



## **Investment Linked Fund Fact Sheets December 2011**

### **General Advice Warning**

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### **Past performance is not a reliable indicator of future performance**

The information in this presentation should not be considered a personal recommendation on any of the securities or stocks mentioned.

## MCIS Zurich Investment Linked - Dividend Fund Monthly Report (Dec 2011)

### 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 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 a broad selection of companies 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.

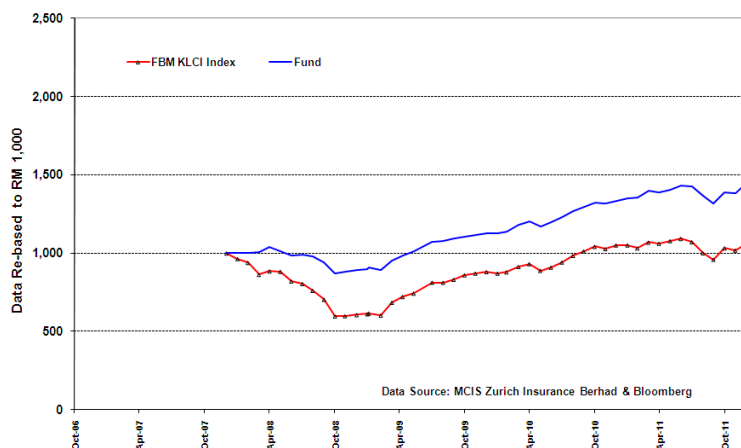
### Risks

The Fund is considered high risk given the exposure to equity securities. Risk is managed at the Fund level through diversification of holdings, whilst at the management level, our Investment Team regularly review portfolio holdings, relative asset class exposures.

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 sharemarket 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.

Dividend Fund Performance Since Inception



### Top Five Holdings

Telekom Malaysia Berhad  
Maxis Berhad  
Sime Darby Berhad  
Petronas Gas Berhad  
Public Bank Berhad

### Fund Information

NAV (31.12.11)	RM0.6872
Fund Size	RM 44.1 million
Inception Date	21-Jan-08
Fund Management Fee	1.5% p.a.
Pricing	Daily
Price Quote	Major Newspaper, or <a href="http://www.mciszurich.com.my">http://www.mciszurich.com.my</a>
Fund Manager	MCIS Zurich 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 (%)	4.45%	3.98%
3 months (%)	9.67%	10.35%
6 months (%)	1.00%	-3.06%
12 months (%)	8.36%	0.78%
2 years (% pa)	13.22%	9.67%
3 years (% pa)	17.50%	20.41%
5 years (% pa)		
Since Inception	9.67%	1.45%
Yield #	3.58%	3.40%

**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 Zurich 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 Zurich.

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.

## MCIS Zurich Investment Linked - Equity Fund Monthly Report (Dec 2011)

### 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 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 a broad selection of companies 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 long term growth in capital value.

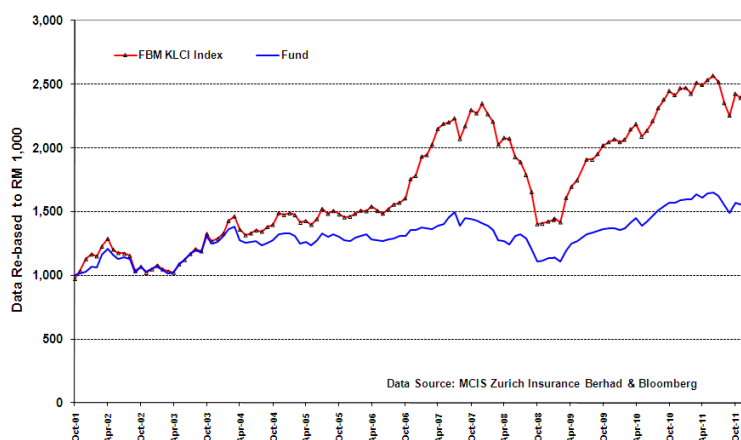
### Risks

The Fund is considered high risk given the exposure to equity securities. Risk is managed at the Fund level through diversification of holdings, whilst at the management level, our Investment Team regularly review portfolio holdings, relative asset class exposures.

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 sharemarket 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.

Equity Fund Performance Since Inception



### Top Five Holdings

Malayan Banking Berhad  
Tenaga Nasional Bhd  
Public Bank Berhad  
IOI Corporation Berhad  
Sime Darby Berhad

### Fund Information

NAV (31.12.11)	RM0.7994
Fund Size	RM 7.7 million
Inception Date	15-Oct-01
Fund Management Fee	1.40% p.a.
Pricing	Daily
Price Quote	Major Newspaper, or <a href="http://www.mciszurich.com.my">http://www.mciszurich.com.my</a>
Fund Manager	MCIS Zurich Insurance Berhad
Exceptional Circumstances	Refer to your Policy Document

### Asset Allocation Ranges

Asset Class	Min	Max	Current Actual
Malaysian Equity	80%	100%	82%
Cash	0%	20%	18%

### Performance Table

Period	Fund	Index*
1 month (%)	2.76%	3.98%
3 months (%)	7.17%	10.35%
6 months (%)	-3.06%	-3.06%
12 months (%)	0.65%	0.78%
2 years (% pa)	8.00%	9.67%
3 years (% pa)	12.16%	20.41%
5 years (% pa)	3.38%	6.91%
Since Inception	4.68%	9.30%
Yield #	3.50%	3.40%

**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 Zurich 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 Zurich.

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.

## MCIS Zurich Investment Linked - Jati Fund Monthly Report (Dec 2011)

### 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 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 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.

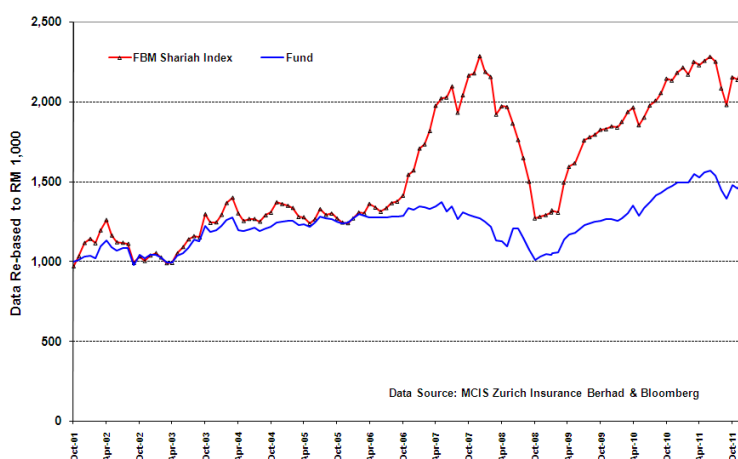
### Risks

The Fund is considered high risk given the exposure to equity securities. Risk is managed at the Fund level through diversification of holdings, whilst at the management level, our Investment Team regularly review portfolio holdings, relative asset class exposures.

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 sharemarket 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.

Jati Fund Performance Since Inception



### Top Five Holdings

Telekom Berhad  
Axiata Berhad  
Panasonic Manufacturing Malaysia Bhd  
Sime Darby Berhad  
Petronas Chemical Group Berhad

### Fund Information

NAV (31.12.11)	RM0.7511
Fund Size	RM 8.9 million
Inception Date	15-Oct-01
Fund Management Fee	1.35% p.a.
Pricing	Daily
	Major Newspaper, or
Price Quote	<a href="http://www.mciszurich.com.my">http://www.mciszurich.com.my</a>
Fund Manager	MCIS Zurich Insurance Berhad
Exceptional Circumstances	Refer to your Policy Document

### Asset Allocation Ranges

Asset Class	Min	Max	Current Actual
Malaysian Equity	80%	100%	75%
Cash	0%	20%	25%

### Performance Table

Period	Fund	Index*
1 month (%)	3.13%	4.59%
3 months (%)	7.87%	12.86%
6 months (%)	-4.32%	-2.07%
12 months (%)	0.40%	2.41%
2 years (% pa)	8.90%	10.02%
3 years (% pa)	12.80%	20.08%
5 years (% pa)	2.53%	7.32%
Since Inception	4.05%	8.17%
Yield #	2.94%	2.89%

**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 Zurich 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 Zurich.

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.

## MCIS Zurich Investment Linked - Balanced Fund Monthly Report (Dec 2011)

### 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 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 Malaysian equities and fixed income securities including government bonds and corporate debt securities.

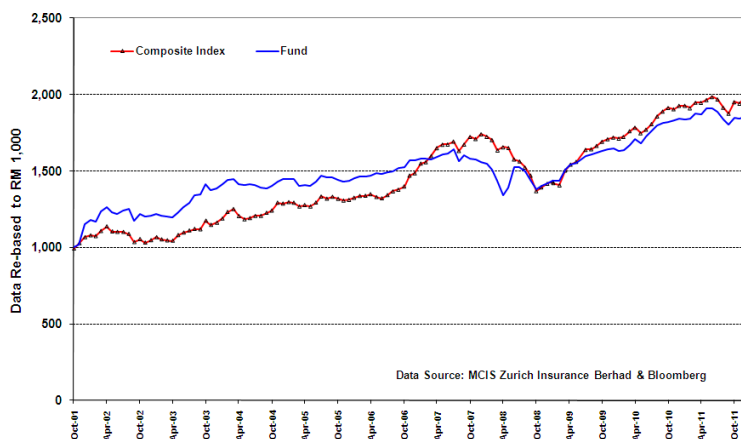
### Risks

The Fund is considered medium risk given the exposure to equity securities and fixed income and cash. Risk is managed at the Fund level through diversification of holdings, whilst at the management level, our Investment Team regularly review portfolio holdings, relative asset class exposures.

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 sharemarket in general, 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.

Balanced Fund Performance Since Inception



### Top Five Holdings

CIMB Subordinated Debt (Bond)  
 Manjung Island Energy Berhad (Bond)  
 Maybank Berhad (Equity)  
 Bank Pembangunan Malaysia Berhad (Bond)  
 Public bank Berhad (Bond)

### Fund Information

NAV (31.12.11)	RM0.9311
Fund Size	RM6.9 million
Inception Date	15-Oct-01
Fund Management Fee	1.25% p.a.
Pricing	Daily
Price Quote	Major Newspaper, or
Fund Manager	<a href="http://www.mciszurich.com.my">http://www.mciszurich.com.my</a>
Exceptional Circumstances	MCIS Zurich Insurance Berhad
	Refer to your Policy Document

### Asset Allocation Ranges

Asset Class	Min	Max	Current Actual
Malaysian Equity	40%	60%	42%
Fixed Income	40%	60%	44%
Cash	0%	20%	14%

### Performance Table

Period	Fund	Index*
1 month (%)	0.97%	2.25%
3 months (%)	3.25%	5.82%
6 months (%)	-2.49%	0.04%
12 months (%)	1.06%	3.02%
2 years (% pa)	6.38%	7.47%
3 years (% pa)	9.47%	11.92%
5 years (% pa)	3.44%	5.99%
Since Inception	6.25%	6.93%

**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 Zurich 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 composite of 50% FBM KLCI Index, and 50% HSBC Malaysia All Bond FBM KLCI Index. Index data 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.

## MCIS Zurich Investment Linked - Income Fund Monthly Report (Dec 2011)

### 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

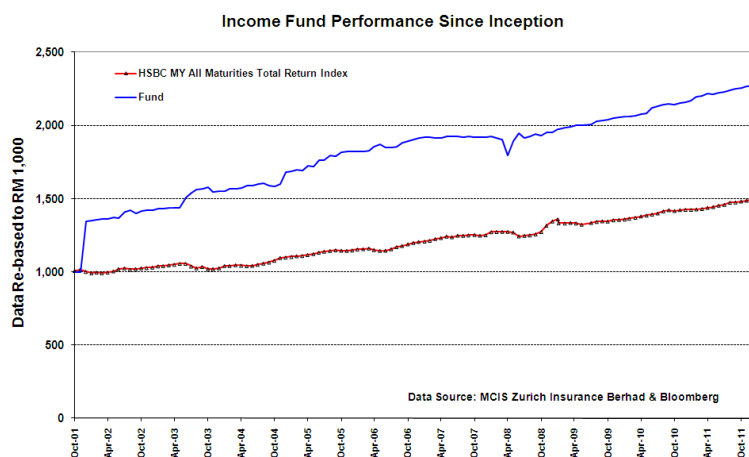
To invest into underlying asset classes as per the Asset Allocation Ranges. The asset allocation is reviewed on a regular basis, and is adjusted commensurate with our view on the relative attractiveness of each asset class. The Fund invests in cash and fixed income securities including government bonds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

### Risks

The Fund is considered lower risk given the exposure to cash and fixed income securities. Risk is managed at the Fund level through diversification of holdings, whilst at the management level, our Investment Team regularly review portfolio holdings, relative asset class exposures.

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 sharemarket 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.



### Top Five Holdings

Cagamas Berhad  
CIMB Berhad  
Manjung Island Energy Berhad  
Bank Pembangunan Malaysia Berhad  
Maybank Berhad

### Fund Information

NAV (31.12.11)	RM1.1349
Fund Size	RM 25.8 million
Inception Date	15-Oct-01
Fund Management Fee	0.5% p.a.
Pricing	Daily
Price Quote	Major Newspaper, or <a href="http://www.mciszurich.com.my">http://www.mciszurich.com.my</a>
Fund Manager	MCIS Zurich Insurance Berhad
Exceptional Circumstances	Refer to your Policy Document

### Asset Allocation Ranges

Asset Class	Min	Max	Current Actual
Fixed Income	75%	100%	78%
Cash	0%	25%	22%

### Performance Table

Period	Fund	Index*
1 month (%)	0.17%	0.51%
3 months (%)	0.88%	1.33%
6 months (%)	2.08%	2.87%
12 months (%)	5.10%	4.88%
2 years (% pa)	5.06%	4.99%
3 years (% pa)	5.17%	3.56%
5 years (% pa)	3.45%	4.38%
Since Inception	8.33%	4.00%

**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 Zurich 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 HSBC Malaysia All Bond FBM KLCI Index, 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.

# Equity Market Review and Outlook

## Market Review

The month of December 2011 saw Bursa Malaysia ended the month higher on the back of selected buying activities on the blue-chips and year end window dressing activities. Investors were also seen buying to increase their exposure as we are moving into the year 2012 to benefit from the January effect.

On month on month basis, FBMKLCI index rose by 58.63 points or 3.9% to end the month at 1,530.73. The broader market outperformed the KLCI as the FBM Emas rose 4.2% to 10,489.07. Smaller caps' underperformed the KLCI as the FBM Small cap only added 1.3% to 11,670.07. On year on year basis, Bursa Malaysia has managed to closed on positive territory with a gain of 0.8%. Average volume for the month of December was 1,594.1m units as compared to six months average of 1,249.9m units.

Chart 1: FBMKLCI Daily Chart



Source: Bloomberg

On the economic front, Malaysia's IPI for the month of Oct'2012 eased slightly to 2.8% in Oct from 3.0% in Sept'2012. This was largely due to unfavorable global conditions that continue to cloud export growth. On the inflation front, Nov'2012 CPI eased to 3.3% from 3.4% in Oct'2012. Core inflation remained steady at 2.1% in November, pointing to absence of broad-based demand price pressures.

## Market Outlook & Strategy

Chart 2: FBMKLCI Monthly Pattern and Cycle Analysis



Assessments from most of research houses saw mixed outlook view for the year 2012 outlook on Bursa Malaysia performance. Consensus is targeting a slower gain on the Bursa Malaysia with an average FBMKLCI target of between 1,520 to 1,560 levels with an upside of less than 5% from the current level. Risk remains high given high unemployment in the US and debt problem in the Eurozone. Locally, slower economic growth, corporate earnings risk and rising political risk will undermine sentiment on the Bursa Malaysia. However, we believe that the market will remain supported until the announcement of the 13<sup>th</sup> General Election which is rumored to be sometimes in the 1H of the year.

Given the less optimistic view and limited upside, we remain cautious on the equity market. We are adopting more defensive strategy with focus on low beta, higher dividend yield stocks and holding slightly higher than average cash to with intention accumulate at lower levels.

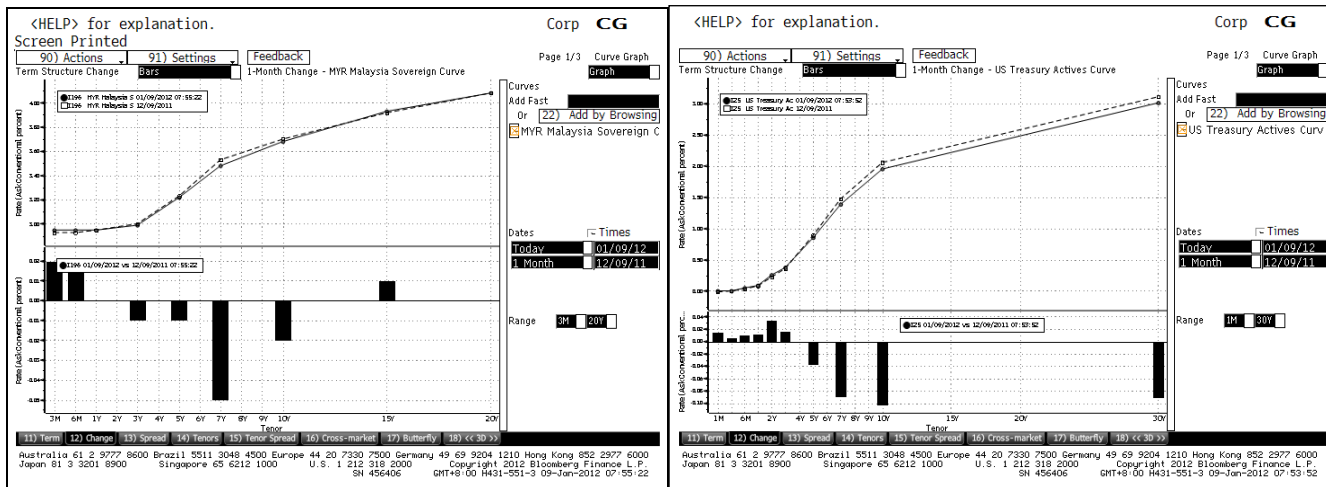
# Fixed Income Review and Outlook

## Market Review

In December, Ringgit bonds opened on a stronger footing at the start of December and managed to sustain gains despite thin volume going into the year-end holidays. There were improvements in risk appetite globally after six central banks announced coordinated efforts to improve liquidity in the inter-bank dollar funding market. The central banks involved were the Federal Reserve, the European Central Bank (ECB), the Bank of Canada, the Bank of England, the Bank of Japan and the Swiss National Bank. This resulted in a rally along global equity markets, commodities and the Euro currency.

On local shores, Malaysia's IPI was released showing a 2.8% yoy increase for October, against earlier anticipated increase of 1.6% whilst the previous month's increase was revised upward to 3.0% yoy from 2.5% yoy previously. Also, inflationary levels suggest they have peaked. The November 2011 CPI showed an uptick of 3.3% (meeting consensus) versus October's 3.4% yoy increase. Meanwhile, Bank Negara conducted the final government debt auction for the year, namely the RM3.0 billion sale of 3-year Islamic GILs (GII Sep'14). Demand as measured by the bid-to-cover ratio was decent at 2.19 times, compared with 1.78 times at the 5-year MGS auction late November and the 2.60 times cover at the 7-year GII auction before that. Average yield at the auction was 3.20%. The 2012 government securities auction calendar was also released. The eagerly anticipated announcement would be set the stage for the Ringgit bond market in 2012 as we factor in a continued deluge in supply.

U.S. Treasuries continued to pile on gains and these were slanted along longer-dated tenors. Frankly, sentiment remained driven by developments in Europe. There was cautious mood early December when Standard & Poor's said it may downgrade the AAA ratings of 15 European nations including Germany's. The euro area's 6 AAA-rated countries were among those placed on negative outlook, and their credit ratings would have been cut dependant on the outcome of the summit of EU leaders on 9 December 2011.



## Market Outlook & Strategy

We are still of the view that the local economy would face some challenges especially in terms of growth for US and Europe. China's growth numbers have been less than robust in recent spurt of economic data, signaling further uncertainty in global economic landscape. Therefore, central banks globally would be more in tune to keep rates low if not having to cut them to avoid a slowdown in their respective economies. The coordinated efforts undertaken by the six central banks in the inter-bank dollar funding market, in December, was a testament to avert a more severe global financial crisis. We have maintained the notion of buying into dips of MGS or PDS, as we believe the longer term trend is still patchy economic growth, even domestically.