



## **Investment Linked Fund Fact Sheets January 2012**

### **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 (Jan 2012)

## 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.

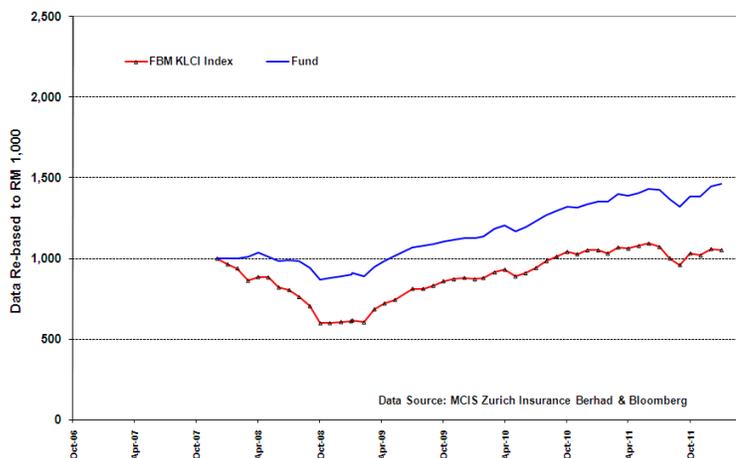
## Risks

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  
Petronas Gas Berhad  
Sime Darby Berhad  
Public Bank Berhad

## Fund Information

NAV (31.01.12)	RM0.6945
Fund Size	RM 45.8 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 (%)	1.06%	-0.62%
3 months (%)	5.48%	1.97%
6 months (%)	2.62%	-1.78%
12 months (%)	8.13%	0.09%
2 years (% pa)	13.98%	9.92%
3 years (% pa)	17.63%	19.82%
5 years (% pa)		
Since Inception	9.75%	1.27%
Yield #	3.19%	3.08%

**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 (Jan 2012)

### 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.

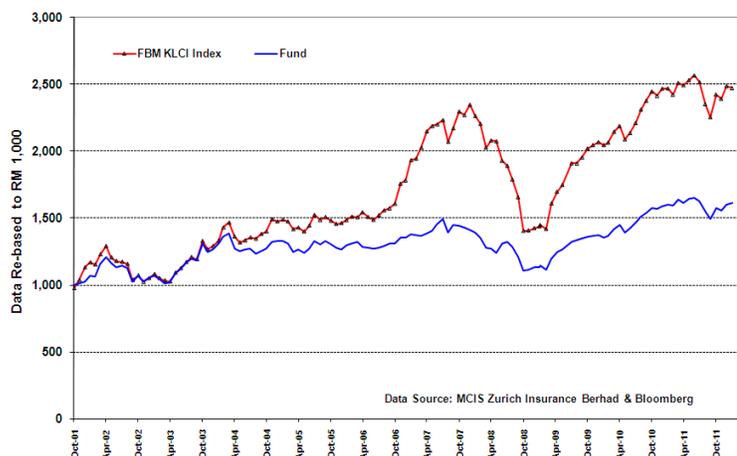
### Risks

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 (31.01.12)	RM0.8074
Fund Size	RM 7.9 million
Inception Date	15-Oct-01
Fund Management Fee	1.40% 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%	82%
Cash	0%	20%	18%

### Performance Table

Period	Fund	Index*
1 month (%)	1.00%	-0.62%
3 months (%)	2.67%	1.97%
6 months (%)	-0.63%	-1.78%
12 months (%)	1.04%	0.09%
2 years (% pa)	9.16%	9.92%
3 years (% pa)	12.44%	19.82%
5 years (% pa)	3.21%	5.05%
Since Inception	4.75%	9.15%
Yield #	3.09%	3.08%

**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 (Jan 2012)

### 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.

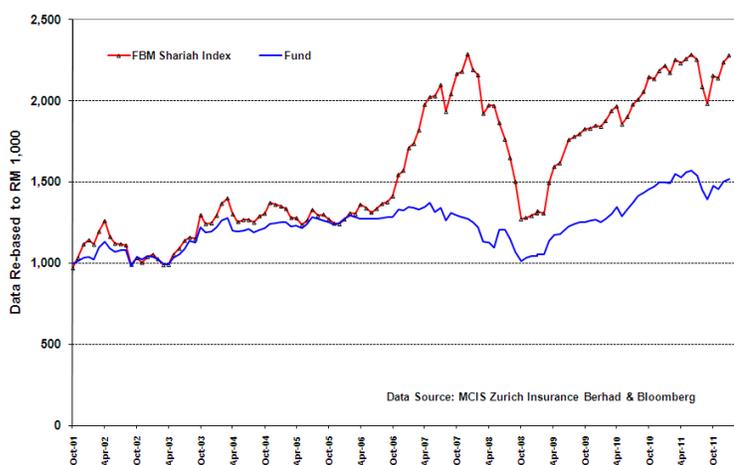
### Risks

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

### Fund Information

NAV (31.01.12)	RM0.7596
Fund Size	RM 9.0 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 (%)	1.13%	1.93%
3 months (%)	2.89%	5.78%
6 months (%)	-1.31%	1.19%
12 months (%)	1.56%	2.84%
2 years (% pa)	10.01%	11.29%
3 years (% pa)	13.37%	20.33%
5 years (% pa)	2.45%	5.94%
Since Inception	4.13%	8.30%
Yield #	2.46%	2.88%

**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 (Jan 2012)

### 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.

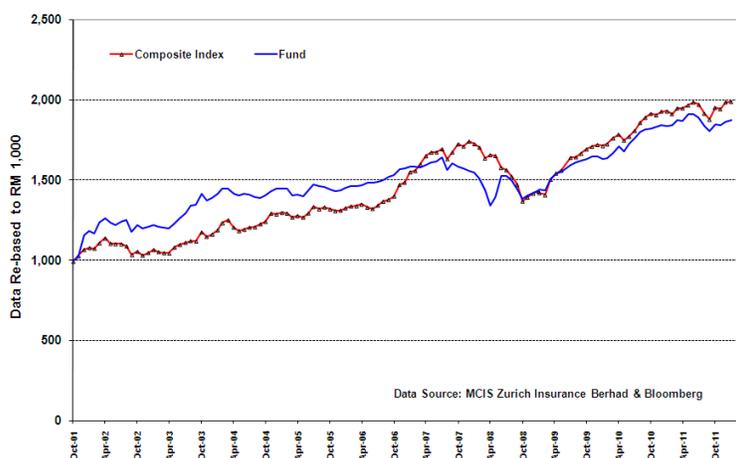
### Risks

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)  
Bank Pembangunan Malaysia Berhad (Bond)  
Public bank Berhad (Bond)  
Maybank Berhad (Equity)

### Fund Information

NAV (31.01.12)	RM0.9382
Fund Size	RM7.0 million
Inception Date	15-Oct-01
Fund Management Fee	1.25% 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	40%	60%	42%
Fixed Income	40%	60%	44%
Cash	0%	20%	14%

### Performance Table

Period	Fund	Index*
1 month (%)	0.76%	0.10%
3 months (%)	1.66%	1.85%
6 months (%)	-0.57%	0.91%
12 months (%)	2.04%	3.11%
2 years (% pa)	7.21%	7.75%
3 years (% pa)	9.35%	11.61%
5 years (% pa)	3.45%	5.12%
Since Inception	6.28%	6.88%

**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 (Jan 2012)

## 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.

## Fund Information

NAV (31.01.12)	RM1.1414
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%	75%
Cash	0%	25%	25%

## Performance Table

Period	Fund	Index*
1 month (%)	0.57%	0.82%
3 months (%)	1.30%	1.70%
6 months (%)	2.39%	3.29%
12 months (%)	5.32%	5.78%
2 years (% pa)	5.25%	5.29%
3 years (% pa)	5.00%	3.49%
5 years (% pa)	3.54%	4.51%
Since Inception	8.32%	4.05%

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

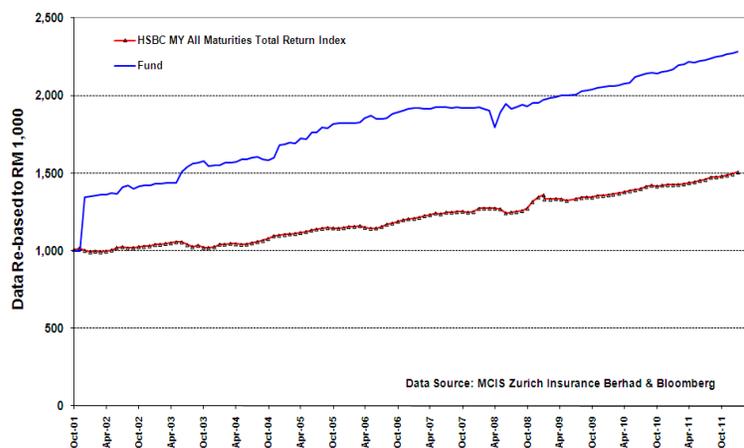
The Fund returns are calculated by MCIS Zurich and based on the value of the NAV, and for periods greater than 12-months are annualised numbers. Actual returns of the Fund are on a net basis (gross of tax and net of fees) and based on the performance of the Fund, and not the returns earned on the actual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

Income Fund Performance Since Inception



## Top Five Holdings

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

# Equity Market Review and Outlook

## Market Review

The month of January 2012 saw the Bursa Malaysia taking a breather after a strong rally in the month of December 2011. Focus was seen on the second and third liners which saw these segments of the market recorded a stronger gain. The month of January also saw Bursa Malaysia underperforming its major markets in the world. This was justified as these markets were mostly in the negative in the year 2011 whilst the Bursa Malaysia managed to stay on a positive note.

On month on month basis, FBMKLCI dropped by 9.44 points or 0.61% to settle the month at 1,521.29 level. The broader market outperformed the FBMKLCI as the FBMEas rose 0.9% to 10,587.20. Smaller caps' significantly outperformed the FBMKLCI as the FBM Small cap rose 8% to 12,644.28. Average daily volume traded on Bursa in Jan jumped significantly to 1.722 billion units as compared to 1.38 billion units for the past 6 months.

**Chart 1: FBMKLCI Daily Chart**



Source: Bloomberg

On the economic front, Malaysia's IPI for the month of Nov'2011 eased further to 1.8% from 2.9% in Oct'2011. This has re-affirmed that the economic growth momentum has waned. On the inflation front, Dec'2011 CPI eased to 3.0% from 3.3% in Nov'2011. Core inflation remained steady at 2.1% for three months in a row.

## Market Outlook & Strategy

**Chart 2: FBMKLCI Monthly Pattern and Cycle Analysis**



Speculation of general election to be held in the 1H of the year will continue to hold the market steady for the immediate term. Rotational play on the second and lower liners will dominate the market. Meanwhile, blue-chips will remain steady on the back of lack of fresh leads on the market. Corporate earnings announcements towards the later half of the February and 2011 GDP figures will provide indication on the direction of the market.

For the medium term, a more sustainable rally on the market will only be supported by positive inflow of foreign funds, stronger earnings growth, and improving election risk. This may push the index to test the all time high of 1597.08 level which was recorded on 13<sup>th</sup> July 2011. Otherwise, the current market momentum will reverse its course to around 1,300 level.

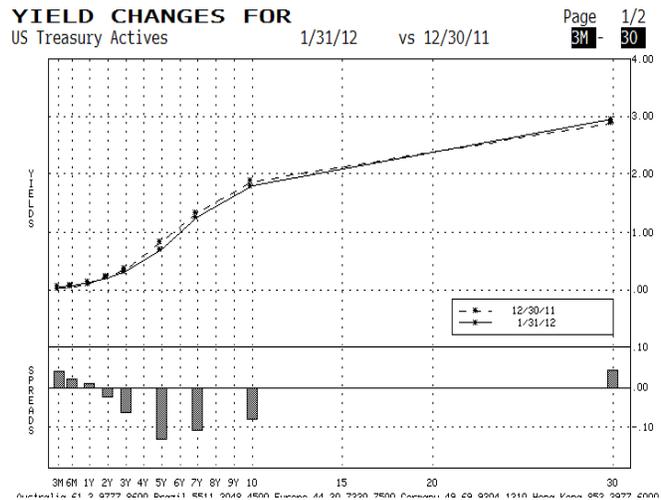
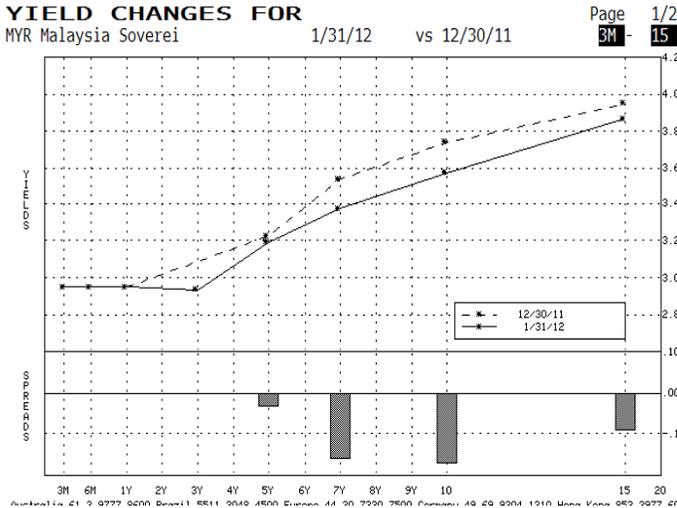
# Fixed Income Review and Outlook

## Market Review

January 2012 went by pretty quickly as most bond players took an extended break for Chinese New Year. However, players found enough time to turn active net buyers of Malaysian Government Bonds. This came ahead of the end-month Monetary Policy Committee (MPC) meeting, as doubts over the pace of global growth amidst the ongoing European sovereign debt concerns raised outlook for lower interest rate environment in the medium to longer term horizon.

For the month, the 3-year MGS (short term rates are more sensitive to policy rate direction) slid 9bps to end at 2.89% or 11bps below the Overnight Policy Rate (OPR). Effectively, players were pricing in at least a 25bps cut in the OPR. Meanwhile, the longer tenor 7-and 10-year MGS fell by a larger quantum. Both ended 16bps and 17bps lower to end the month at 3.38% and 3.57%, respectively. There was only one MGS auction in January and it was the MGS 09/18 (7yr) where the average yield was 3.415% with a bid to cover of 3.59x. At 3.59x, it is one of the best auctions since July 2011.

US Treasuries gained in January on outlook for low interest rates and as markets remained cautious on developments in Europe. Treasuries gained after the FOMC meeting when policymakers reiterated their aim to keep interest rates low for the foreseeable future. Previously, FOMC members stated their aim to keep low rates until mid 2013 but this time pledged to keep the low rates for a longer period at least until late 2014. Fed Chairman Bernanke hinted the Fed is considering additional asset purchases to boost growth. Still, the Fed said that only 11 out of 17 FOMC members think that a rate hike would not be appropriate before 2014. The Fed report also stated policymakers' aim to target inflation at 2% until 2014. Gains were further added after the 4Q2011 US GDP missed most economists' forecast. According to the Commerce Department, the 4Q2011 GDP grew at a pace of 2.8%, though economists had projected a number of around +3.0%.



## 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. Even in the recent MPC meeting in Malaysia, policy makers are hinting that they will act if external developments results in a drag in domestic economic growth. Therefore, 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.