

UNI INCOME FUND

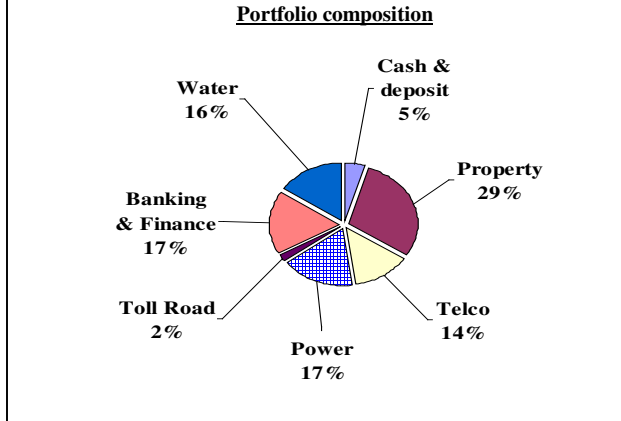
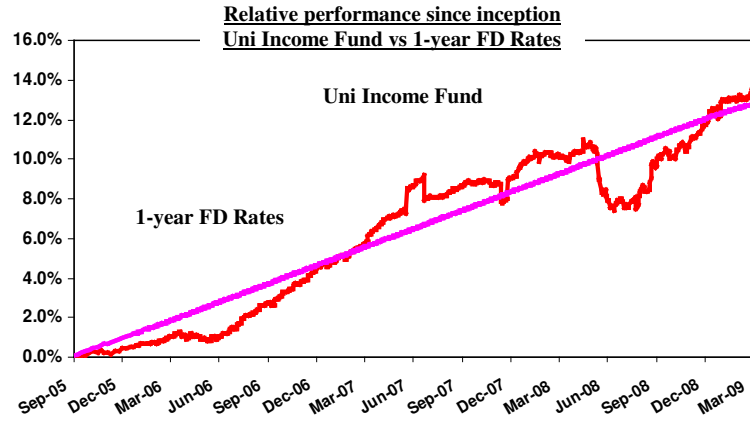
April 2009

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



MANAGER'S COMMENTS:

The Net Asset Value (NAV) of **Uni Income Fund** has **appreciated by 13.64%** since inception on 22nd Sept 05.

Fixed Income Review & Outlook

BNM continued its monetary easing actions by cutting its OPR by 75 bps and 50 bps at its MPC meetings in Jan & Feb 09 respectively. The central bank has since November 08 cut the OPR by a total 150 bps from 3.5% to 2.0% as economic conditions worsened. MGS markets continued to rally on the rate cuts since late 08 but yields started to rise after the Feb MPC despite the 50 bps cut. The correction was attributed to MGS supply concerns on the significant government fiscal requirements to fund its 2nd stimulus package totaling RM60bil. As a result, MGS curve steepened with long-end yields spiking higher while short-end yields remained close to the OPR level. The MGS supply concerns subsequently subsided after BNM announced on 20 March 09 a revised 2009 MGS/GII auction calendar. The yield curve flattened post BNM move which reduced the number of new 10yr tenders and removed the 20yr issuance for the year. BNM also increased short tenor tenders, effectively anchoring longer-tenured yields and stabilized MGS yields at the long end of the curve.

We expect the recent steepening trend to reverse to a flattening trend given the revised 2009 MGS/GII auction calendar. BNM is expected to maintain an accommodative monetary policy to stimulate domestic demand in the face of export market weakness. With 1Q09 GDP figures expected to be bad, BNM may further cut the OPR another time. We expect the OPR to range from 1.00% to 1.50% by end-09. Recent economic indicators point towards continued weakness in global economies especially OECD countries and would continue to adversely affect the country's exports. Meanwhile, inflation is expected to drop sharply in mid-09 owing to high base effect in 2008 and the negative real interest rates may reverse in 2H09. Economic woes and falling inflation outlook will suppress yields for an extended period of time. Overall, a weakening economy, flushed liquidity and BNM easing bias on monetary policy should ensure bond yields remain anchored.

Fixed Income Market Strategy

Our investment strategy is to overweight sovereign and high-grade corporate bonds with emphasis on liquidity. We will seek to enhance returns by actively participating in new issuances with acceptable credit quality and offer higher returns than prevailing yields in the portfolio. We are targeting a neutral portfolio duration relative to the benchmark duration.

FUND DETAILS		TOP 5 HOLDINGS (%)	
Unit NAV (31 March 2009)	RM 0.5625	Malakoff Corporation Bhd	16.78
Fund Size (31 March 2009)	RM 10.7 mil	Sunway City Bhd	15.39
Inception Date	22 Sept 2005	RHB Capital Bhd	13.91
Annual Fee	1.00%	Binariang GSM Sdn Bhd	13.64
Initial Charge	1.00%	Berjaya Land Bhd	7.36

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