



### 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

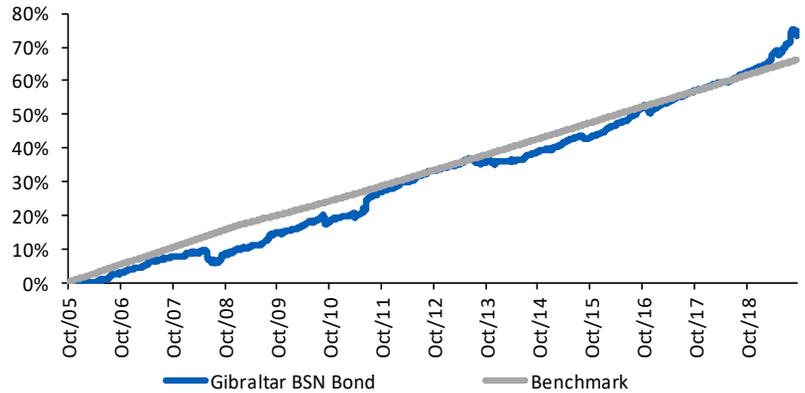
Unit NAV RM0.8288  
Fund Size RM30.3 million  
Inception Date 29 September 2005  
Management Fee 1.00% per annum

### Top 5 Holdings

MGS 4.893% 7.8%  
YTL Power International 4.99% 7.0%  
IJM Land 5.65% 6.9%  
Prasarana Malaysia 5.23% 5.9%  
GII 4.895% 5.8%

Data as at 30 September 2019

### Cumulative Performance Since Inception as at 30 September 2019



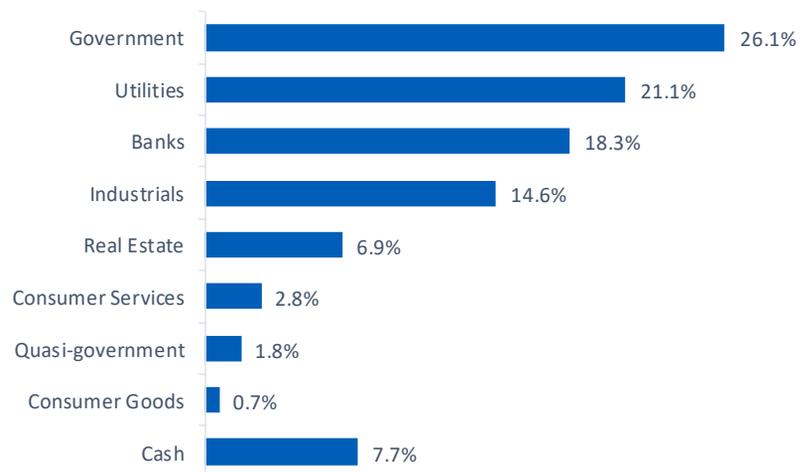
### Performance Table as at 30 September 2019

	1 month	3 months	6 months	YTD	1 year	3 years	5 years	Since inception
<b>Fund</b>	-0.3%	2.7%	4.1%	6.4%	7.5%	15.0%	25.7%	74.5%
<b>Benchmark</b>	0.4%	1.2%	2.4%	3.5%	4.8%	14.1%	23.7%	66.3%

- 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 September 2019



Source: Affin Hwang Asset Management



### Manager's Comment

The Fund has appreciated by 74.5% since inception on 29<sup>th</sup> Sept 2005 or by 4.1% compounded annual return.

#### **Market Review**

Local bond yields saw some mild correction in the month of September with yields correcting ~4 - 12 bps across the curve. Meanwhile, BNM kept the OPR unchanged at 3.00% as expected while maintaining a neutral tone. This suggests that there are no immediate plans for a policy move and may have squashed some expectations for a rate cut in November.

The much awaited FTSE Russell Fixed Income index announcement finally came with Malaysia being kept on the watchlist (as most market participants had expected) while FTSE continues to monitor BNM's initiatives to improve liquidity and accessibility. Next interim review will be in March 2020.

Investors will be watching closely on the announcement of the Malaysian Budget 2020 on 11th October 2019 while the latest CPI reading of 1.5% in August reaffirmed the view of benign inflation in the system and will likely trend in line with forecasted levels of 1.4 - 1.5% for 2H19. Benign inflation may give BNM flexibility to provide more monetary easing, if needed.

#### **Market Outlook**

Global bond yields are expected to trade range bound as political and trade tensions uncertainty continue to dominate while the MGS curve should remain supported given strong reinvestment demand from maturities coupled with strong domestic liquidity.

However, we expect investors to turn more cautious as we head into the final quarter of the year. Locally, we are expecting more corporate bonds primary issuances in 4Q19 as corporates take the opportunity to issue due to low rates currently. Against the backdrop of more supply, we will continue to be selective in our credit selection. We favour a neutral to slightly long duration positioning.

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