

UNI INCOME FUND

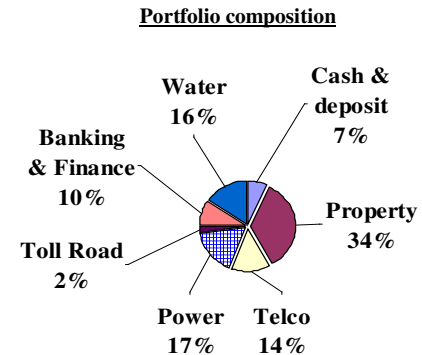
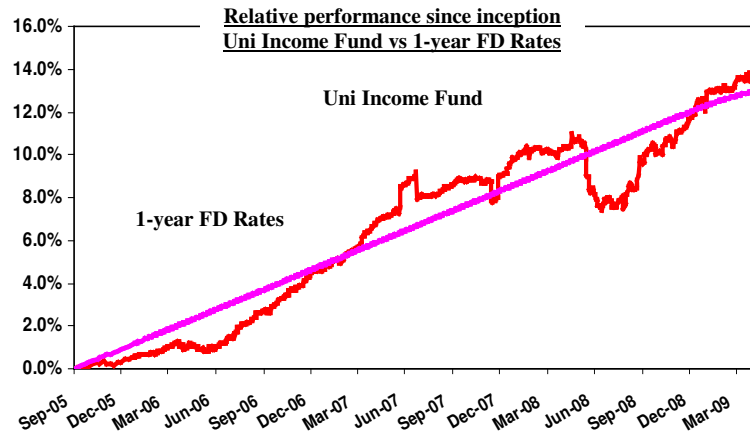
May 2009

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 13.82%** since inception on 22nd Sept 05.

Fixed Income Review & Outlook

BNM held the OPR unchanged at 2.00%. BNM cited that while 1Q09 GDP reading will be weak, an acceleration of the implementation of fiscal measures as well as the accumulated monetary measures so far are expected to provide the needed support to domestic demand. In April, the MGS yield curve steepened, with a marginal decrease in the 3-year benchmark yield while the longer-end of the curve increased as market players reacted to the no-rate cut decision by BNM. MGS yields were traded in a range of 10bps throughout the month as market players held mixed view on the OPR decision by BNM. Trading volume also rose albeit at a smaller quantum compared to a month ago. Trading volume in the corporate bond market picked up some momentum with virtually all the rating classes registered increase in trading volume. Notably, investors were seen picking up some papers in the AA rating category for yield pick-up. However, in line with the weaker MGS market, corporate bond yields generally were seen being traded at slightly higher levels compared to last month closing across all the rating spectrums.

With the rate pause by BNM, the current MGS yield levels appear to have priced in the scenario of no further easing from BNM in its next MPC meeting. While BNM does not rule out the possibility of further rate cut, the lack of impetus for yields to trend lower in the immediate future shall keep MGS yields movement biased upwards. Market players' focus now shall rest mainly with the MGS increased supply risk, and any substantial increase in future auction size may cause yields to trend higher. For the PDS market, secondary market trading activity is expected to slowly pick-up momentum with buying interest remains on the high grade papers segment. On primary issuance side, more issuers shall slowly return to the market as investors' risk appetite improves amidst the improving sentiment about economy performances. The primary market, however, is expected to be flushed with issuances from government-related companies as well as companies tapping the Financial Guarantee Institution (FGI) guarantee facility.

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 (30 April 2009)	RM 0.5634	Malakoff Corporation Bhd	16.96
Fund Size (30 April 2009)	RM 10.6 mil	Sunway City Bhd	15.69
Inception Date	22 Sept 2005	Binariang GSM Sdn Bhd	13.71
Annual Fee	1.00%	CIMB Investment Bank	9.61
Initial Charge	1.00%	Berjaya Land Bhd	7.56

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