

UNI INCOME FUND

JULY 2011

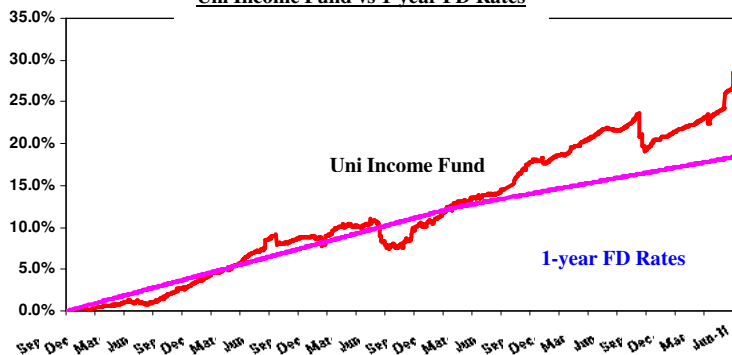
OBJECTIVE:

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.

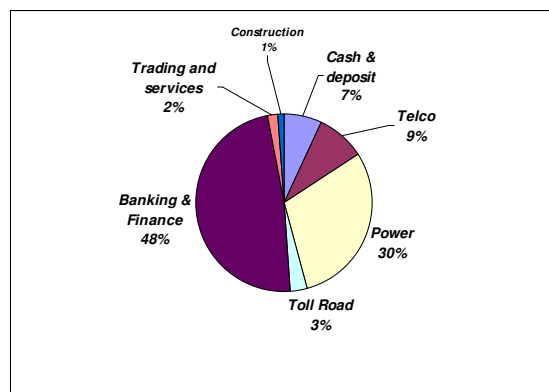
THE FUND IS SUITABLE FOR INVESTORS WHO:

- 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 28.71%** since inception on 22nd Sept 05.

Fixed Income Review & Outlook

The MGS yield curve moved down as soft economic numbers and concerns over Greece's debt crisis led to safe haven flows. However, at month end the market weakened slightly after US Treasury yields rose on the back of a poor 7 year US Treasury auction as well as the passage of Greece's austerity budget bill vote.

Across the benchmark tenures the 3 year, 5 year, 7 year and 10 year, MGS yields ended the month lower compared to the previous month at 3.24% (May: 3.30%), 3.51% (May: 3.56%), 3.72% (May: 3.78%) and 3.93% (May: 4.00%) respectively. The longer end received a boost from the smaller than expected issue size of the new 20-year MGS of RM2 bn versus expectations of RM4 bn.

In the month of June, the Corporate Bond market saw heavier trading as monthly traded volume rose 45% compared to the previous month, with RM11.5 bn done. AA-rated bonds were particularly active, largely due to the new Sarawak Energy and Ranhill Powertron II issues. Spreads widened compared to the previous month-end due to the firmer MGS market.

The primary market was active. During the month, Sarawak Energy Berhad issued RM3 bn of Islamic MTNs rated AA1, Telekom Malaysia issued RM300 mn of Islamic MTNs rated AAA while Ranhill Powertron II issued RM340 mn of Islamic MTNs rated AA and another RM350 mn rated AAA (guaranteed by Danajamin).

Fixed Income Market Strategy

We maintain our investment strategies which are to overweight corporate vis-à-vis sovereign bonds, 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 high grade 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 (30/6/2011)	RM 0.6371	Malakoff Corp Berhad	18.57%
Fund Size (30/6/2011)	RM8.955mil	RHB HYBRID	16.09%
Inception Date	22 Sept 2005	SARAWAK ENERGY	11.41%
Annual Fee	1.00%	Binariang GSM Sdn Bhd	8.76%
Initial Charge	1.00%	HYUNDAI CAP	7.95%

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