



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

### **General Advice Warning**

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MCIS Zurich receives remuneration such as fees, charges or premiums for the products. Details of these payments including how they are calculated and when and how they are payable can be found in the relevant sales illustrations, or other disclosure document for each product.

### **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 (Feb 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.

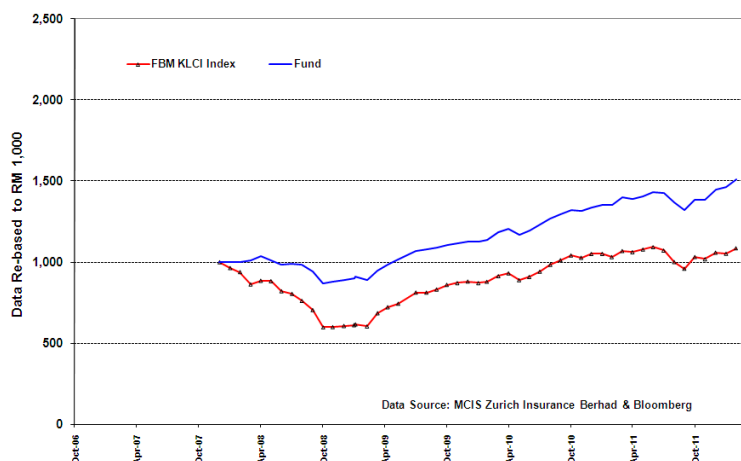
### Risks

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 (29.02.12)            | RM0.7163   |
| Fund Size                 | RM 46.5 million  |
| Inception Date            | 21-Jan-08  |
| Fund Management Fee       | 1.5% p.a.  |
| Pricing                   | Daily  |
| Price Quote               | Major Newspaper, or<br><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% | 83%            |
| Cash             | 0%  | 20%  | 17%            |

### Performance Table

| Period          | Fund   | Index* |
|-----------------|--------|--------|
| 1 month (%)     | 3.14%  | 3.18%  |
| 3 months (%)    | 8.88%  | 6.63%  |
| 6 months (%)    | 10.23% | 8.46%  |
| 12 months (%)   | 11.49% | 5.26%  |
| 2 years (% pa)  | 15.06% | 11.14% |
| 3 years (% pa)  | 18.41% | 20.79% |
| 5 years (% pa)  |        |        |
| Since Inception | 10.36% | 2.01%  |
| Yield #         | 3.25%  | 3.31%  |

**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 (Feb 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.

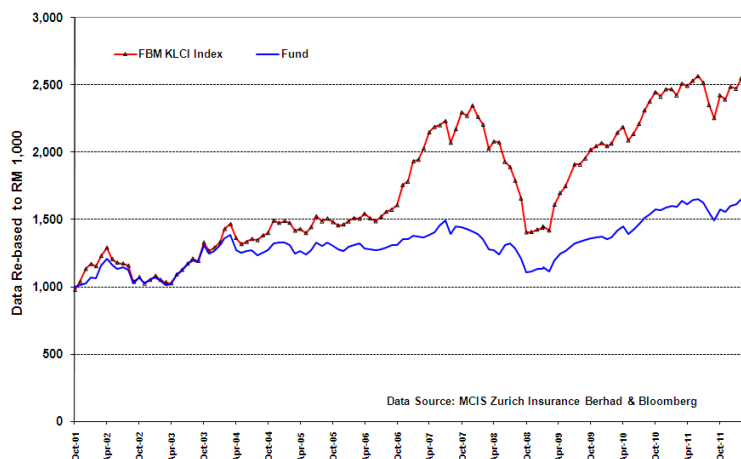
### Risks

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 (29.02.12)            | RM0.8266  |
| Fund Size                 | RM 8.0 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% | 80%            |
| Cash             | 0%  | 20%  | 20%            |

### Performance Table

| Period          | Fund   | Index* |
|-----------------|--------|--------|
| 1 month (%)     | 2.38%  | 3.18%  |
| 3 months (%)    | 6.26%  | 6.63%  |
| 6 months (%)    | 6.70%  | 8.46%  |
| 12 months (%)   | 3.73%  | 5.26%  |
| 2 years (% pa)  | 9.96%  | 11.14% |
| 3 years (% pa)  | 13.10% | 20.79% |
| 5 years (% pa)  | 3.81%  | 5.58%  |
| Since Inception | 4.94%  | 9.41%  |
| Yield #         | 3.17%  | 3.31%  |

**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 (Feb 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.

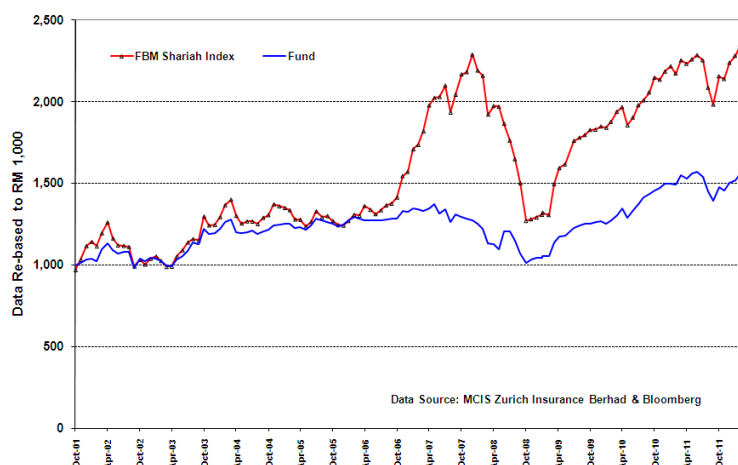
### Risks

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  
Axiata Berhad  
Sime Darby Berhad  
Petronas Chemical Group Berhad

### Fund Information

|                           |   |
|---------------------------|---|
| NAV (29.02.12)            | RM0.7813  |
| Fund Size                 | RM 8.1 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% | 87%            |
| Cash             | 0%  | 20%  | 13%            |

### Performance Table

| Period          | Fund   | Index* |
|-----------------|--------|--------|
| 1 month (%)     | 2.86%  | 3.00%  |
| 3 months (%)    | 7.28%  | 9.81%  |
| 6 months (%)    | 7.85%  | 12.60% |
| 12 months (%)   | 4.65%  | 8.12%  |
| 2 years (% pa)  | 10.86% | 11.87% |
| 3 years (% pa)  | 14.05% | 21.12% |
| 5 years (% pa)  | 3.12%  | 6.24%  |
| Since Inception | 4.38%  | 8.54%  |
| Yield #         | 2.81%  | 2.94%  |

**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 (Feb 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.

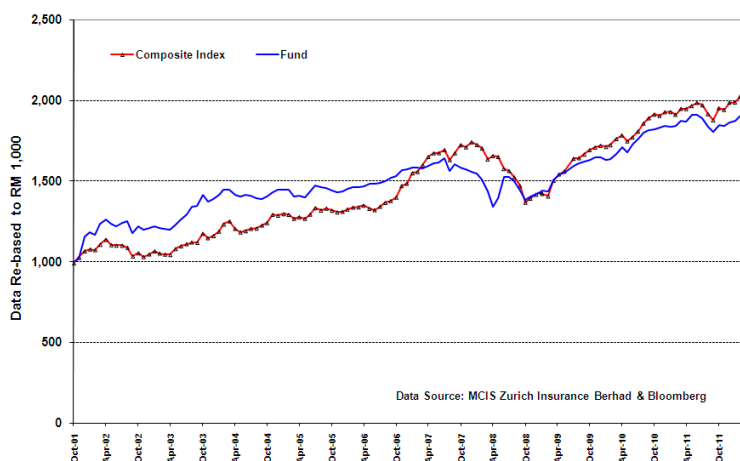
### Risks

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

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

### Fund Information

|                           |   |
|---------------------------|---|
| NAV (29.02.12)            | RM0.9539  |
| Fund Size                 | RM7.1 million   |
| Inception Date            | 15-Oct-01   |
| Fund Management Fee       | 1.25% 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 | 40% | 60% | 40%            |
| Fixed Income     | 40% | 60% | 43%            |
| Cash             | 0%  | 20% | 17%            |

### Performance Table

| Period          | Fund  | Index* |
|-----------------|-------|--------|
| 1 month (%)     | 1.67% | 1.81%  |
| 3 months (%)    | 3.44% | 4.21%  |
| 6 months (%)    | 3.74% | 5.67%  |
| 12 months (%)   | 3.50% | 5.89%  |
| 2 years (% pa)  | 7.94% | 8.37%  |
| 3 years (% pa)  | 9.87% | 12.52% |
| 5 years (% pa)  | 3.80% | 5.38%  |
| Since Inception | 6.40% | 7.01%  |

**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 (Feb 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.

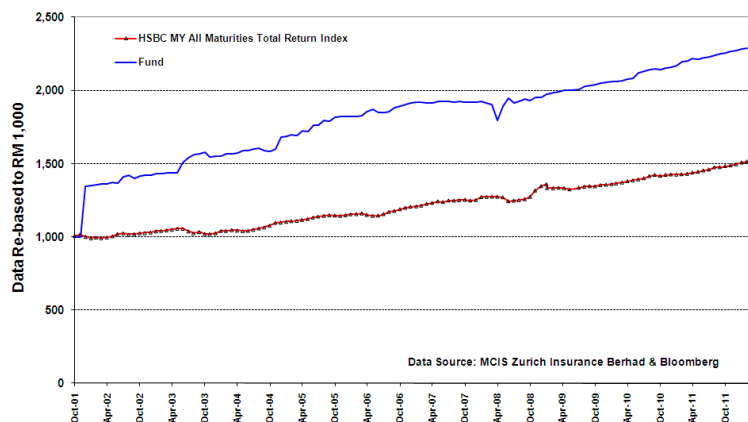
## Risks

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.

Income Fund Performance Since Inception



## Top Five Holdings

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

## Fund Information

|                           |  |
|---------------------------|--|
| NAV (29.02.12)            | RM1.1454   |
| Fund Size                 | RM 25.6 million  |
| Inception Date            | 15-Oct-01  |
| Fund Management Fee       | 0.5% p.a.  |
| Pricing                   | Daily  |
| Price Quote               | Major Newspaper, or<br><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% | 77%            |
| Cash         | 0%  | 25%  | 23%            |

## Performance Table

| Period          | Fund  | Index* |
|-----------------|-------|--------|
| 1 month (%)     | 0.35% | 0.45%  |
| 3 months (%)    | 1.09% | 1.79%  |
| 6 months (%)    | 2.22% | 2.73%  |
| 12 months (%)   | 4.34% | 6.07%  |
| 2 years (% pa)  | 5.49% | 5.33%  |
| 3 years (% pa)  | 5.13% | 4.34%  |
| 5 years (% pa)  | 3.62% | 4.50%  |
| Since Inception | 8.28% | 4.06%  |

**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 has managed to perform strongly in the month of February 2012, after a sideways trend in the month of January 2012 on the back of interest on the selected blue-chips on the back of better than expected results for the period ending 31 December 2011. Second and lower liners stocks saw continued interest with heavy volume.

For the month FBMKLCI gained 3.2% to close at 1,569.65. As at end of Feb'12, the FBMKLCI is only 1.7% below its all-time high of 1,597.08 which was recorded in July 2011. The broader market lagged the KLCI as the FBM Emas rose 2.6% to 10,862.75.

Chart 1: FBMKLCI Daily Chart



Source: Bloomberg

On the economic front, 4Q'11 GDP confirmed a slow trend in the 4Q'11 with a growth of 5.2% yoy (after reporting 5.8% in 3Q'11), due to weak exports. Although domestic demand acted as a buffer, there was some let-up in the growth of consumer spending and private investment. For the full year 2011, growth was at 5.1% as compared to 7.2% recorded in 2010. On the inflation front, headline inflation moderated further for the third month to 2.7% yoy in Jan'12 on the back of softening economy and receding price pressure for transport and food.

## Market Outlook & Strategy

Chart 2: FBMKLCI Monthly Pattern and Cycle Analysis



closely monitored.

For the immediate term, support is seen at 1,550 and resistance remains at 1,597.08 level. We are cautious on potential correction on the equity market for the immediate term.

Results released in the month of Feb'12 was not worst than expected as some improvement in certain sectors namely Consumer, Construction and Media have managed to offset the poor performance showed in Automotive, Aviation and Shipping sectors to name a few. However, it is still too early to hope for better results in the coming quarters given the current economic condition which is still showing no signs of a strong recovery.

After the recent strong run-up where the FBMKLCI rose to 1,594.72 on 5 March 2012 to test its all time high of 1597.08 on July 2011, we do not discount a mild correction to occur in the immediate term as a correction phase. Development in the overseas market especially in the Europe and the Wall Street should be

# Fixed Income Review and Outlook

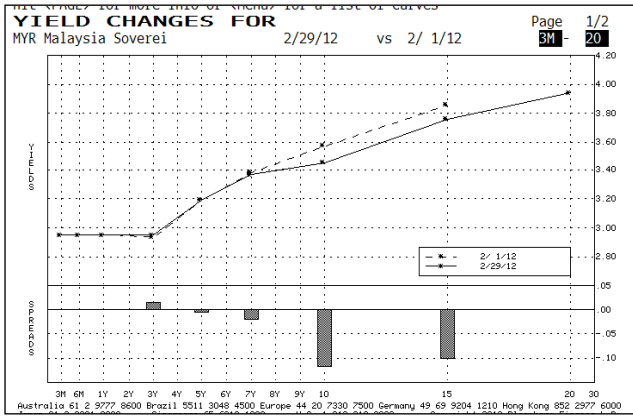
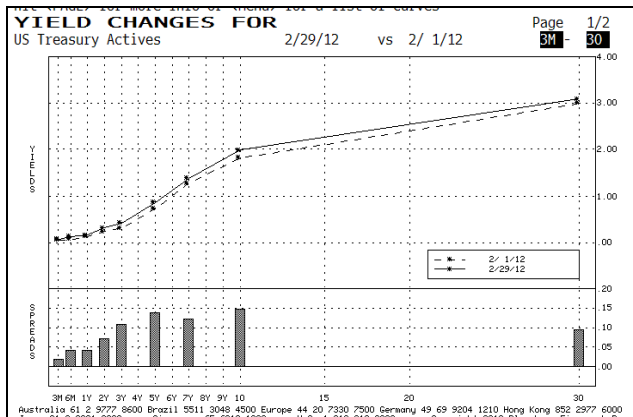
## Market Review

Malaysian Government Bonds closed mixed in February. For the month, short term MGS yields rose whilst longer tenor yields fell. At the same time swap rates edged higher as there were lower expectations of a rate cut in the upcoming Monetary Policy Committee (MPC) meeting slated for 9 March 2012.

Latest hints from Bank Negara Governor that the central bank could potentially be leaving policy rates unchanged during the upcoming MPC meeting contrasted with earlier in the month when there more widespread expectations of a rate cut. In the first MPC meeting this year held in January, policy makers held the Overnight Policy Rate (OPR) steady at 3.00%, but reminded the market even though there was no imminent push for a cut at the time, they will still concentrate on external development which was a major determinant of upcoming policy action. In a highly uncertain Euro zone debt crisis management, the central bank was keeping all options open. Basically, policy makers were hinting that they will act if external developments results in a drag in domestic economic growth.

Although a short month, there were 3 government auctions scheduled in February. It began with the 3.5-year GII 7/15, where the average yield was 3.186% and garnered a bid to cover (btc) of 2.93x. Subsequently, we had the 10.5-year MGS 8/22 where the average yield was 3.418% with a btc of 2.36x. The last government auction for February was 7.5-year GII09/19, which was to be issued end February at an average yield of 3.309% and formed a btc of 2.31x. Overall, demand for government bonds in general remained supported, as reflected in the respective btcs of more than 2x.

US Treasury papers were dealt weaker for the month. Generally, players were net sellers of the safer haven US government securities on news EU finance ministers approved the second bailout package for Greece, to the tune of €130 billion. However, the agreement only came about as Greece lawmakers agreed to sign in another round of austerity measures, including €3.3 billion spending and pension reforms for this year; as is markets remained concerned over Greece's ability to balance debt repayment capabilities against a contracting economy.



## 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. Additionally, China is still executing policies to cool its overvalued property market to avert a property bubble. Therefore, central banks globally would be more in tune to keep rates low but not ruling out the possibility of rate cuts in the event that growth is drastically slowing down in the respective Asian 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 domestic economic growth and earnings visibility of companies remained relatively poor.