

UNI INCOME FUND

December 2009

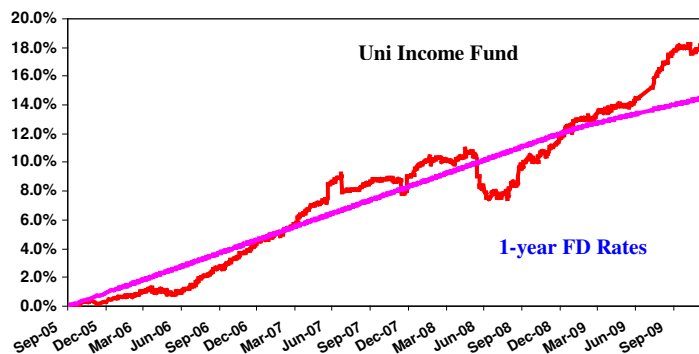
OBJECTIVE:

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.

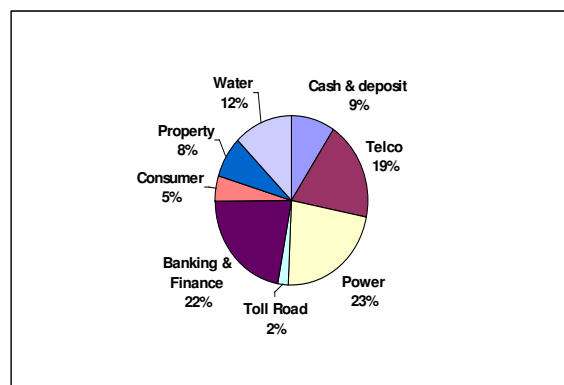
THE FUND IS SUITABLE FOR INVESTORS WHO:

- 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 18.24%** since inception on 22nd Sept 05.

Fixed Income Review & Outlook

At the end of November, Malaysian Government Securities (MGS) yields closed mixed across all sectors. The yield of the 3 years MGS ended the month slightly higher at 2.963%, whereas the yields of the 5 and 10 years MGS ended the month lower 3.733% and 4.23% respectively.

Trading activities in the secondary PDS market were still concentrated along the high grade segment. During the month we saw issuers like Prasarana, MISC and Plus being traded in the market. Market players continue to take comfort that the worst is over for corporate earnings given the more positive earnings announcements so far. On the primary market, we witnessed the issuance of Sime Darby, PASB and Genting (via a special purpose vehicle, GB Services Berhad) into the market.

In line with regional trends, Malaysia's economy has now expanded at robust rates the last two quarters after three quarters of sharp decline. Despite the stronger than expected 3Q outcome, we still look for growth to slow notably to around 4.5% QoQ this quarter as Malaysia's economy is unlikely to sustain such robust growth for a third straight quarter. The one area of upside risk to our 4Q forecast worth noting is that Malaysia's manufacturing and export sectors have underperformed the rest of the region, which may just mean that there is a lag occurring from the global upturn in IP and growth. The September IP report did not provide this sense as sequential IP growth has already rolled over modestly, but it is nonetheless a trend worth watching. Bank Negara Malaysia (BNM) noted the moderation in deflation due to slower decline in retail fuel prices and stated that inflation will return in coming months. Given the subdued inflation outlook, it was not a surprise that BNM kept the overnight policy rate unchanged at 2.00% and gave no sign that it is ready to hike the policy rate anytime soon.

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 (30/11/2009)	RM 0.5853	Binariang GSM Sdn Bhd	19.39
Fund Size (30/11/ 2009)	RM9.8mil	MALAKOF Corporation	17.23
Inception Date	22 Sept 2005	KEXIM	11.72
Annual Fee	1.00%	CIMB	10.08
Initial Charge	1.00%	BERJAYA LAND	8.02

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