



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

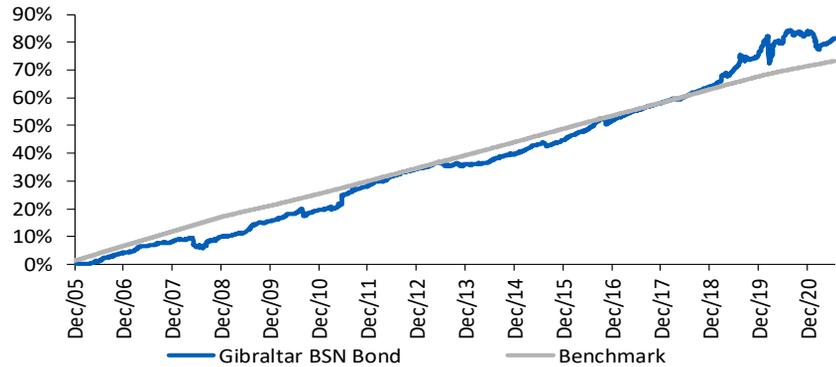
Unit NAV RM0.8622
Fund Size RM32.9 million
Inception Date 29 September 2005
Management Fee 1.00% per annum

Top 5 Holdings

LPPSA 5.1% 6.6%
IJM Land 5.65% 6.3%
GII 3.422% 6.3%
GII 4.467% 6.3%
PTP 3.95% 4.7%

Data as at 31 July 2021

Cumulative Performance Since Inception as at 31 July 2021



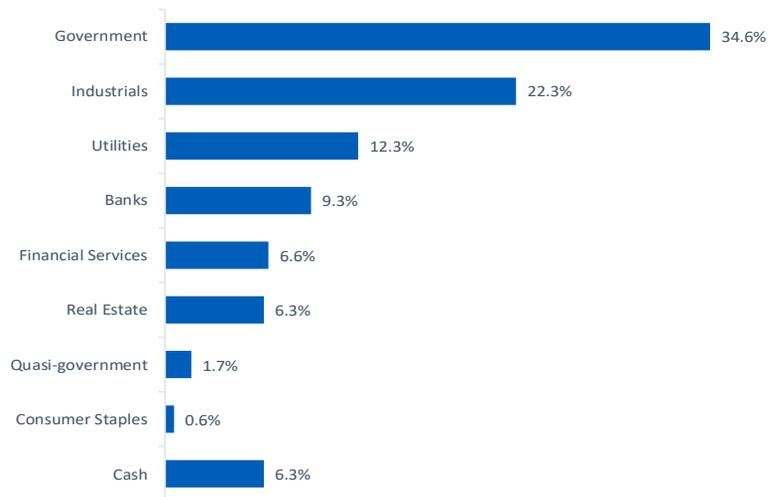
Performance Table as at 31 July 2021

	1 month	3 months	6 months	YTD	1 year	3 years	5 years	Since inception
Fund	0.6%	1.2%	-1.1%	-1.1%	-1.1%	12.7%	21.4%	81.5%
Benchmark	0.3%	0.8%	1.7%	1.9%	3.4%	12.4%	21.7%	73.3%

- 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 31 July 2021



Source: Affin Hwang Asset Management



Manager's Comment

The Fund has appreciated by 81.5% since inception on 29th Sept 2005 or by 3.8% compounded annual return.

Market Review

The US Fed kept its dovish stance and left interest rates and bond buying program unchanged in its July meeting. It noted the US economy was still a good deal away from making substantial further progress towards stable prices and maximum employment. The 10-year US Treasury yield fell to 1.22% in July 2021 from 1.47% in June 2021.

In Malaysia, government bonds traded range bound as investors risk appetite was limited by a series of fiscal stimulus and political noises. On a positive note, as of end-July, 42% of Malaysians have received at least one dose and 20.6% have completed their vaccination. At the current rate, Malaysia could achieve herd immunity by early-September 2021.

Market Outlook

We think that the room for central banks to start hiking interest rates is still very limited given the ongoing pandemic. More time would be needed for the economy to get back to full capacity. As such, we see little prospect of global yields climbing higher in the near term.

Domestically, the key market drivers at this juncture remains the attractive valuations and in the case of corporate bonds, supply scarcity. We maintain our trading stance on government bonds. For corporate bonds, we still favour 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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