

UNI ASIA EQUITY FUND

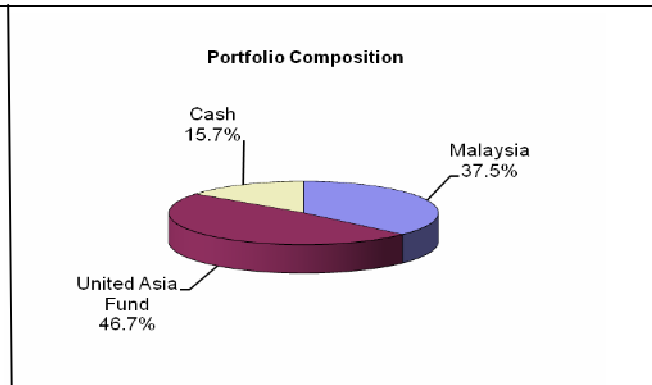
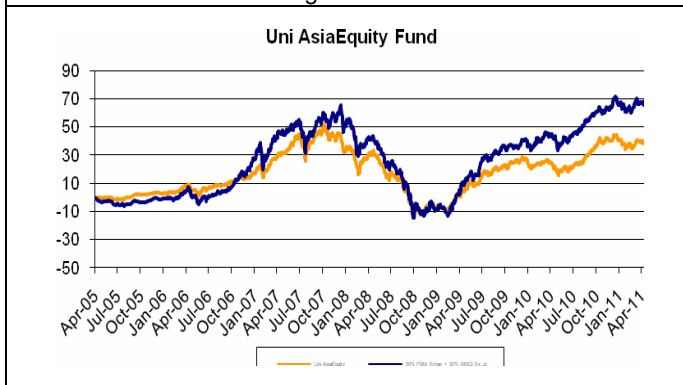
July 2011

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 fell 2.43% (in MYR terms), while the portfolio depreciated 0.88% for the month of June 2011.

Asian equity markets were volatile during the month as risk aversion returned on the back of renewed concerns over sovereign credit risks of peripheral European countries and weaker-than-expected recovery in the US. The **Malaysian** market gained 1.8% despite industrial production shrinking 2.2% yoy unexpectedly in April from the 2.9% growth in March. The **Philippines** reported a gain of 1.6% as the BSP kept both the policy repo and reverse repo rates on hold at 6.50% and 4.50% respectively. The **Indonesian** market posted a gain of 1.3% as Bank Indonesia (BI) kept its benchmark interest rate steady at 6.75% for the fourth consecutive meeting as expected. The **Singapore** market fell 1.4% as industrial production for May contracted the most in more than 2 years and more than market expectations, to -17.5% yoy and -3.8% mom.

The **Korean** market posted a loss of 1.8% as Bank of Korea announced a 25 bps hike to its key interest rate to 3.25%, the third hike for this year, amid inflation concerns. **Hong Kong** posted a loss of 3.9% as May CPI rose to a 34-month high at 5.2% yoy from 4.6% in April. **Thailand** fell 4.0% as the Bank of Thailand raised its 1 day repo rate by 25 bps to 3.0%, as expected by the market, to dampen inflationary pressures. **China** fell 4.4% as PBoC announced its sixth increase of banks' reserve requirement ratio (RRR) this year, by 50bps. The **Taiwan** market fell 4.7% as inflation rose to 1.66% in May as compared to 1.32% in April due to higher prices of garments, transportation, miscellaneous items and food.

With investors' focus now on the global economic weakness as seen by the latest economic data points, we expect the market to trade sideways. Our view is that the current weakness is a soft patch on the road to economic recovery rather than a hard landing. In terms of our sector allocation, we are overweight in the Consumer, Technology, Energy, Healthcare and Industrials sectors, underweight the Materials, Real Estate and Telecom sectors and neutral in the Financials, Conglomerates and Utilities sectors.

Fund Details		Top Holdings			
Unit NAV(30/6/11)	RM 0.6542	Malaysia	%	Asia	%
Fund Size	RM15.9 million	CIMB Group Holdings Berhad	4.24	United Asia Fund	46.7
Inception Date	4 August 05	RHB Capital Bhd	3.79		
Annual Fee	1.5%	Public Bank Bhd	3.55		
Initial Charge	5.0%	Malayan Banking Bhd	2.86		
		Axiata Group Berhad	2.51		

For Internal Use Only

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.