

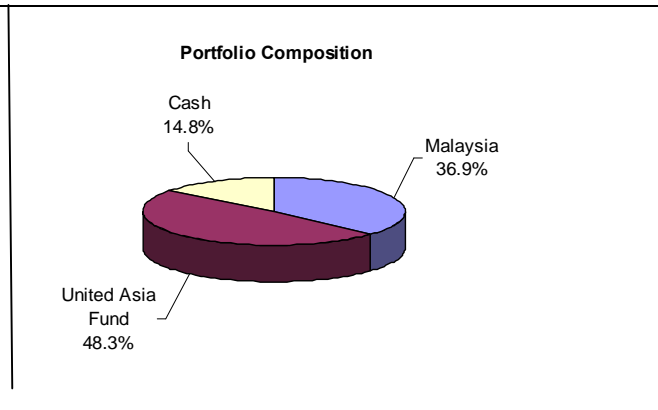
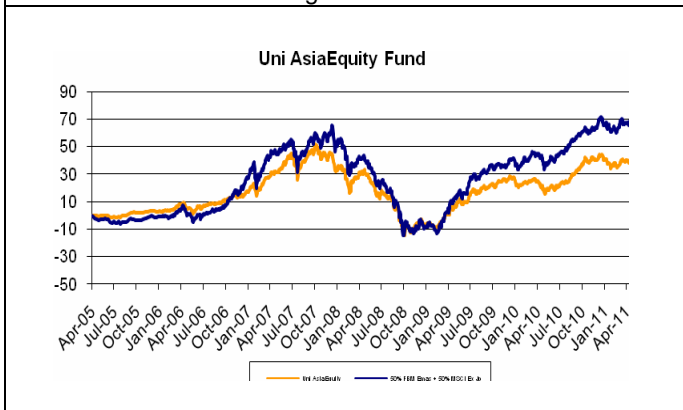
	UNI ASIA EQUITY FUND	June 2011
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OBJECTIVE

To achieve consistent, above average capital appreciation and reasonable income over the medium to long term by investing in a balanced portfolio of quality investments in Malaysia and Asia excluding Japan.

THE FUND IS SUITABLE FOR INVESTORS WHO:

- are willing to accept risks for returns presented by the stock markets of Malaysia and Asia (excluding Japan).
- have a medium-to-long-term investment horizon.



MANAGER'S COMMENTS

MSCI Far East ex Japan equities rose 0.62% (in MYR terms), while the portfolio declined 0.69% for the month of May 2011. Asian equity markets were choppy as risk aversion returned on the back of renewed concerns over sovereign credit risks of peripheral European countries and recovery in the US has been weaker than expected. However, the markets managed to recover some losses in the later part of the month amid of speculation that the ECB, IMF and various EU governments will provide additional aid to Greece. In Asia, while growth has moderated on weaker external demand and on the impact of Japan supply disruptions, domestic economic activity continues to provide strong support to the growth momentum.

The **Indonesian** market posted a gain of 2.1% as the economy expanded by 6.5% yoy in 1Q11, moderating from 6-year high of 6.9% in the preceding quarter. **Hong Kong** posted a gain of 1.5%. Inflation rose 4.6% yoy in April contributed by food and housing prices. **China** rose 1.4% as Bank of China (PBoC) announced its fifth increase of banks reserve requirement ratio (RRR) this year, by 50bps effective 18 May. The **Taiwan** market rose 1.3%. The **Malaysian** market rose 1.2%. GDP slowed down to 4.6% yoy easing from 4.8% in 4Q10. The **Singapore** market fell 1.0% as April industrial production registered its first contraction since November 09, to -9.5% yoy and -16.3% mom seasonally adjusted, far below consensus estimates of -3.5% yoy, -8.6% mom. The **Korean** market fell 1.9% as the bank of Korea (BoK) surprised the market by holding benchmark base rate steady at 3.00%. **Thailand** fell 2.6% given the inflation rose 4.04% yoy in April compared to 3.1% in March, due to the rise in food prices. The **Philippines** reported a loss of 2.7% as 1Q11 GDP grew 4.9% yoy, lower than market expectations of 5.1% and weaker than the 6.1% in 4Q10.

The sharper than expected slowing down of both global and Asia economies has become a concern. On the other hand, inflation remains in focus as continued political unrest in Africa and the Middle East keeps oil prices at elevated levels, adding to price pressures already faced by many Asian economies. We are cautiously optimistic on Asian equity markets as we do not expect a high likelihood of an energy supply shock destabilizing the global economic recovery. Inflation is still the focus but we expect these concerns to ease by the second half of 2011. We also do not expect an economic hard landing as result of the current slowdown. We maintain our overweight positions in the Consumer, Technology, Healthcare and Industrials sectors as we target growth in these areas.

Fund Details		Top Holdings			
Unit NAV(31/5/11)	RM 0.6600	Malaysia	%	Asia	%
Fund Size	RM15.9 million	CIMB Group Holdings Berhad	3.97	United Asia Fund	48.3
Inception Date	4 August 05	RHB Capital Bhd	3.83		
Annual Fee	1.5%	Public Bank Bhd	3.50		
Initial Charge	5.0%	Malayan Banking Bhd	2.85		
		Axiata Group Berhad	2.5		

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