



Investment Linked Fund Performance Report July 2017

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EXECUTIVE SUMMARY

It was a flattish month in July as the FBMKLCI traded in a narrow range of 1,755 to 1,770 points due to lack of catalysts to drive the market. The FBMKLCI Index fell 0.2% m-o-m to close at 1,760 points. The broader market underperformed the FBMKLCI, with the FBM EMAS falling 0.4% m-o-m to 12,552 points. Average daily value traded on Bursa in July declined 15% m-o-m to RM2.05billion.

MGS weakened in the short-to-belly of the curve in July as the yield went up by 4-8 bps. Ringgit strengthened slightly from RM 4.2905/USD to RM 4.2845/USD while Brent crude oil price recovered from the low of USD 47.92/barrel to end the month at USD 52.65/barrel.

Malaysia CPI moderated to +3.6% and exports growth slowed 10% y-o-y in June, mainly on the back of base effects and a distortive festive period.

Going forward, we remain positive on the equity market on the back of better economic outlook, improving earnings and stabilising of the ringgit this year. We are cautiously optimistic on the equity market and the strategy remains to buy on weakness. Meanwhile, for fixed income, we believe corporate bond space will continue to provide attractive yields given stable monetary stance from BNM and strong fundamental 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, all funds had underperformed their benchmarks due to higher exposure of underperforming securities, except for Income Fund. Meanwhile for Asiapac Fund and Global Yakin Fund, the underperformance was due to recent strengthening of ringgit.

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 (%)	6.89%	8.72%	-0.36%	-0.04%	-0.90%	-0.21%	-0.70%	-0.21%	0.80%	2.39%	0.22%	0.13%	-0.98%	-0.82%
3 Months (%)	10.72%	14.68%	-0.23%	0.36%	-1.96%	-0.45%	-1.24%	-0.45%	2.19%	4.36%	1.03%	1.18%	-3.92%	-1.96%
6 Months (%)	14.81%	22.19%	2.96%	3.78%	1.26%	5.29%	3.05%	5.29%	4.22%	8.92%	2.32%	2.27%	0.14%	4.01%
12 Months (%)	24.22%	22.18%	3.60%	4.11%	2.78%	6.46%	4.84%	6.46%	10.75%	9.51%	3.31%	1.76%	1.40%	4.25%

Source: MCI/S Insurance Berhad

AsiaPac Fund Monthly Report (July 2017)

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.

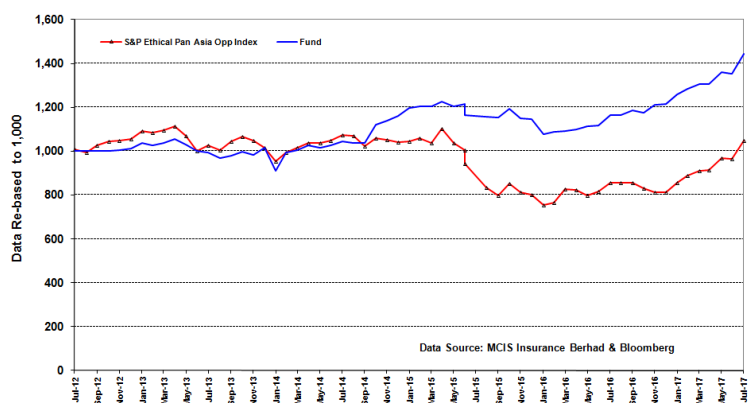
The following factors can potentially affect the value of the Fund; economic and political developments in related countries, foreign exchange fluctuation, illiquid and inefficient securities in the Emerging Markets, and the financial performance of the underlying companies.

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 July 2017, the fund had underperformed the benchmark by 183bps MoM (month on month). 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 (31.7.17)	RM0.7227
Fund Size	RM33.76 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%	86%
Cash	0%	20%	14%

Performance Table

Period	Fund	Index*
1 month (%)	6.89%	8.72%
3 months (%)	10.72%	14.68%
6 months (%)	14.81%	22.19%
12 months (%)	24.22%	22.18%
2 years (% pa)	24.22%	11.24%
3 years (% pa)	11.43%	-0.85%
5 years (% pa)	-	-
Since Inception	7.52%	0.93%

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 (July 2017)

Investment Objective

The objective of the Balanced Fund is to provide security and income, while maintaining and potentially increasing the value of capital over the medium to long-term, through exposure across a range of asset classes. The Fund aims to outperform the performance benchmark over periods of three or more years.

Investment Strategy

To invest in Malaysian equities and fixed income securities, including government bonds and corporate debt securities. The asset allocation is reviewed on a regular basis, and is adjusted commensurate with our view on the relative attractiveness of each asset class.

Risks

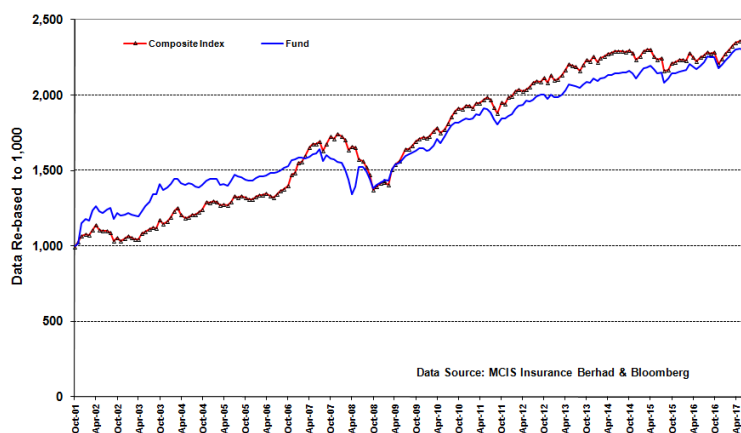
The Fund is considered medium risk given the mixed exposure of equity securities, fixed income and cash. The following factors can potentially affect the value of the Fund; consumer sentiment, financial performance of the underlying companies, industry and economy development, social and political factors, and the liquidity of the underlying assets. Additionally, levels of interest rates, and credit downgrades of defaults can affect the value of fixed income securities

The target market is clients wanting the surety of insurance protection, with an element of potential upside investment exposure.

Fund Performance

For the month ended July 2017, the fund had underperformed the benchmark by 40bps 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)
- Sabah Credit Corporation (Bond)
- CIMB Bank Berhad (Bond)
- Sarawak Hidro Sdn Bhd (Bond)
- Tenaga Nasional Berhad (Equity)
- Malayan Banking Berhad (Equity)
- Projek Lebuhraya Utara-Selatan (Bond)
- Public Bank Berhad (Bond)
- Telekom Malaysia Berhad (Equity)
- AmanahRaya Real Estate Investment Trust (Reits)

Fund Information

NAV (31.7.17)	RM1.1480
Fund Size	RM7.97 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%	47%
Cash	0%	20%	5%

Performance Table

Period	Fund	Index*
1 month (%)	-0.36%	-0.04%
3 months (%)	-0.23%	0.36%
6 months (%)	2.96%	3.78%
12 months (%)	3.60%	4.11%
2 years (% pa)	3.34%	2.42%
3 years (% pa)	2.33%	0.93%
5 years (% pa)	3.13%	2.51%
Since Inception	5.39%	5.57%

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 (July 2017)

Investment Objective

To achieve steady income stream with potential for capital growth over medium to long term by focusing mostly on high dividend yielding stocks and money market instruments. The aim of the Fund is to outperform the FBM KLCI Index over periods of five or more years.

Investment Strategy

To invest in a broad selection of companies listed on the Malaysian Stock Exchange. Using a relative value methodology, the fund focuses on undervalued stocks relative to fundamental value, with the aim of achieving an income stream, together with some degree of long-term capital gains.

Risks

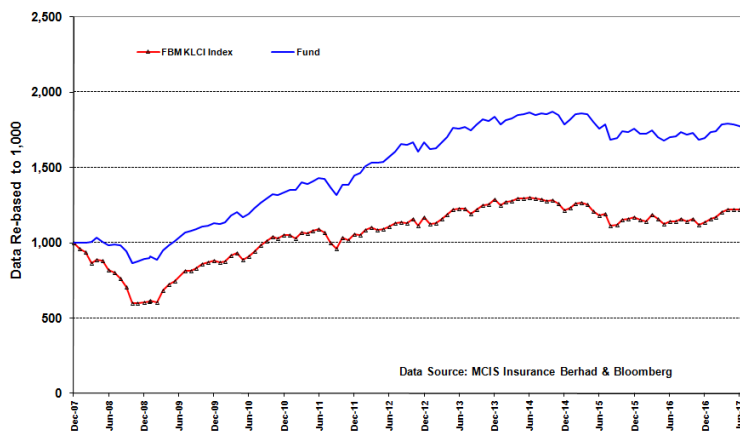
The Fund is considered high risk given the exposure to equity securities. The following factors can potentially affect the value of the Fund; consumer sentiment, financial performance of the underlying companies, the performance of the industry and economy, and the share market in general, social and political factors, and the liquidity of the underlying assets.

The target market is clients wanting the surety of insurance protection, with an element of potential upside investment exposure.

Fund Performance

For the month ended July 2017, the fund had underperformed the benchmark by 111bps 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

Sime Darby Berhad
Petronas Gas Berhad
Telekom Malaysia Berhad
Public Bank Berhad
Petronas Chemicals Group Berhad
Maxis Berhad
Malayan Banking Berhad
Tenaga Nasional Berhad
DiGi.Com Berhad
Axiata Group Berhad

Fund Information

NAV (31.7.17)	RM0.8347
Fund Size	RM36.16 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%	92%
Cash	0%	20%	8%

Performance Table

Period	Fund	Index*
1 month (%)	-0.90%	-0.21%
3 months (%)	-1.96%	-0.45%
6 months (%)	1.26%	5.29%
12 months (%)	2.78%	6.46%
2 years (% pa)	-0.83%	1.06%
3 years (% pa)	-1.69%	-2.02%
5 years (% pa)	1.80%	1.53%
Since Inception	6.06%	2.08%
Yield #	2.90%	3.04%

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 (July 2017)

Investment Objective

The objective of the Equity Fund is to achieve capital growth over the medium to long term by focusing on high quality equities listed on the FBM KLCI Index. The aim of the Equity Fund is to outperform the Index over periods of five or more years.

Investment Strategy

To invest in a broad selection of companies listed on the Malaysian Stock Exchange. Using a relative value methodology, the fund focuses on the stocks whose shares appear undervalued relative to fundamental value, with the aim of achieving long term growth in capital value.

Risks

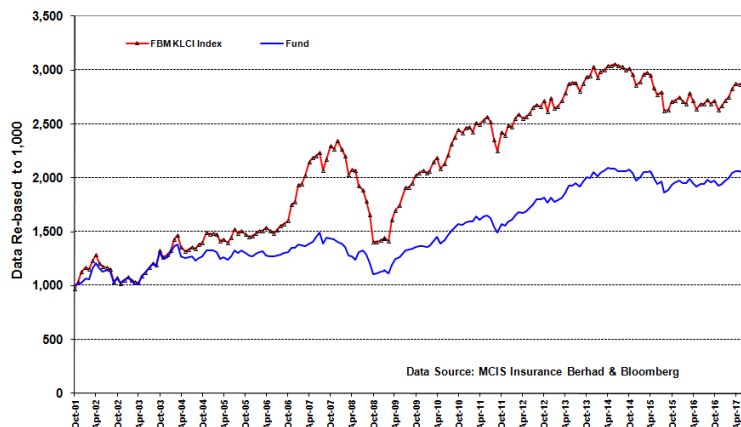
The Fund is considered high risk given the exposure to equity securities. The following factors can potentially affect the value of the Fund; consumer sentiment, financial performance of the underlying companies, the performance of the industry and economy, and the share market in general, social and political factors, and the liquidity of the underlying assets.

The target market is clients wanting the surety of insurance protection, with an element of potential upside investment exposure.

Fund Performance

For the month ended July 2017, the fund had underperformed the benchmark by 91bps 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
KLCCP Staped Group
Telekom Malaysia Berhad
Sime Darby Berhad
Petronas Chemicals Group Berhad
Petronas Dagangan Berhad
CIMB Bank Berhad

Fund Information

NAV (31.7.17)	RM1.0174
Fund Size	RM11.06 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 (%)	-0.70%	-0.21%
3 months (%)	-1.24%	-0.45%
6 months (%)	3.05%	5.29%
12 months (%)	4.84%	6.46%
2 years (% pa)	1.67%	1.06%
3 years (% pa)	-0.41%	-2.02%
5 years (% pa)	3.00%	1.53%
Since Inception	4.59%	6.86%
Yield #	2.87%	3.04%

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 (July 2017)

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 that the Fund will invest in will include, but not limited to Canada, United States of America, United Kingdom, France, Germany, Italy, Netherlands, Sweden, Switzerland, Japan, Australia, China, Hong Kong, Korea, Singapore, Taiwan, Brazil and Mexico.

Risks

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

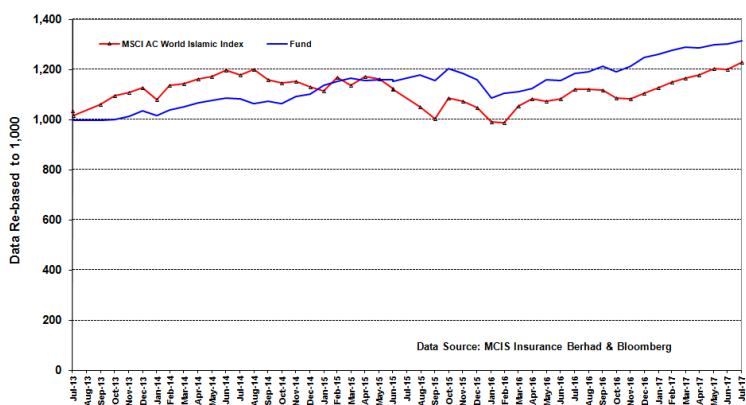
The following factors can potentially affect the value of the Fund; economic and political developments in related countries, foreign exchange fluctuation, illiquid and inefficient securities in the Emerging Markets, and the financial performance of the underlying companies.

The Fund is suitable for investors who seek capital appreciation over a long term investment horizon and who are willing to accept high level of risk.

Fund Performance

For the month ended July 2017, the fund had underperformed the benchmark by 159bps 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 (31.7.17)	RM0.6571
Fund Size	RM30.21 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%	82%
Cash	0%	20%	18%

Performance Table

Period	Fund	Index*
1 month (%)	0.80%	2.39%
3 months (%)	2.19%	4.36%
6 months (%)	4.22%	8.92%
12 months (%)	10.75%	9.51%
2 years (% pa)	6.70%	4.74%
3 years (% pa)	6.69%	1.40%
5 years (% pa)	-	-
Since Inception	6.92%	5.19%

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 (July 2017)

Investment Objective

The objective of the Income Fund is to provide investors with security of income by investing in a mix of fixed income and fixed deposit securities. The aim of the Fund is to outperform the HSBC Malaysia Local Currency All Bond Total Return Index.

Investment Strategy

To invest into underlying asset classes as per the Asset Allocation Ranges. The asset allocation is reviewed on a regular basis, and is adjusted commensurate with our view on the relative attractiveness of each asset class. The Fund invests in cash and fixed income securities including government bonds and corporate debt securities.

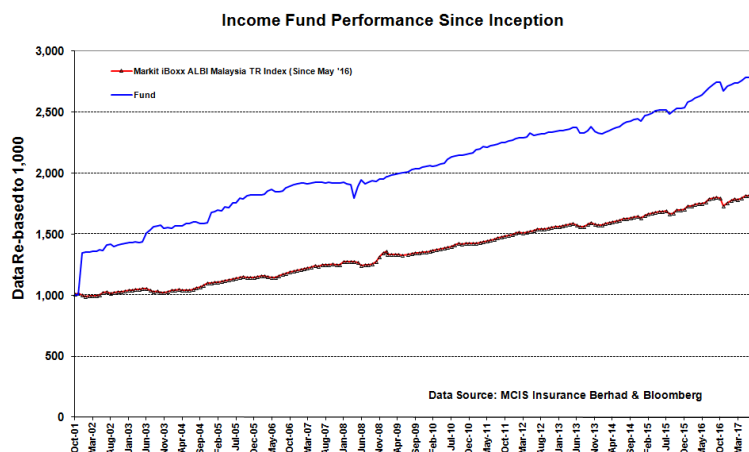
Risks

The Fund is considered lower risk given the exposure to cash and fixed income securities. The following factors can potentially affect the value of the Fund; consumer sentiment, financial performance of the underlying companies, the performance of the industry and economy, and the share market in general, social and political factors, and the liquidity of the underlying assets. Additionally, levels of interest rates, and credit downgrades or defaults can affect the value of fixed income securities.

The target market is clients wanting the surety of insurance protection, with an element of potential upside investment exposure.

Fund Performance

For the month ended July 2017, the fund had outperformed the benchmark by 9bps MoM (month on month). The outperformance was due to outperforming of the fixed income securities compared to the benchmark index.



Top Ten Holdings

Malaysian Government Securities
Government Investment Issue
YTL Corporation Berhad
Sabah Development Bank Berhad
PBFIN Berhad
BGSM Management Sdn Bhd
Sabah Credit Corporation
Perdana Petroleum Berhad
Sarawak Hidro Sdn Bhd
Bank Pembangunan Malaysia Berhad

Fund Information

NAV (31.7.17)	RM1.3950
Fund Size	RM27.21 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%	84%
Cash	0%	25%	16%

Performance Table

Period	Fund	Index*
1 month (%)	0.22%	0.13%
3 months (%)	1.03%	1.18%
6 months (%)	2.32%	2.27%
12 months (%)	3.31%	1.76%
2 years (% pa)	5.21%	3.67%
3 years (% pa)	5.01%	3.86%
5 years (% pa)	3.77%	3.38%
Since Inception	6.69%	3.85%

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 (July 2017)

Investment Objective

The Jati Fund is invested in accordance with Shariah principles in Shariah sanctioned equities, money market instruments, and fixed income investments. The aim is to provide security and income, while maintaining and potentially increasing the value of capital over the medium to long-term. The Jati Fund is not a takaful product.

Investment Strategy

To invest in a broad selection of Shariah approved securities listed on the Malaysian Stock Exchange. Using a relative value methodology it looks to buy stocks whose shares appear undervalued relative to fundamental value, with the aim of achieving an income stream, together with some degree of long-term capital gains.

Risks

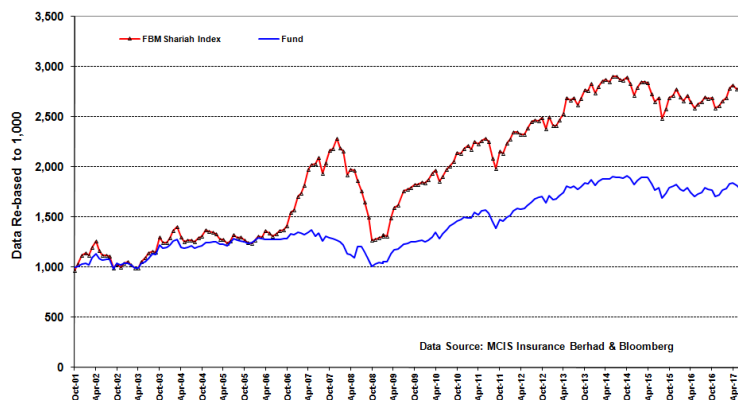
The Fund is considered high risk given the exposure to equity securities. The following factors can potentially affect the value of the Fund; consumer sentiment, financial performance of the underlying companies, the performance of the industry and economy, and the share market in general, social and political factors, and the liquidity of the underlying assets.

The target market is clients wanting the surety of insurance protection, with an element of potential upside investment exposure.

Fund Performance

For the month ended July 2017, the fund had underperformed the benchmark by 180bps 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
Sime Darby Berhad
SapuraKencana Petroleum Berhad
Petronas Dagangan Berhad
Telekom Malaysia Berhad
Petronas Chemicals Group Berhad
IHH Healthcare Berhad
MISC Berhad
DiGi.Com Berhad
MyETF Dow Jones Islamic Market Titan 25

Fund Information

NAV (31.7.17)	RM0.8858
Fund Size	RM12.22 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%	88%
Cash	0%	20%	12%

Performance Table

Period	Fund	Index*
1 month (%)	-0.98%	-0.82%
3 months (%)	-3.92%	-1.96%
6 months (%)	0.14%	4.01%
12 months (%)	1.40%	4.25%
2 years (% pa)	-0.51%	1.38%
3 years (% pa)	-2.23%	-1.69%
5 years (% pa)	1.43%	2.43%
Since Inception	3.68%	6.63%
Yield #	2.28%	2.51%

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

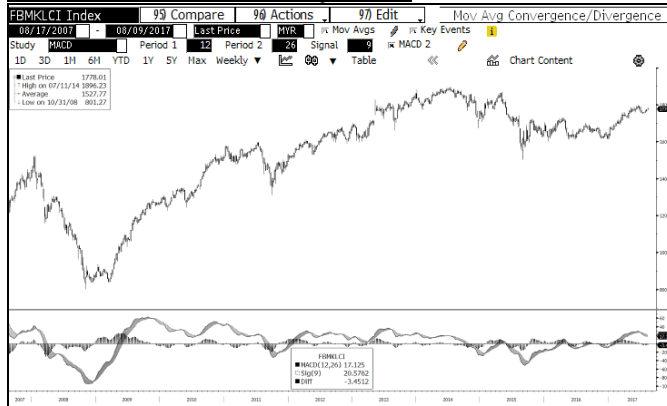
It was a flattish month in July as the FBMKLCI traded in a narrow range of 1,755 to 1,770 points due to lack of catalysts to drive the market. One of the key corporate developments during the month was the listing of Lotte Chemical, the largest IPO in Malaysia since 2012, on 10 July. However, shares of Lotte Chemical fell during their Malaysian stock market debut due to weak investor demand.

The FBMKLCI Index fell 0.2% m-o-m to close at 1,760 points. The broader market underperformed the FBMKLCI, with the FBM EMAS falling 0.4% m-o-m to 12,552 points. Average daily value traded on Bursa in July declined 15% m-o-m to RM2.05billion.

On the domestic economic front, exports growth slowed in June to 10% y-o-y, mainly on the back of base effects and a distortive festive period. Shipments of both E&E and non-E&E categories saw growth easing in June. On a quarterly basis, exports remained robust at 20.6% y-o-y in 2Q17, sustaining its pace from the previous quarter.

Globally, the US real GDP growth picked up to an annualised growth of 2.6% in 2Q17, from a revised 1.2% in 1Q and compared to +1.8% in 4Q16. This was mainly on the back of a recovery in consumer spending. Meanwhile, Eurozone GDP growth accelerates to 0.6% in 2Q, building on growth of 0.5% in 1Q. Growth has quickened and unemployment has fallen against the backdrop of ultra-low interest rates and other measures by the European Central Bank (ECB) to boost activity.

Chart 1: FBMKLCI Weekly Chart



Source: Bloomberg

Chart 2: FBMKLCI Monthly Pattern and Cycle Analysis



Source: Bloomberg

Market Outlook & Strategy

Technically, short term outlook is indicating the index is currently in consolidation mode. Negative MACD shown on a weekly chart may limit any upside for the immediate term. Resistance is seen at 1,796 level. Support is seen at 1,750 level failing which a next strong support is seen at 1,730 level.

August has historically been the worst performing month for the KLCI with an average monthly decline of 2%. This may not be the case this year due to the looming 14th GE and potentially stronger than expected 2Q17 GDP growth. However, we would view the likely stock market weakness in 3Q17 as an opportunity to accumulate positions ahead of a potential rebound in the 4Q17 on expectation of a positive response from budget to be presented in late October 2017 and potential positive news flow from construction sector. Going forward, we remain positive on the equity market on the back of better economic outlook, improving earnings and stabilising of the ringgit this year.

Fixed Income Review and Outlook

Market Review

Malaysia Government Securities (MGS) weakened in the short-to-belly of the curve in July as the yield went up by 4-8 bps. Ringgit strengthened slightly from RM 4.2905/USD to RM 4.2845/USD while Brent crude oil price recovered from the low of USD 47.92/barrel to end the month at USD 52.65/barrel.

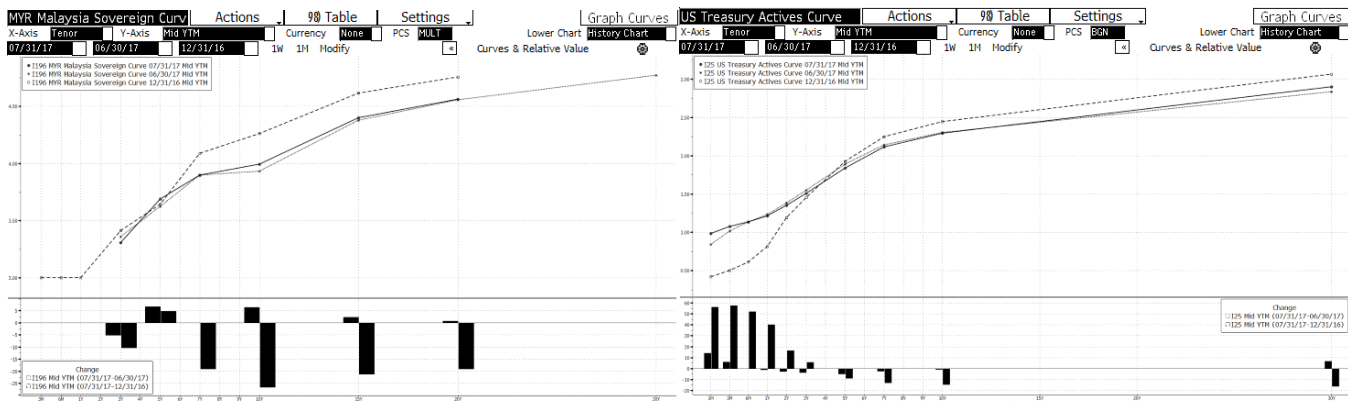
On the economic data, Malaysia CPI in June'17 moderated to +3.6% vs market expectation at 3.9% YoY as transport cost continues to moderate to +10.5% vs previous month of +13.1%. BNM and market alike expect the inflation to moderate further throughout the year. Malaysia's trade surplus rose to MYR 9.88b in June, compared to MYR 5.49b in May'17. Malaysia foreign reserve rose slightly in July to USD 99.1b vs USD 98.9b in June. The reserve is sufficient to retain 1.1 times short-term external debts.

Malaysia Manufacturing PMI rose to 48.3 in July compared to 46.9 in June (below 50 indicates a contraction) due to tepid local manufacturing demand, though companies retained some hope of an improvement in the operating conditions over the medium-term. Foreign holdings declined slightly in June by MYR 0.3b, moving their holding percentage in MGS lower by 0.6% to 41.2%, after 2 months of inflows (total of MYR 16.9b).

The auctions unveiled in July 2017 are as follows;

Government Auctions in July 2017				
Issue	Issue Date	Amount (RM million)	Bid-cover (times)	Avg Yield (%)
7-Year Re-Issuance of MGS(Mat on 9/2024)	7-Jul-17	4,000.00	2.877	3.919
30-Year Re-Issuance of GII(Mat on 5/2047)	17-Jul-17	2,000.00	1.915	
10-Year Re-Issuance of MGS(Mat on 11/2027)	28-Jul-17	4,000.00	1.683	3.978

Table 1: Government Auctions in July 2017. Source: Bank Negara Malaysia



Source: Bloomberg

Source: Bloomberg

10-year US Treasury yield rose to 2.386% in July from previous month low of 2.126%, due to the Federal Reserve's talk on balance sheet reduction plan but with deteriorating US inflation data, UST yield recovered back to 2.295%.

Market Outlook & Strategy

With major central banks showing signal towards tightening policy, we are cautious in taking duration in view of an upward trending yield environment. Despite the local bond market is fuelled by the external risk factors such as geopolitical tension in Middle East, Brexit and fluctuation in crude oil prices, we believe corporate bond space still provides attractive yields given stable monetary stance from BNM and strong fundamental in local market. As such, we will keep looking to buy on dips of corporate bonds if the opportunity arises.