

UNI INCOME FUND

August 2011

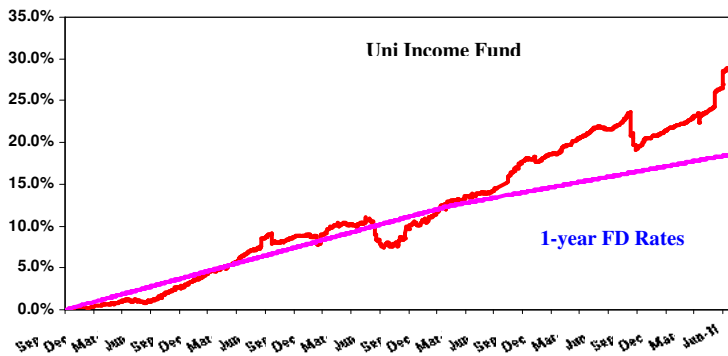
OBJECTIVE:

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.

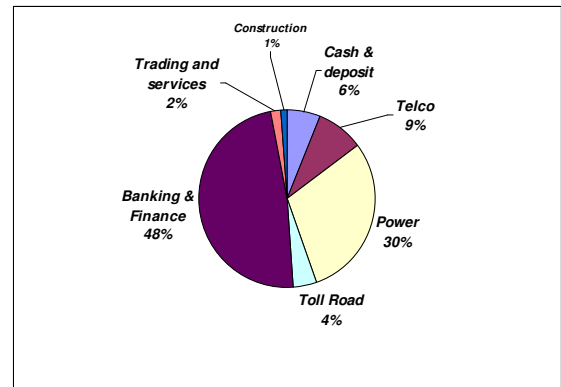
THE FUND IS SUITABLE FOR INVESTORS WHO:

- 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 29.27%** since inception on 22nd Sept 05.

Fixed Income Review & Outlook

Bank Negara Malaysia (BNM) unexpectedly kept the benchmark interest rate (OPR) unchanged at 3.0% on July 7, highlighting the increased downside risks to growth due to the heightened uncertainties arising from global developments. Nevertheless, Governor Zeti while commenting that the current benchmark interest rate remains “quite low” also emphasized the need to “rein in inflation”.

Continuing fears of a debt contagion in Europe and decelerating growth in the US lifted demand for Malaysian Government Securities (MGS), sending the valuations at the long end of the curve higher. Across the benchmark tenures, the 3 year, 5 year, 7 year, 10 year and 15 year MGS yields generally firmed and ended the month at 3.21% (Jun: 3.24%), 3.48% (Jun: 3.51%), 3.70% (Jun: 3.72%), 3.86% (Jun: 3.93%) and 4.06% (Jun: 4.12%) respectively.

In the month of July, PDS volume decreased 41% to RM6.7 billion (Jun: RM11.5 billion) from the previous month. Trading volume was heavy in the “AA” segment followed by the “AAA” segment with 50% and 32% trade shares respectively (previous month: “AA”: 48%; “AAA”: 30%). Our view on corporate bond market has not changed. It has been our view that demand for corporate bonds will remains strong due to the recent bond buyback exercise totaling RM6.35 billion. Adding to the demand dynamics, RM3.0 billion worth of corporate bonds will mature in August 2011. Hence, we foresee buying interest to persist for awhile.

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 (30/7/2011)	RM 0.6399	Malakoff Corp Berhad	18.58%
Fund Size (20/7/2011)	RM9.00mil	RHB HYBRID	16.08%
Inception Date	22 Sept 2005	SARAWAK ENERGY	11.43%
Annual Fee	1.00%	Binariang GSM Sdn Bhd	8.73%
Initial Charge	1.00%	HYUNDAI CAP	7.94%

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