



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

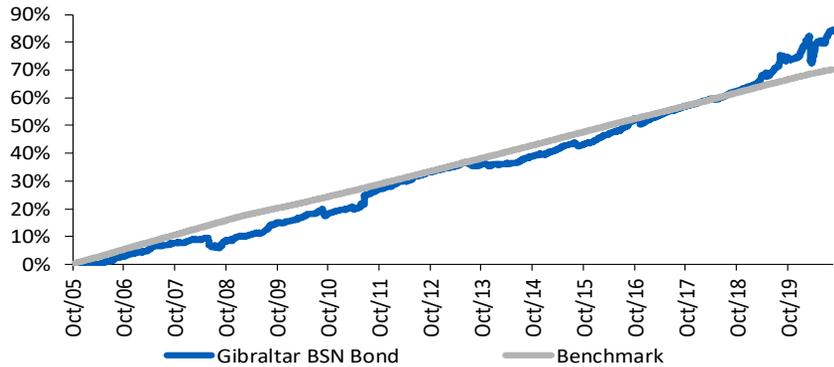
Unit NAV RM0.8734
Fund Size RM32.3 million
Inception Date 29 September 2005
Management Fee 1.00% per annum

Top 5 Holdings

LPPSA 5.1% 7.4%
GII 4.13% 7.0%
MGS 3.502% 6.7%
GII 3.422% 6.6%
IJM Land 5.65% 6.5%

Data as at 31 August 2020

Cumulative Performance Since Inception as at 31 August 2020



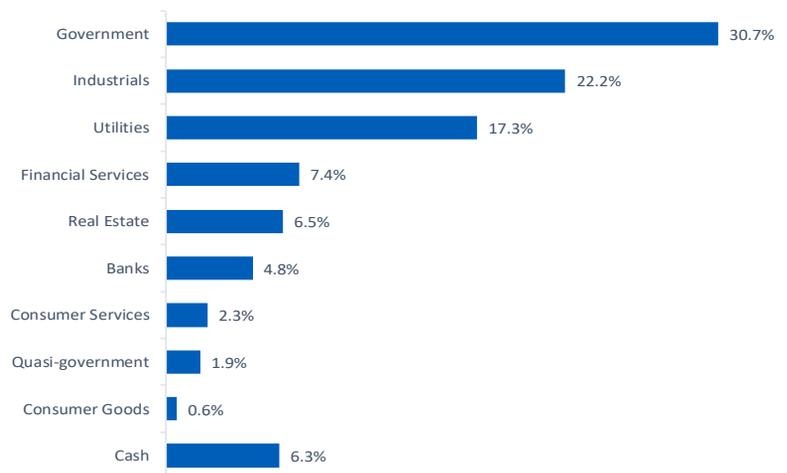
Performance Table as at 31 August 2020

	1 month	3 months	6 months	YTD	1 year	3 years	5 years	Since inception
Fund	0.2%	1.7%	1.5%	4.9%	5.1%	17.6%	29.0%	83.9%
Benchmark	0.3%	0.9%	1.9%	2.6%	4.1%	13.7%	23.1%	70.2%

- 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 2020



Source: Affin Hwang Asset Management



Manager's Comment

The Fund has appreciated by 83.5% since inception on 29th Sept 2005 or by 4.2% compounded annual return.

Market Review

Malaysia's GDP contracted by 17.1% year-on-year in the second quarter of 2020 mainly due to the movement control order (MCO) enforced during the quarter to stem the spread of Covid-19. All sectors recorded negative growth during the quarter, except for the agriculture sectors, which grew 7.1% year-on-year. Malaysian economy is expected to recover as economic activities have been slowly picking up since the start of 2H20.

MYR Fixed Income market had a weaker month as investors expected the economy to recover faster than anticipated. The MGS yield curve bear steepened with the 7-years and above increased by 3-20bps. The 3-5 years government bonds saw yields declined by circa 7-10bps as market continue to be risk adverse.

Government bond auctions were disappointing for the month of August as the bid-to-cover ratio for the last two actions (reopening of the 20-year MGS and 15-year GII) were below 2 times. Meanwhile, corporate bond market continued to see better buying demand throughout all ratings as investors continue their search for yields.

Market Outlook

Trading activities are expected to be thin in the last quarter as investors have already locked in their gains for the year. However, the market may see some volatility in longer dated bonds due to (i) Malaysia fiscal concerns, (ii) Budget 2021 in November, (iii) US presidential elections and (iv) rising US treasury yields.

We aim to re-enter into govovies and quasi sovereigns once the market stabilizes and purchase at a higher yield. In the credit space, we continue to prefer primary offerings for better entry levels as there will be a huge supply of new corporate bond issuances. Overall, we aim to maintain duration at neutral to slightly long.

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