%

Performance Table

Period	Fund	Index*
1 month (%)	0.34%	-1.47%
3 months (%)	1.96%	-0.54%
6 months (%)	1.64%	3.39%
12 months (%)	-1.16%	3.27%
2 years (% pa)	0.50%	2.89%
3 years (% pa)	-1.59%	0.28%
5 years (% pa)	1.13%	3.10%
Since Inception	3.66%	6.61%
Yield #	3.01%	2.78%

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

It was a relatively good month for Malaysian markets in March, despite rising concerns over escalation in US-China trade tensions, which have impacted sentiment in the global markets. The FBMKLCI ended March with a 0.4% m-o-m gain to close at 1,863 points giving a gain of 3.7% for the 1Q18. The FBMKLCI outperformed the broader market for the third consecutive month in 2018, as the FTSE EMAS fell 1.5% m-o-m and +0.80% q-o-q. Average daily value traded on Bursa in March fell 14% m-o-m and 19% y-o-y to RM2.47bn as investors may have stayed on the sidelines in view of concerns over the US rate hike and US-China trade war.

During the month, Fed raised interest rates by a quarter of a percentage point to a range of 1.5% to 1.75%, and foreign investors reduce their exposure in Malaysia, with RM0.1bn net outflow in March.

On the domestic economic front, Malaysia's real GDP started to slow in 4Q17 to 5.9% y-o-y, after reaching its peak of +6.2% in 3Q17. However, the growth momentum remains strong. For the full-year 2017, real GDP registered the strongest growth in three years of 5.9%, picking up from +4.2% in 2016, and 5% in 2015. This was mainly due to the surge in exports and subsequent pick-up in domestic demand.

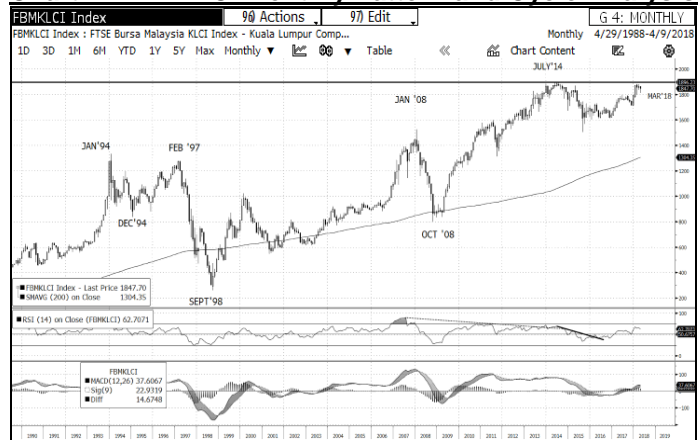
Globally, the US proposed imposing 25% tariffs on about USD50bn worth of Chinese-made products, focusing on high-tech items from semiconductors to lithium batteries while seeking to minimise the impact on American consumers. In response, China's embassy to the US said in a statement that it "strongly condemns and firmly opposes" the tariffs. China will respond to any tariffs imposed by the US against alleged violations of intellectual property rights with the same proportion, scale and intensity, said its US ambassador Cui Tiankai

Chart 1: FBMKLCI Weekly Chart



Source: Bloomberg

Chart 2: FBMKLCI Monthly Pattern and Cycle Analysis



Source: Bloomberg

Market Outlook & Strategy

Technically, the FBMKLCI index was a quiet and choppy month in March. The index has broken out its triangle formation, similar during the 1997 Asian Crisis. If history repeats itself, the current movement would likely have trouble taking out the all-time high of 1,896. The critical support level is at 1,708 and a decisive breach below this level suggests that the 10-year cycle bearish phase is likely under way.

The historical performance of the FBMKLCI in April has been positive, registering average monthly gain of 1.8% over the past 10 years. As the GE14 gets closer, the local market may continue to remain choppy. Any downturn will be opportunity to accumulate at lower price. Going forward, we are expecting positive local equity market in the first half of the year towards the GE14.

Fixed Income Review and Outlook

Market Review

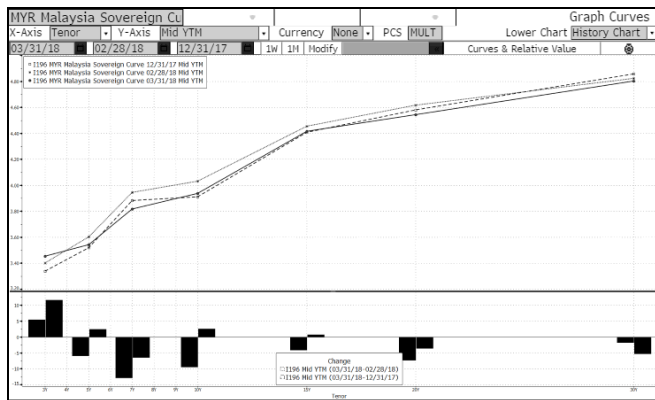
Malaysian Government Security (“MGS”) bond yields had reversed the trend, moving the yield curve lower by 5-14 basis points (“bps”) as market expectation of a second rate hike diminished, after dovish statement made in the recent BNM meeting as well as the latest low inflation figures. Ringgit strengthened to RM3.8620/USD from a month earlier of RM3.9150/USD, following the higher Brent crude oil prices at USD70.27/bbl and heightened concerns on the potential US-China trade war.

On local economic data, Malaysia had a strong head start in 2018 as the export was growing higher by 17.9% y-o-y in Jan’18 (Dec’17: +4.7%), boosted by “front-loading” ahead of the Lunar New Year holiday in Feb’18 and sustained global economic expansion in early 2018. Import growth rose to +11.6% y-o-y (Dec’17: +7.9%), lifted by the surge in import for re-exports. All in all, the trade balance was seen higher at RM9.7 billion in Jan’18 (Dec’17: RM7.3 bn). Malaysia’s inflation was seen at 14-months low at 1.4% in Feb’18 due to high base recorded in the previous year. The cost of transport went down by 0.3% y-o-y while food was seen moderated to +3.0% y-o-y. Industrial Production Index for Jan’18 edged up by 3.0% y-o-y (2.9% y-o-y in Dec’17). Malaysia’s external reserves creep up slightly by US\$0.2 billion to US\$103.9 billion in Mar’18. The reserve is sufficient to cover 7.3 months of retained import and 1.1 times short term external debt.

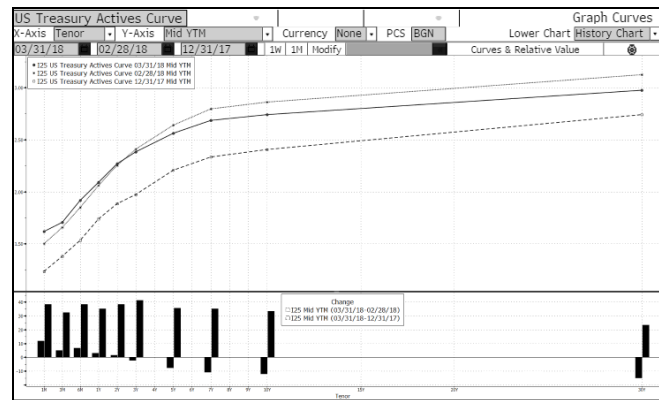
The auctions unveiled in March 2018 are as follows;

Government Auctions				
Issue	Issue Date	Amount (RM million)	Bid-cover (times)	Avg Yield (%)
30Year Re-Issuance of GII(Mat 05/47)	9/3/2018	2,500.00	2.07	4.93
7Year New Issuance of MGS(Mat 03/25)	14/3/2018	4,000.00	2.35	3.88
15Year Re-Issuance of GII(Mat 06/33)	23/3/2018	3,500.00	2.00	4.54
3Year Re-Issuance of MGS(Mat 11/21)	30/3/2018	3,000.00	1.72	3.45

Source: Bank Negara Malaysia



Source: Bloomberg



Source: Bloomberg

10-year US Treasury yield moved 12-bps lower to 2.74% from last month’s 2.86% post the latest FOMC meeting in Mar’18. The minutes turned up to be less hawkish than expected, lowering the chance of a total 4 rate hikes this year. Trump’s US\$60 billion tariff slap to China also one of the major factors moving the yields down as the market shifted to risk-off stance due to a potential trade war with China.

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 trade war with China 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.