

UNI INCOME FUND

November 2011

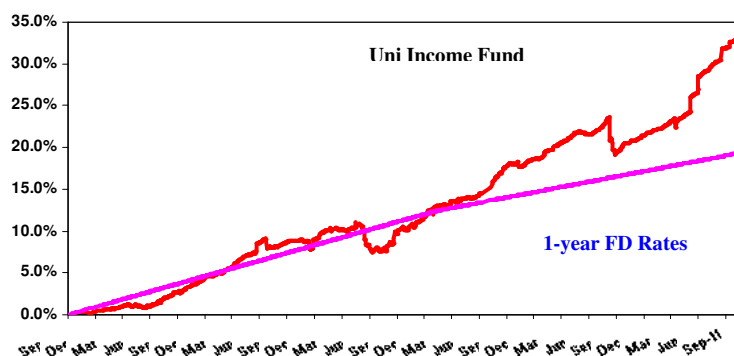
OBJECTIVE:

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.

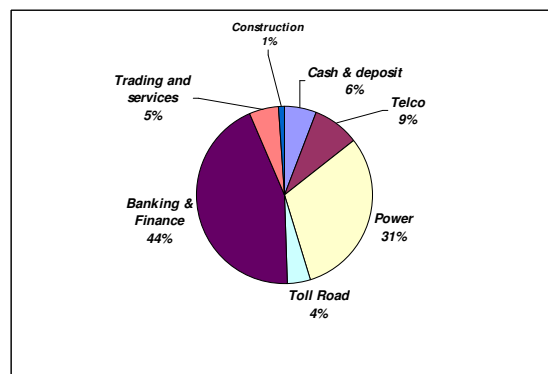
THE FUND IS SUITABLE FOR INVESTORS WHO:

- 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 32.85%** since inception on 22nd Sept 05.

Fixed Income Review & Outlook

In contrast to September, the Malaysian Government Securities (MGS) had a quiet month as most investors stayed on the sidelines. MGS volume dropped substantially in October by 65% m-o-m to RM36.5 billion. Despite the lackluster market, strong buying interest was seen in the short to mid-end maturity as the MGS curve bullish steepened. The 3-year, 5-year, 7-year and 15-year MGS yields were seen rallying up to 8.0 bps higher m-o-m at 3.12% (Sep: 3.20%), 3.34% (Sep: 3.40%), 3.55% (Sep: 3.57%), and 3.97% (Sep: 4.00%) respectively. Volatility in the past two months has been higher than usual as markets swing between the gloom of a global economic slowdown and the hope of an eventual resolution to the European sovereign debt crisis. While neither scenario is a done deal, we are sure that the prevailing uncertainties will continue in the short-term and as such volatility will persist. The latest data on foreign holdings of MGS confirmed that foreign investors had sold off RM6.6 billion of MGS in September, the largest single month reduction ever. As a result, foreign shareholdings as a percentage of outstanding MGS have now reduced to 34.4% (Aug: 35.0%) or RM93.3 billion. The initial outflows to safe haven assets seem to have reversed as indicated by the return of risk-on appetite in emerging market currencies.

Our view on corporate bond market remains unchanged. It has been our view for some time that demands for corporate bonds will remain strong due to the recent bond buyback exercises totaling RM6.35 billion. Hence, we foresee buying interest to continue to persist.

Fixed Income Market Strategy

Tactically neutral on MGS with positive bias and maintain overweight on corporate bonds for spread buffers, but with emphasis on liquidity and acceptable credit quality; emphasize on relative value among corporate bonds; and participate in primary issues which offer attractive yield pick-up relative to secondary market.

FUND DETAILS

TOP 5 HOLDINGS (%)

Unit NAV (31/10/2011)	RM 0.6576	Malakoff Corp Berhad	19.64%
Fund Size (31/10/2011)	RM8.860mil	SARAWAK ENERGY	11.19%
Inception Date	22 Sept 2005	RHB HYBRID	9.31%
Annual Fee	1.00%	Binariang GSM Sdn Bhd	8.53%
Initial Charge	5.00%	HYUNDAI CAP	7.78%

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