



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

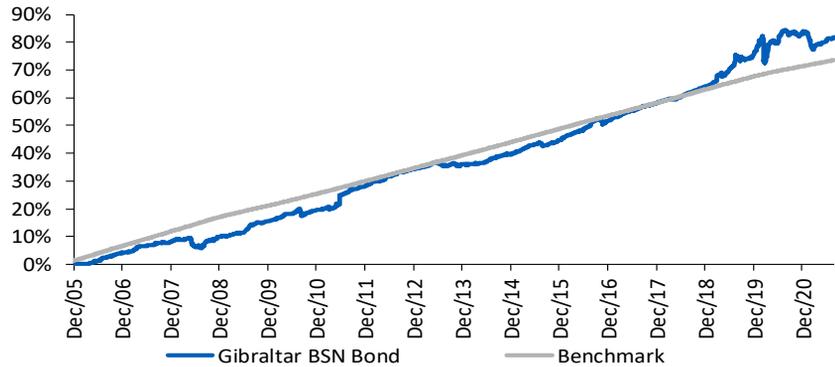
Unit NAV RM0.8635
Fund Size RM33.0 million
Inception Date 29 September 2005
Management Fee 1.00% per annum

Top 5 Holdings

LPPSA 5.1% 6.6%
IJM Land 5.65% 6.3%
GII 4.467% 6.2%
GII 3.422% 6.2%
PTP 3.95% 4.6%

Data as at 31 August 2021

Cumulative Performance Since Inception as at 31 August 2021



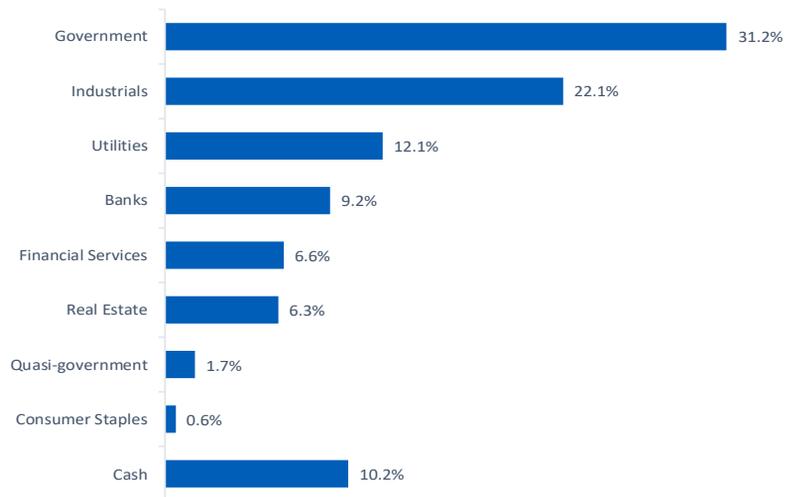
Performance Table as at 31 August 2021

	1 month	3 months	6 months	YTD	1 year	3 years	5 years	Since inception
Fund	0.2%	1.3%	0.7%	-0.9%	-1.1%	12.3%	20.4%	81.8%
Benchmark	0.3%	0.8%	1.7%	2.2%	3.4%	12.3%	21.6%	73.6%

- 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 August 2021



Source: Affin Hwang Asset Management



Manager's Comment

The Fund has appreciated by 81.8% since inception on 29th Sept 2005 or by 3.8% compounded annual return.

Market Review

In the US, the Fed provided little guidance during the annual Jackson Hole symposium, but Chair Powell signaled he believes the time is right for the Fed to start tapering off some of its economic support. The 10-year US Treasury yield traded range bound between 1.20% to 1.35% during the month.

In Malaysia, political risk was greatly reduced with the appointment of a new Prime Minister. As a result, the yields of the long end of government bonds drifted lower. However, the yields of the short end (3 to 5 years) increased by 6 to 8 bps due to supply pressure.

Market Outlook

We think that the room for global central banks to start hiking interest rates is still very limited given the ongoing pandemic and uneven recovery. There could be upward reprising risk in the UST yields if the Fed starts to taper in 4Q2021 and this will also impact the outlook for local bonds.

Domestically, the rapid rise in Covid-19 cases is being offset by the acceleration of the vaccination program. At this juncture, the key market drivers for the local fixed income market remain the attractive valuations and in the case of corporate bonds, supply scarcity in addition to improved demand from long term investors. We continue to have a trading stance for government bonds. For corporate bonds, we still favour the short to mid-term tenure and continue to be mindful of credit selection with a preference for good quality credits. In terms of duration, we look to stay neutral (0.95x-1.05x benchmark duration).

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