

Investment Objective

The fund objective is to provide capital appreciation. This is achieved through investing in undervalued and high quality equities of fundamentally sound companies listed on the Bursa Malaysia.

Fund Data

NAV (as at 30th December 2009) 0.4450
Fund Value (RM) 19,831,053

Equity Market Review

The KLCI was up for the 4th consecutive month as it rose 14 points or 1.1% to close at 1,273 points. It was a relatively lackluster month as strong results released by selected companies such as SP Setia, Astro and SapCrest failed to encourage buying activities. But, only smaller cap rubber glove companies that released good results i.e. Top Glove and Adventa led to a continued re-rating of rubber glove stocks. Window dressing activities were sporadic throughout the month. The broader market's performance was slightly better than the KLCI as FBM Emas added 1.5% to 8,508 points. Smaller caps were even stronger as FBM Small cap rising 3% to 10,166 points but FBM ACE was down 0.3% to 4,300 points. The average value traded on Bursa in December fell 30.4% mom to RM964m (RM1.38bn in Nov) per day. For 2009, the KLCI rose 45.2%.

Outlook & Strategy

The global recovery continues to gain traction as evidenced by more positive news and data over negative news and data. This has been supported by massive governments stimulus globally, exceptional monetary easing which has led to a resumption in economic activity, corporate restocking and consumption demand. As the recovery moves to the next phase, the dynamics are changing. Inflationary expectations will diverge as the developed world grapples with low inflation (and Japan with possible deflation) the emerging world is struggling with high asset prices could be a further factor in the decoupling of developing and developed economies.

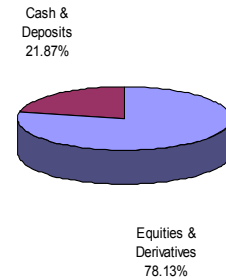
The recovery has soothed global nervousness about the continuity of the recovery to an extent. The resilience of the markets is astounding, shrugging off the Dubai debt restructuring nonchalantly which could have turned ugly, as strategists were calling the incident the trigger for the markets correction, and another round of flight to safety. The main question now is how markets will react when governments and policy makers execute their "exit strategies" and life after the monetary stimulus is withdrawn. The consensus seems to expect a synchronized correction, but as we can see from the Dubai incident the actual outcome could be quite different than the theoretical model.

For most asset classes, the recovery trade is largely over, as we crossed over low base effect in the earnings recovery cycle. We continue to expect the stronger corporates will become stronger and a 2 tier stockmarket could develop on account of survivability and liquidity. Large capitalized liquid stocks will trade at much higher valuations over those with lower liquidity. We expect markets to still show positive performance this year, but to a lower extent than last year. Hence we do not see a reason to change our base scenario that stock-picks will become more crucial as alpha replaces beta in the next phase. We continue to be fully invested where we can find such stocks to fit the profile of our expectations.

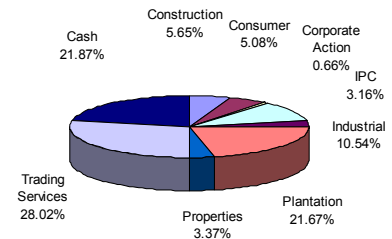
Top Five Equity Holdings

Sime Darby Berhad	8.96%
Tenaga Nasional Berhad	8.90%
IOI Corporation Berhad	6.50%
Axiata Group Berhad	6.31%
Genting Plantations Berhad	3.30%

Asset Allocation



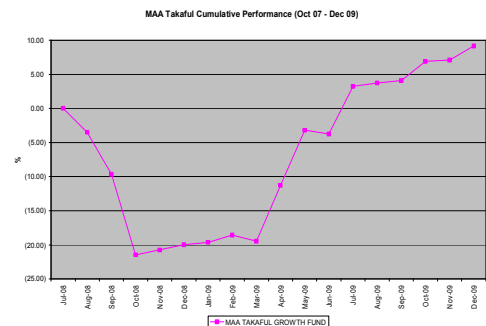
Sector Allocation



Fund Review

	MOM	YTD
NAV(% change)	1.57%	36.41%

Performance (Since Inception)



Fund's performance is calculated on NAV to NAV. The value of units may go up as well as down. Past performance is not indicative of future results

The MAA Takaful Fund is underwritten by MAA Takaful Berhad and is managed by CIMB Principal Asset Management Berhad. This report is prepared by the managers for information purposes only. It does not have regard to other investment objectives, financial situation and any particular needs of any specific person who may receive it. Investors should also consider the investment risks carefully. Past performance is not necessarily indicative of the future performance.