



#### 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

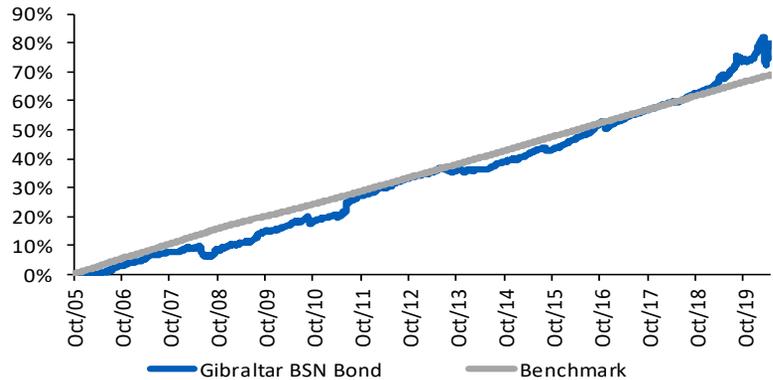
Unit NAV RM0.8536  
 Fund Size RM31.3 million  
 Inception Date 29 September 2005  
 Management Fee 1.00% per annum

#### Top 5 Holdings

LPPSA 5.1% 7.4%  
 YTL Power International 4.99% 6.9%  
 MGS 3.90% 6.8%  
 IJM Land 5.65% 6.6%  
 Prasarana Malaysia 5.23% 5.6%

Data as at 30 April 2020

#### Cumulative Performance Since Inception as at 30 April 2020



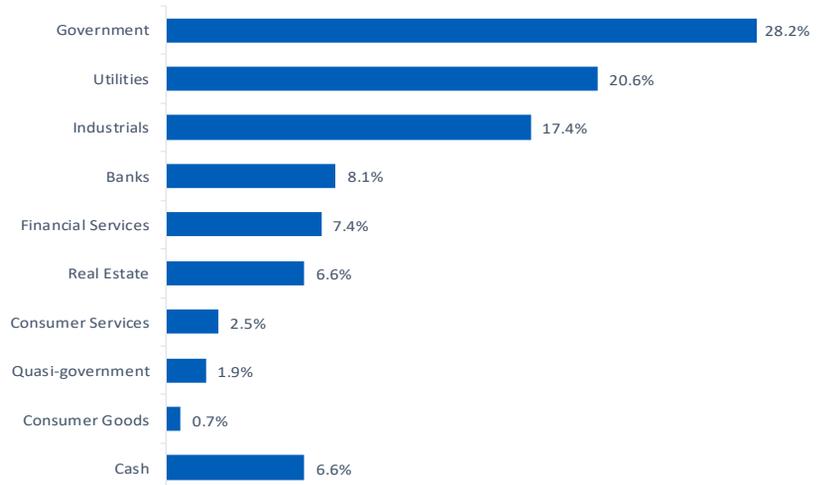
#### Performance Table as at 30 April 2020

	1 month	3 months	6 months	YTD	1 year	3 years	5 years	Since inception
<b>Fund</b>	3.4%	0.5%	3.4%	2.5%	6.5%	16.5%	26.4%	79.7%
<b>Benchmark</b>	0.3%	1.0%	2.2%	1.4%	4.5%	14.1%	23.5%	68.9%

- 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 April 2020



Source: Affin Hwang Asset Management



### Manager's Comment

The Fund has appreciated by 79.7% since inception on 29<sup>th</sup> Sept 2005 or by 4.1% compounded annual return.

#### Market Review

Local bond market turned bullish, supported by a better risk environment globally following the Fed's "circuit breaker" through massive easing. At the same time, the rally was also driven by investors' positioning ahead of BNM MPC meeting on 4-5 May. As at 30 April, MGS yields had fallen by almost 45-55bps (Month-on-Month) across the curve. 10-year MGS yield is back to the pre-selloff zone of 2.80%-2.90%. Corporate PDS yields followed suit by falling 25-35bps across the board in a more active market with a MYR14.0bil total volume, skewed towards Quasi, AAA papers and short dated bonds.

Meanwhile, no change in BNM's 2020 real GDP growth forecast of -2% to +0.5% announced on 3 April 2020 which was based on assumptions that included a 4-week Movement Control Order (MCO) and economy operating at 45% capacity. On the data front, Malaysia's inflation reading for March fell to -0.2% (vs estimates of -0.1%) due to a decline in the transport index amid lower oil prices.

#### Market Outlook

Despite improvement in the global control of Covid-19 pandemic, global central banks are still expected to remain dovish. The drastic but necessary global lockdown has threatened to throw the global economy into a deep recession as movement of goods and services are curbed. We expect bond yields to remain low given the abundant global and local liquidity. Note that the recent actions by global central banks have further flooded the markets with liquidity although general risk aversion means that some volatility is to be expected. On the Corporate bond segment, we expect new primary deals to pick up the pace with issuers from GG and AAA segments leading up the issuances. Based on the above, we favor a neutral duration. We are taking a gradual approach in re-deploying into the market while cautiously extending duration given the expectation of larger fiscal deficit.

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