



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

### **General Advice Warning**

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

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# MCIS Zurich Investment Linked - Dividend Fund Monthly Report (Nov 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.

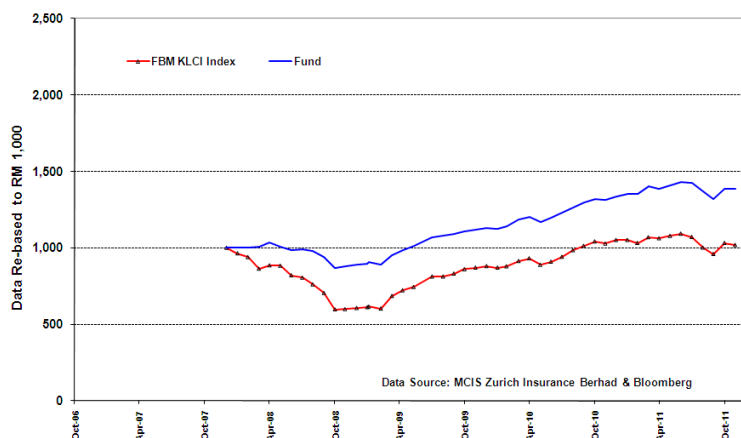
## Risks

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

Maxis Berhad  
Telekom Malaysia Berhad  
Sime Darby Berhad  
PLUS Expressways Berhad  
Public Bank Berhad

## Fund Information

NAV (30.11.11)	RM0.6579
Fund Size	RM 42.5 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%	92%
Cash	0%	20%	8%

## Performance Table

Period	Fund	Index*
1 month (%)	-0.08%	1.33%
3 months (%)	1.25%	1.72%
6 months (%)	-1.50%	-5.53%
12 months (%)	5.20%	-0.88%
2 years (% pa)	11.37%	8.13%
3 years (% pa)	16.35%	19.34%
5 years (% pa)		
Since Inception	8.67%	0.47%
Yield #	3.90%	3.72%

**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 (Nov 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.

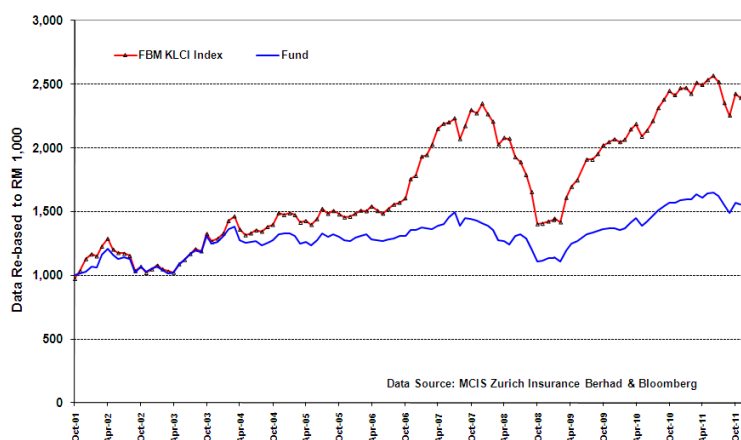
### Risks

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  
Public Bank Berhad  
Plus Expressways (Malaysia) Berhad  
Tenaga Nasional Bhd  
Sime Darby Berhad

### Fund Information

NAV (30.11.11)	RM0.7779
Fund Size	RM 7.4 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%	89%
Cash	0%	20%	11%

### Performance Table

Period	Fund	Index*
1 month (%)	-1.08%	-1.33%
3 months (%)	0.41%	1.72%
6 months (%)	-5.33%	-5.53%
12 months (%)	-0.74%	-0.88%
2 years (% pa)	6.64%	8.13%
3 years (% pa)	11.75%	19.34%
5 years (% pa)	2.83%	6.38%
Since Inception	4.44%	8.96%
Yield #	3.80%	3.72%

**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 (Nov 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.

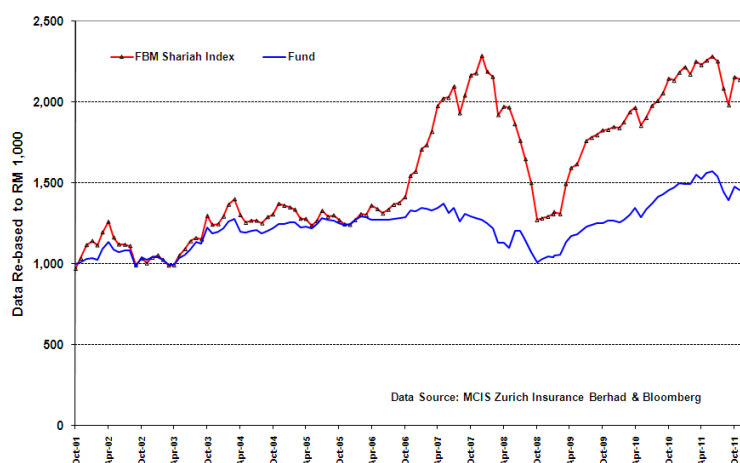
### Risks

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

Panasonic Manufacturing Malaysia Bhd  
Sime Darby Berhad  
IOI Corporation Berhad  
Petronas Chemical Group Berhad  
Sime Darby Berhad

### Fund Information

NAV (30.11.11)	RM0.7283
Fund Size	RM 8.6 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%	74%
Cash	0%	20%	26%

### Performance Table

Period	Fund	Index*
1 month (%)	-1.35%	-0.77%
3 months (%)	0.54%	2.55%
6 months (%)	-6.65%	-5.31%
12 months (%)	-1.09%	0.20%
2 years (% pa)	7.29%	8.13%
3 years (% pa)	12.13%	18.62%
5 years (% pa)	1.79%	6.71%
Since Inception	3.77%	7.76%
Yield #	2.68%	3.50%

**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 (Nov 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.

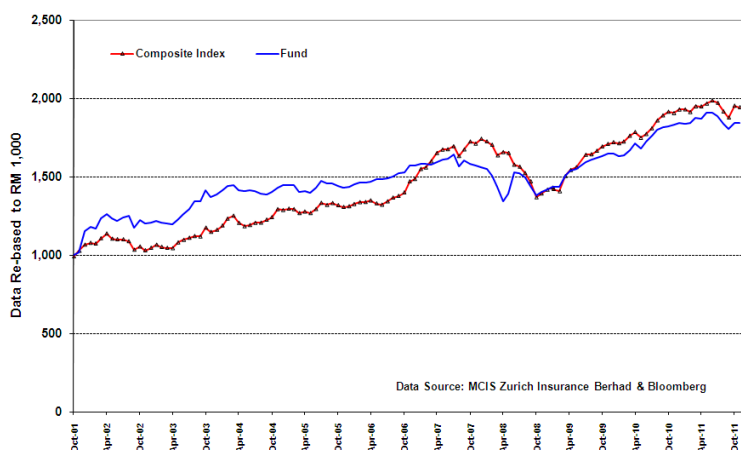
### Risks

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)  
 OCBC Subordinated Debt (Bond)  
 Maybank Berhad (Equity)  
 Bank Pembangunan Malaysia Berhad (Bond)  
 Public bank Berhad (Bond)

### Fund Information

NAV (30.11.11)	RM0.9222
Fund Size	RM6.7 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%	47%
Fixed Income	40%	60%	45%
Cash	0%	20%	8%

### Performance Table

Period	Fund	Index*
1 month (%)	-0.08%	-0.49%
3 months (%)	0.29%	1.41%
6 months (%)	-3.47%	-1.19%
12 months (%)	0.69%	1.97%
2 years (% pa)	5.88%	6.62%
3 years (% pa)	9.56%	11.73%
5 years (% pa)	3.28%	5.73%
Since Inception	6.21%	6.75%

**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 (Nov 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.

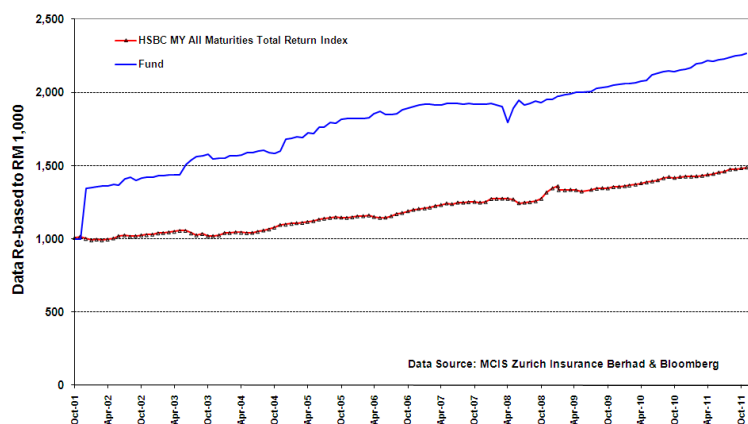
### Risks

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.

Income Fund Performance Since Inception



### Top Five Holdings

Cagamas Berhad  
CIMB Berhad  
OCBC Limited  
Bank Pembangunan Malaysia Berhad  
Public Bank Berhad

### Fund Information

NAV (30.11.11)	RM1.1330
Fund Size	RM 25.0 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 (%)	0.56%	0.35%
3 months (%)	1.12%	0.93%
6 months (%)	2.29%	3.00%
12 months (%)	5.15%	4.49%
2 years (% pa)	5.12%	4.82%
3 years (% pa)	5.13%	4.14%
5 years (% pa)	3.53%	4.39%
Since Inception	8.38%	3.98%

**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.



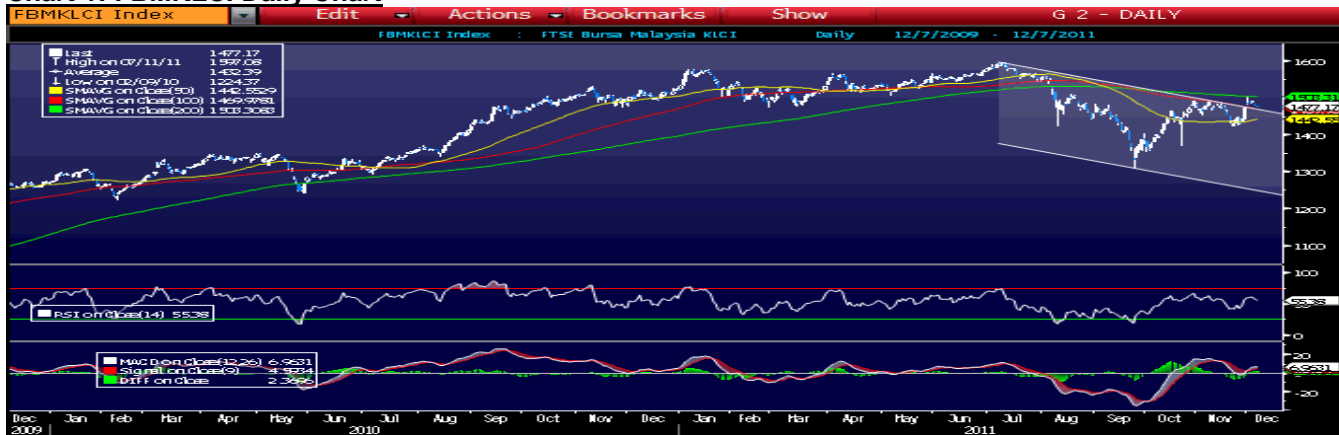
# Equity Market Review and Outlook

## Market Review

Bursa Malaysia closed lower in the month of November 2011 after a 7.6% gain recorded in the month of October 2011. This negative performance was largely due to uncertainties in the USA and Eurozone which turned volatile during the month. Results released during the month were less than inspiring and again there were more disappointments than positive surprises. Focus was shifted into the lower liners and penny stocks as retail investors shifted into speculative play.

On month on month basis, FBMKLCI index fell by 1.33% to 1,472.10. The broader market outperformed the KLCI as the FBM Emas fell 1.04% to 10,064.99. Smaller caps also outperformed the KLCI as the FBM Small cap only declined 0.25% to 11,517.60. Average volume traded for the month was higher at 1.85 billion shares for the month of November as compared to the previous month's average of 1.20 billion shares. Six month average was at 1.12 billion shares.

Chart 1: FBMKLCI Daily Chart



Source: Bloomberg

On the economic front, 3Q'11 GDP announced in the month of November 2011 saw a year on year growth of 5.8% from 4.3% recorded in the 2Q'11. This was also higher than consensus forecast of 5%. The strong performance was partly due to better domestic demand which grew by 9%. Public consumption during the period surged by 21.7% boosted by higher emoluments, supplies and services, and bonus payment. On another development, headline inflation for the month of October 2011 steady at 3.4% year on year basis the back of high food prices.

## Market Outlook & Strategy

Chart 2: FBMKLCI Monthly Pattern and Cycle Analysis



Traditionally, December has always been a good month with an average gain of 3.9% for the past 25 years on the back of year end window dressing and buying activities ahead of the new year. However, for the immediate term, investors will remain cautious after less favourable results released in the month of November. Any strong interest may come in towards the end of the month assuming global markets remains stable. For the medium term, focus will be on the announcement of Malaysia's 13<sup>th</sup> General Election which is likely to happen early in the year 2012.

On the global front, development in the Eurozone and the US must be monitored closely. Any negative development will create another round of selling on the equity market and put pressure on sentiment. News that Standard & Poor decision to put 15 euro nations' sovereign credit on review for possible downgrades and Germany and France may be stripped of their AAA credit ratings as the debt crisis worsens. This will be negative for the equity market if it materialized.

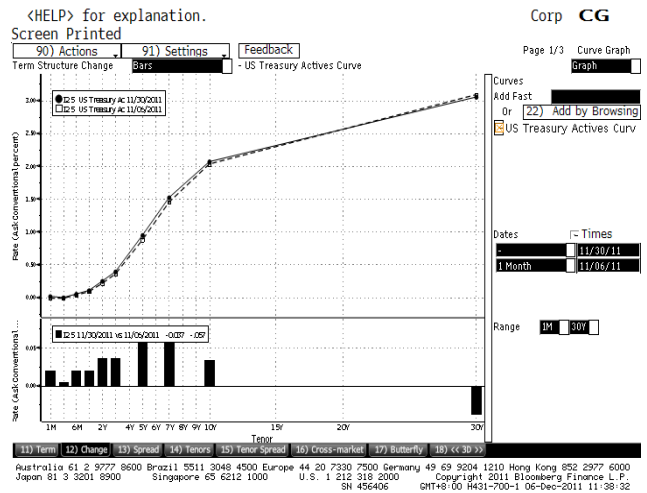
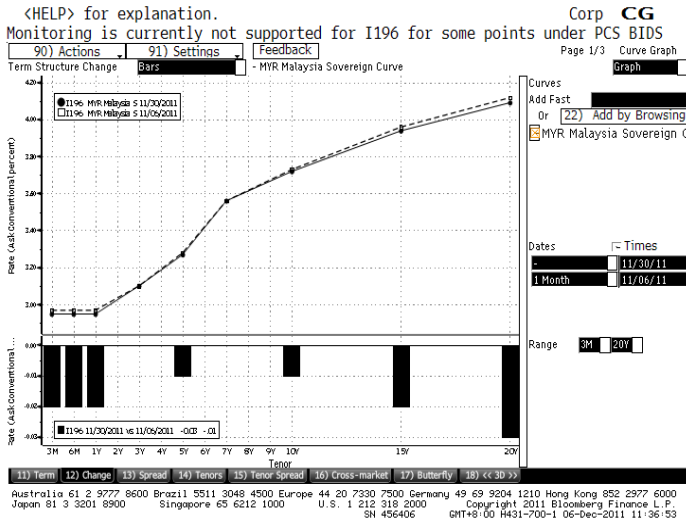
# Fixed Income Review and Outlook

## Market Review

In November, Ringgit Sovereign Bonds closed with mild gains in choppy trading in the month of November, as European sovereign debt concerns and the U.S. growth worries continued to dominate headlines. On local shores, as government bond players read the latest on Europe, they contributed to the choppy trading. Some MGS players were expecting Bank Negara Malaysia to cut the Overnight Policy Rate (OPR) from its pre-existing 3.00% level seeing the external headwinds. Moreover, MGS players heard that Bank Indonesia surprisingly slashed its policy rate for a second consecutive month, down another 50bps to 6.00% (it cut the BI rate by 25bps to 6.50% in October). But when the expected OPR cut did not materialize, players responded by selling some of their holdings of Malaysian govovies securities. Further weakness came as the Malaysia's 3Q2011 GDP surprised on the upside. The 3Q2011 GDP showed a growth of 5.8% yoy in 3Q2011, surpassing the earlier consensus of +4.8% yoy. At the same time the 2Q2011 growth was revised upward to +4.3% yoy. Also, the October CPI rose 3.4% year-on-year, unchanged from September's uptick.

There were two government auctions in November. The RM3.0 billion reopening auction of the 7-year GII maturing August 2018 garnered steady demand with a bid-to-cover ratio of 2.60 times with an average yield of 3.677%. There was also another RM3.0 billion reopening of 5-year MGS maturing September 2016 which received a smaller bid cover of just 1.78 times. The average yield was 3.303%.

In the US, treasuries strengthened mildly with gains slanted along the back end of the yield curve. Gains came as European sovereign debt issues continued to worry investors, who flocked to the safety of the U.S. government securities. Helping the gains along the longer UST tenors vis-à-vis the shorter papers was the Fed continuing to execute its Operation Twist (program of substituting its holding of ST government papers into LT ones). By end November, the Federal Reserve has purchased a total \$81.8 billion of longer term papers as part of the program.



## Market Outlook & Strategy

We are still of the view that the local economy would face some challenges especially in terms of growth for the 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 to avoid a slowdown in their respective economies. We have maintained the notion of buying into dips of MGS or PDS, as we believe that the economic growth for the longer term is still patchy.