

UNI INCOME FUND

September 2011

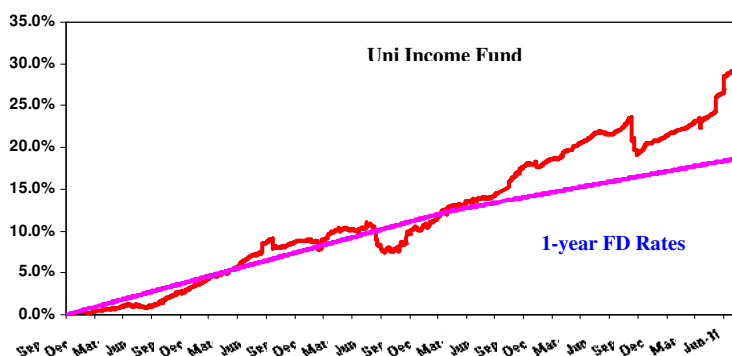
OBJECTIVE:

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.

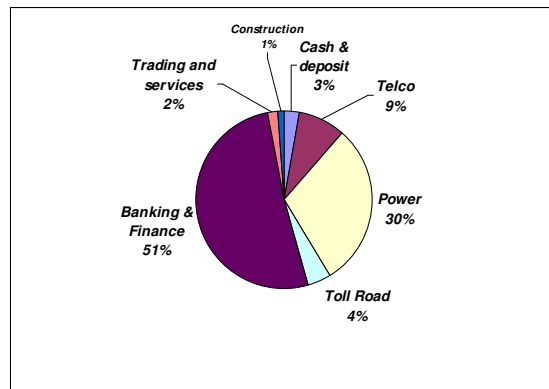
THE FUND IS SUITABLE FOR INVESTORS WHO:

- 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 30.26%** since inception on 22nd Sept 05.

Fixed Income Review & Outlook

The worsening fears of a debt contagion in Europe and decelerating growth in the US again lifted demand for Malaysian Government Securities (MGS), with MGS trade volume jumping 46.3% to RM97.4 billion done in Aug-11. Valuations gained strongly across all tenures. Across the benchmark tenures, the 3 year, 5 year, 7 year, 10 year and 15 year MGS yields recorded firm gains of between 10.0 bps – 23.0 bps m-o-m to end the month at 3.11% (Jun: 3.21%), 3.38% (Jun: 3.48%), 3.57% (Jun: 3.70%), 3.63% (Jun: 3.86%) and 3.90% (Jun: 4.06%) respectively. The accumulation may be due to the safe-haven sentiment resulting from the S&P's downgrade of US's AAA credit rating.

Mirroring the MGS trade volume, the Corporate bond market was just as active with total PDS trade volume surging by 58.2% m-o-m to RM10.65 billion (Jul: RM6.73 billion). The "AA" and "AAA" segments led the market with a 42% and 36% trade share respectively (previous month: "AA": 50%; "AAA": 32%), while the "A" segment saw heavier volumes compared to the previous month with 10.3% trade share. The recent global turmoil which caused the typical flight to safe-haven papers is reflected in PDS trading trend as well with Government Related Entities (GREs), Banking and power papers dominating overall PDS trades at 75% of total trades. Our view on corporate bond market remains unchanged. It has been our view that demands for corporate bonds will remain strong due to recent bond buyback exercises totaling RM6.35 billion. Adding to the demand dynamics is another RM3.3 billion worth of maturing corporate bonds in September 2011 (August: RM3.0 billion). Hence, we foresee buying interest to continue to persist.

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 (30/8/2011)	RM 0.6448	Malakoff Corp Berhad	18.59%
Fund Size (30/8/2011)	RM9.00mil	RHB HYBRID	16.13%
Inception Date	22 Sept 2005	SARAWAK ENERGY	11.40%
Annual Fee	1.00%	Binariang GSM Sdn Bhd	8.68%
Initial Charge	5.00%	HYUNDAI CAP	7.89%

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