



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

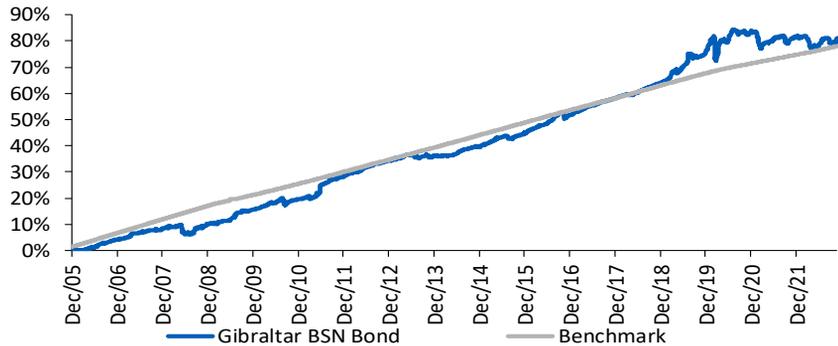
Unit NAV RM0.8596
 Fund Size RM31.1 million
 Inception Date 29 September 2005
 Management Fee 1.00% per annum

Top 5 Holdings

LPPSA 5.1% 6.5%
 IJM Land 5.65% 6.4%
 Tan Chong Motor 5.0% 4.7%
 Point Zone Malaysia 4.29% 4.7%
 MMC Port 4.66% 4.6%

Data as at 30 November 2022

Cumulative Performance Since Inception as at 30 November 2022



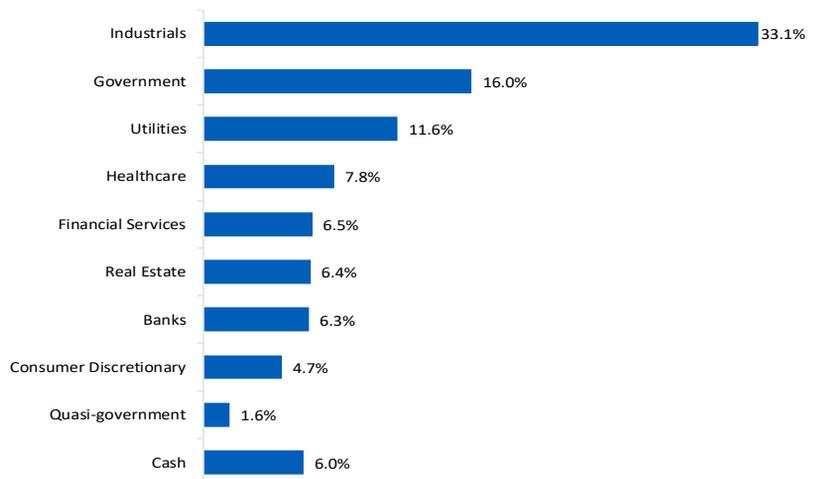
Performance Table as at 30 November 2022

	1 month	3 months	6 months	YTD	1 year	3 years	5 years	Since inception
Fund	0.9%	-0.2%	1.7%	-0.4%	0.0%	3.8%	14.8%	81.0%
Benchmark	0.4%	1.0%	2.0%	3.4%	3.7%	10.9%	20.4%	78.1%

- 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 November 2022



Source: Affin Hwang Asset Management



Manager's Comment

The Fund has appreciated by 81.0% since inception on 29th Sept 2005 or by 3.5% compounded annual return.

Market Review

The UST yield curve remained inverted with the front end moving higher due to Fed rate hikes and rallying on the long end. The 10Y UST closed the month -44bps tighter to 3.61%. The UST 2Y/10Y inversion increased to -70bps (Oct: -44bps), reflecting a higher probability of recession.

Locally, MGS yields saw further in November as the curve shifted lower by 20bps to 45bps, led by the long end as markets start to price in a slower growth environment. The 3Y MGS spread vs OPR continue to trade widely, implying the market has fully priced in for an increase in OPR to 3.00-3.25% from the current 2.75%.

Market Outlook

We believe the peak in inflation narrative is finally playing out and should trend downwards over the next few quarters. Slower global growth and rising recessionary risk will be positive for fixed income assets as we look to deploy cash to position for next year.

Domestically, we expect BNM to stay ahead by normalizing OPR further to be ahead of the curve. We expect another hike of 25bps in January 2022 MPC meeting which will bring OPR to 3.00% in 1Q2023.

On rates, we turn more positive on the local bond yield curve as expectation of growing global macro headwinds and softer domestic growth may see the yield curve flatten further. On credit, we prefer primary issuance in strong fundamental names for yield pick up. For the secondary market, we aim for the belly i.e. 5-10Y at attractive valuations. On duration, we aim for neutral to slightly long (1-1.1x duration band).

Disclaimer

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