

UNI INCOME FUND

April 2010

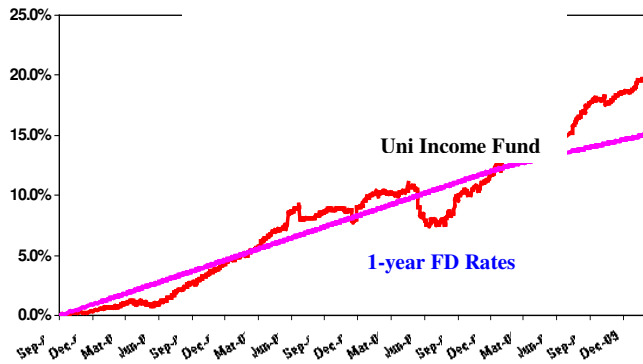
OBJECTIVE:

To achieve capital preservation over the medium term while providing a stable long term and secured income return by investing primarily in a portfolio of investment grade fixed income securities.

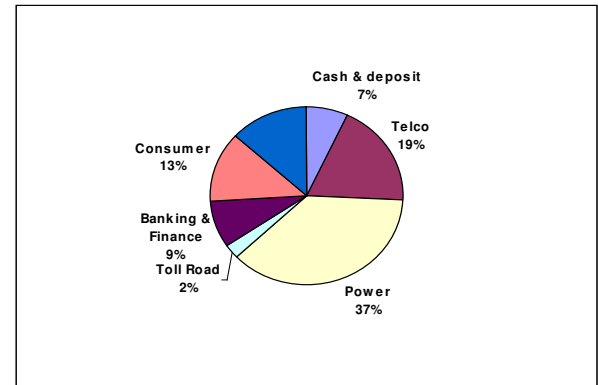
THE FUND IS SUITABLE FOR INVESTORS WHO:

- Seek a stable income stream
- Have a medium to long term investment horizon

Relative performance since inception Uni Income Fund vs 1-year FD Rates



Portfolio composition



MANAGER'S COMMENTS:

The Net Asset Value (NAV) of **Uni Income Fund** has **appreciated by 20.67%** since inception on 22nd Sept 05.

Fixed Income Review & Outlook

The Malaysian Government Securities (MGS) yield curve shifted down for the month of March 2010 as traders focused on the moderate inflation outlook signaling an accommodative monetary stance by BNM despite the hike of 25bps during the month. Ideally a bearish flattening should have occurred but what we saw was a bullish flattening across the board. All in all, the yield curve mostly bull flattened. Across tenures the 3 yr, 5 yr and 10 yr MGS ended the month lower compared to the previous month at 3.257% (February: 3.34%), 3.75% (February: 3.85%) and 4.16% (February: 4.260%) respectively.

The Corporate Bond market saw active trading, supported by strong flows along selected AAA and AA names. Interest was also boosted by the apparent surge in pipeline bond issuance. In the meantime, investors remained net buyers of corporate bonds, with yields declining across the AAA and AA rating segments.

From a policy perspective, the balance of risks has now tilted in favour of rate hikes amid rising inflation and a much anticipated economic recovery fueling concerns about financial imbalances. Higher interest rates point to more rapid appreciation of MYR and this is where the complexity arises as policy makers juggle between limiting inflationary pressures via an appreciating MYR and intervening to keep the MYR at a level that can still support export growth. BNM's preference for gradual appreciation is now being tested and so far BNM does not seem overly concerned with the currency's strength as it encourages capital inflows and provides a natural hedge for the import led export sector – by capping the cost of imports.

Fixed Income Market Strategy

We maintain our investment strategies which are to overweight corporate vis-à-vis sovereign bonds, riding on the anticipated spread tightening trend especially on the lower rated segment of the credit curve, to actively participate in new issuances via switching from existing holdings in order to take advantage of the higher yield, to maintain neutral portfolio duration compared to benchmark especially for all MGS portfolios, to concentrate on liquid corporate bonds and those with potential credit upgrades, and to capitalize on volatility and enhance returns by trading.

FUND DETAILS		TOP 5 HOLDINGS (%)	
Unit NAV (31/3/2010)	RM 0.5973	Malakoff Corp Berhad	18.86%
Fund Size (31/3/2010)	RM9.6mil	Binariang GSM Sdn Bhd	18.71%
Inception Date	22 Sept 2005	YTL Power	18.18%
Annual Fee	1.00%	Sykt Pengeluar Air Selangor Sdn Bhd	6.91%
Initial Charge	1.00%	Sykt Bekalan Air Selangor Sdn Bhd	6.46%

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