



#### Investment 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.

#### Investor Profile

The fund is suitable for investors who seek a stable income stream and have a medium to long term investment horizon.

#### Investment Strategy & Approach

The Managers employ a rigorous and structured investment approach in evaluating the various bond investments and their credit risks. The fund will be invested in the Malaysian government securities, money market instruments and private debt securities with a minimum rating of A3 by RAM or its equivalent.

#### Fund Manager

Affin Hwang Asset Management Bhd

#### Fund Details

Unit NAV RM0.8542

Fund Size RM31.3 million

Inception Date 29 September 2005

Management Fee 1.00% per annum

#### Top 5 Holdings

LPPSA 5.1% 7.3%

GII 3.422% 6.7%

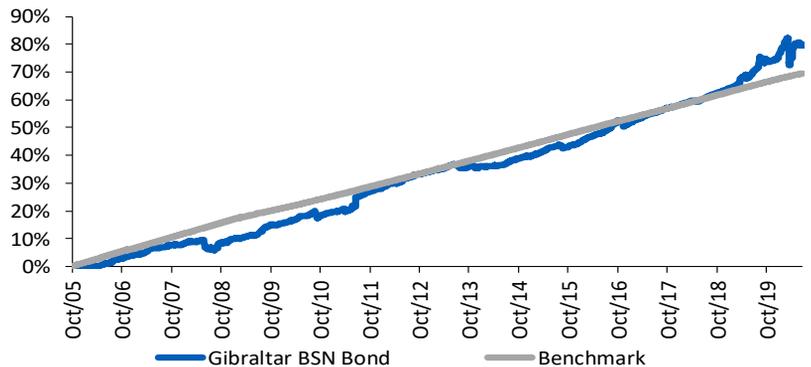
IJM Land 5.65% 6.6%

Prasarana Malaysia 5.23% 5.6%

MGS 4.232% 5.2%

#### Data as at 30 June 2020

#### Cumulative Performance Since Inception as at 30 June 2020



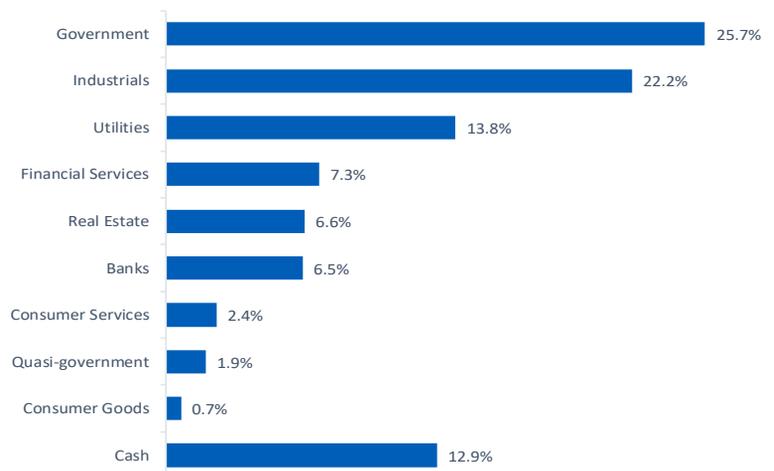
#### Performance Table as at 30 June 2020

	1 month	3 months	6 months	YTD	1 year	3 years	5 years	Since inception
<b>Fund</b>	-0.5%	3.4%	2.6%	2.6%	5.8%	15.7%	25.6%	79.8%
<b>Benchmark</b>	0.3%	0.9%	2.0%	2.0%	4.4%	13.9%	23.3%	69.5%

- Benchmark: 1-year Maybank FD rates + 150 bps
- Source: Bloomberg & Gibraltar BSN Life Bhd

Past performance is not indicative of future performance and the performance of the fund is not guaranteed.

#### Portfolio Composition as at 30 June 2020



Source: Affin Hwang Asset Management



### Manager's Comment

The Fund has appreciated by 79.8% since inception on 29<sup>th</sup> Sept 2005 or by 4.1% compounded annual return.

#### Market Review

MYR Fixed Income market had a poor month after the recent rally. Profit taking activities which started in late May turned into a fairly aggressive selling after market was caught off guard by the announcement of additional stimulus under the PENJANA which requires another MYR10bil of direct fiscal injection by the government.

With the PENJANA and higher than projected fiscal deficit, S&P downgraded Malaysia's A- credit rating outlook to Negative from Stable. Market however did not take this action as a surprise, given the state the world is currently in.

Total foreign holdings of MYR debt stood at MYR187.3bil as of end May. In terms of percentage, it was 35.8% on total MGS outstanding (Apr: 35.8%) and 21.9% on total govies outstanding (Apr: 21.7%).

#### Market Outlook

We hold neutral view on the market for the month of July. As supply concern lingers, we expect market to trade range bound where buying interest could be met with keen sellers waiting to de-risk duration.

We still favor adding position in govies and quasi sovereigns over corporate credit. In the credit space, we continue to prefer primary offerings for better entry levels.

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