

## UNI INCOME FUND

September 2009

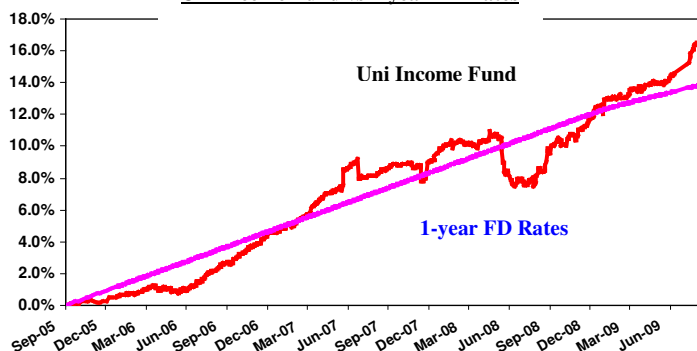
### OBJECTIVE:

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.

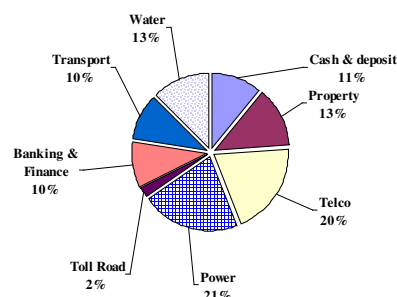
### THE FUND IS SUITABLE FOR INVESTORS WHO:

- Seek a stable income stream
- Have a medium to long term investment horizon

**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 16.93%** since inception on 22<sup>nd</sup> Sept 05.

#### Fixed Income Review & Outlook

In consonance with our expectation, Bank Negara Malaysia (BNM) left OPR unchanged at its recent MPC meeting on 29th August 2009, on the back of rising expectation that global and domestic economic prospects are likely to improve over the remaining months of 2H09. Underlying this pause mode of BNM, is the improved confidence of policy makers that domestic economy is likely to recover by 4Q09.

Broadly speaking, BNM maintained its earlier assessment that the current monetary policy along with the accelerated implementation of fiscal measures was appropriate and sufficient to provide medium term support to domestic demand.

Accordingly, the 2Q09 GDP was reported as having contracted at a slower rate of 3.9% compared to 6.2% in the 1Q09; driven by higher public spending and private consumption. All key sectors of the economy are expected to record improved performance in the coming quarters. Going forward, if this better than expected GDP number continues into 3Q09; then it is highly probable that BNM may revise upwards its official GDP target for the full year of 2009 and the announcement may materialize during the upcoming 2009/2010 Budget Speech in October.

BNM is expecting a series of subdued headline CPI numbers over the coming months – the receding trend to be underpinned by the high base effect of 2008 -

arising from the sharp fuel price adjustments last year and lower food/ non alcoholic beverages prices. Barring any other significant commodity price shock, BNM, appears the least likely to turn hawkish in the region given the latest CPI readings; existing administrative controls over fuel prices and its pro growth stance. For these reasons, we continue to maintain our view that interest rates are likely to remain at current levels over the rest of this year with limited risk for a hike.

#### Fixed Income Market Strategy

Our investment strategy is to overweight corporate bonds vis-à-vis sovereign bonds, concentrating on high-grade and liquid corporate bonds with potential for credit upgrades. We will seek to enhance returns by trading and actively participating in new issuances. We will concentrate on high grade liquid corporate bonds and those with potential credit upgrades. Finally, we will capitalize on volatility and enhance returns by trading.

FUND DETAILS		TOP 5 HOLDINGS (%)	
Unit NAV (28 Aug 2009)	RM 0.5788	Binariang GSM Sdn Bhd	19.78
Fund Size (28 Aug 2009)	RM 10.15 mil	Malakoff Corporation Bhd	17.92
Inception Date	22 Sept 2005	CIMB Investment Bank	10.15
Annual Fee	1.00%	Berjaya Land Bhd	7.89
Initial Charge	1.00%	Syarikat Pengeluar Air Selangor	6.59

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