



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

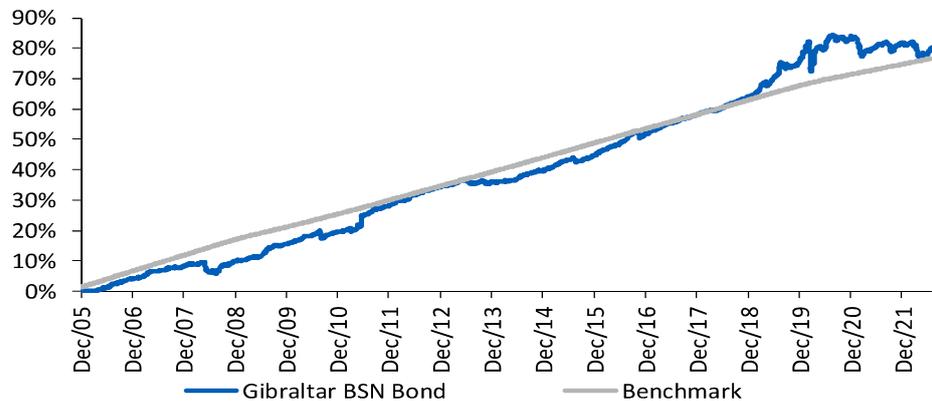
Unit NAV RM0.8570
Fund Size RM32.8 million
Inception Date 29 September 2005
Management Fee 1.00% per annum

Top 5 Holdings

LPPSA 5.1% 6.4%
IJM Land 5.65% 6.2%
Point Zone Malaysia 4.29% 4.5%
Tan Chong Motor 5.0% 4.5%
MMC Port 4.66% 4.5%

Data as at 31 July 2022

Cumulative Performance Since Inception as at 31 July 2022



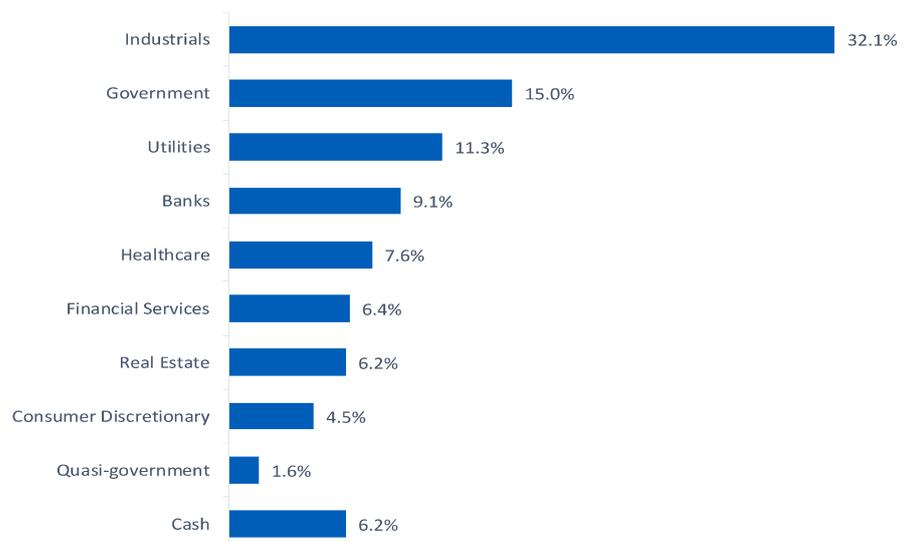
Performance Table as at 31 July 2022

	1 month	3 months	6 months	YTD	1 year	3 years	5 years	Since inception
Fund	1.3%	1.8%	-0.5%	-0.7%	-0.6%	5.3%	15.9%	80.4%
Benchmark	0.3%	0.9%	1.7%	2.0%	3.4%	11.0%	20.5%	76.7%

- 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 31 July 2022



Source: Affin Hwang Asset Management



Gibraltar BSN

GIBRALTAR BSN BOND FUND

August 2022

Manager's Comment

The Fund has appreciated by 80.4% since inception on 29th Sept 2005 or by 3.6% compounded annual return.

Market Review

In July 2022, US Fed raised interest rates for the second consecutive time by 75bps in a bid to stem the hottest inflation in four decades. The long end of the curve continued to flatten with the 10-year US Treasury yield settling 36bps lower at 2.65% as market priced in a slower growth environment, keeping the long end anchored.

Locally, BNM hiked rates by 25bps in July, as expected by markets which resulted in a bull-flattening of the curve with yields tightening by 25bps to 40bps month on month. The 10Y MGS yield settled the month at 3.90% (-29bps) and the 30Y at 4.56% (-30bps).

Market Outlook

In the July FOMC minutes, Powell implied that the potential size of the next rate hike could be 75bps but studiously avoided making this explicit. Expectations remain firm for the Fed to continue with rate hikes in 2022 but the path now has become more uncertain. Fed Fund futures are currently pricing in another 100bps hike by end-2022.

Domestically, we expected BNM to front load 2 more OPR hikes in remaining 2H2022 to end the year at 2.75% as economic recovery shows a solid trajectory. We do not rule out that BNM could then pause and take a wait-and-see approach for 1Q23 should growth risk surprise to the downside.

We aim to overweight long government bonds (>10Y) as the curve is relatively flat and growth concerns may see long end being anchored. On credit, we prefer short to belly (3Y-5Y) of the curve as valuations are attractive and aim to participate in primary issuances. Overall, we adopt a barbell strategy, buying short PDS and long domestic government bonds, with a long duration (1.0-1.2x duration band).

Disclaimer

This report is for information only and is purely a product summary. Please refer to the product fact sheet available at www.gibraltarbsn.com for further details. This report shall not be reproduced, copied, circulated or forwarded either in part or otherwise to any persons howsoever without the prior written consent of Gibraltar BSN Life Berhad. The opinions and information contained herein are based on the latest available data which is believed to be reliable. It is not to be construed as an offer, invitation or solicitation to buy or sell any securities or financial instruments covered by this report. Gibraltar BSN Life Berhad does not warrant the accuracy of anything stated herein in any manner whatsoever and no reliance upon such statement by anyone shall give rise to any claim whatsoever against Gibraltar BSN Life Berhad and/or its associated persons. Gibraltar BSN Life Berhad and/or its associated persons may from time to time have an interest in the securities or financial instruments mentioned by this report. Past Performance of the Funds mentioned in the Report is not an indication of its future performance. Investors/policy holders should rely on their own evaluation to assess the merits and risks of the investment. In considering to invest in an investment-linked fund, investors/policy holders who are in doubt on the action to be taken should consult a professional adviser. Investors/Policy holders have to take note that investments can fluctuate in value and values may fall as well as rise and an investor/policy holder may not get back the amount invested.