

UNI BOND FUND

May 2010

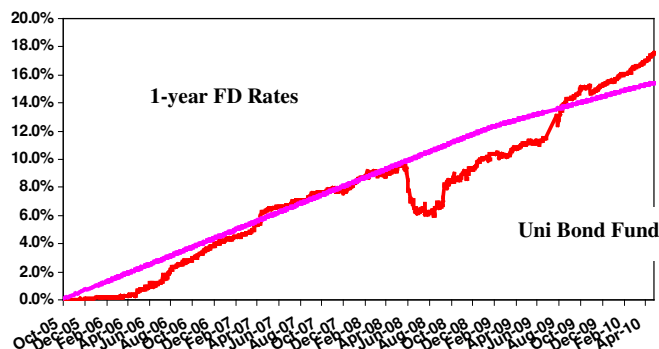
OBJECTIVE:

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.

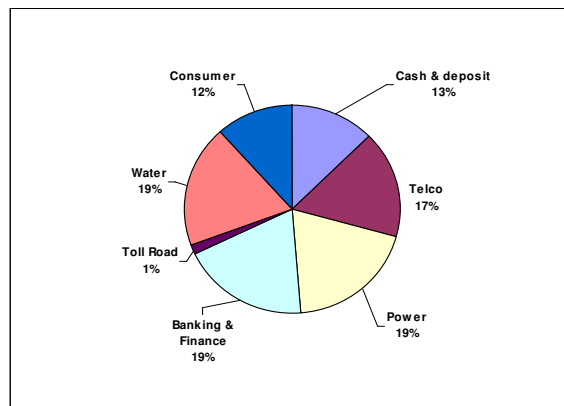
THE FUND IS SUITABLE FOR INVESTORS WHO:

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

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



Portfolio composition



MANAGER'S COMMENTS:

The Net Asset Value (NAV) of Uni Bond Fund has appreciated by 17.56% since inception on 29th Sept 05.

Fixed Income Review & Outlook

The Malaysian Government Securities (MGS) yield curve shifted down for the month of April 2010 as strong buying interest from foreign investors that bet on Ringgit currency pushed down yields across the tenure. The yield curve mostly bull steepened. The Corporate Bond market saw active trading, but monthly traded volume was lower this month compared to last month. Trading interest continued to cluster at AAA and AA segment due to better liquidity in those segments. The primary market has seen several issuers tapping the bond market, mainly in the AAA segment. In the meantime, investors remained net buyers of corporate bonds, with yields declining across the AAA and AA rating segments, in line with the movement in the MGS market.

Going forward, the MGS market is expected to trade in current tight range but with expected increased in yield volatility. The potential higher policy rate scenario will serve as a price cap while the expectation of further appreciation in Ringgit currency on the back of possible eventual move in Renmimbi would lend buying support to the MGS market. For the PDS secondary market, we maintain our stance that trading activities are expected to normalize at current levels. Corporate bonds in the AAA segment are now fairly priced and hence its yield movement would be more in tune with movement in MGS market given its high interest rate sensitivity nature. Against such a backdrop, we expect market players to move cautiously over the credit curve for yield pick-up amid the continuous improvement in corporate earnings and current undemanding valuations. On primary issuance side, more issuers will return to the market as investors' risk appetite improves amidst the improving debt market environment. The primary market is expected to be flush with good quality papers, especially issuances from government-related companies as well as companies tapping the Financial Guarantee Institution (FGI) guarantee facility.

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 (30/4/2010)	RM 0.5584	Binariang GSM Sdn Bhd	19.04%
Fund Size (30/4/2010)	RM 5.39mill	CIMB	16.71%
Inception Date	29 Sept 2005	Malakoff Corp Berhad	12.42%
Annual Fee	1.00%	SPLASH	9.94%
Initial Charge	5.00%	Sykt Bekalan Air Selangor Sdn Bhd	9.33%

Disclaimer

This report is for circulation to members of the field force only. It shall not be reproduced, copied, circulated or forwarded either in part or otherwise without the prior written consent of Uni.Asia Life Assurance Berhad (UAL). The opinions and information contained herein are based on available data believed to be reliable. It is not to be construed as an offer, invitation or solicitation to buy or sell the securities or financial instruments covered by this report. UAL does not warrant the accuracy of anything stated herein in any manner whatsoever and no reliance upon such statement by anyone shall give rise to any claim whatsoever against UAL. UAL and/or its associated persons may from time to time have an interest in the securities or financial instruments mentioned by this report.