



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 Details

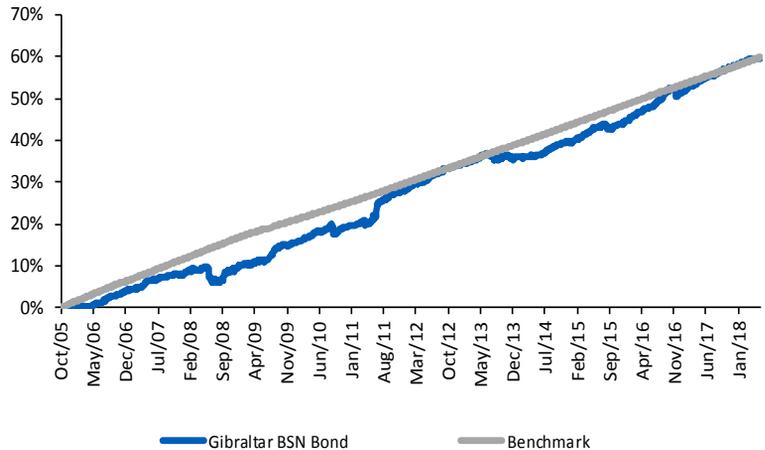
Unit NAV	RM0.7586
Fund Size	RM12.6 million
Inception Date	29 September 2005
Management Fee	1.00% per annum

Top 5 Holdings

Tanjung Bin Energy Issuer Bhd	9.3%
TF Varlik Kiralama	8.5%
Lebuhraya DUKE Fasa 3	7.0%
Sarawak Hidro	6.3%
KT Kira Sertifikalan Varlik	6.0%

Data as at 31 May 2018

Cumulative Performance Since Inception

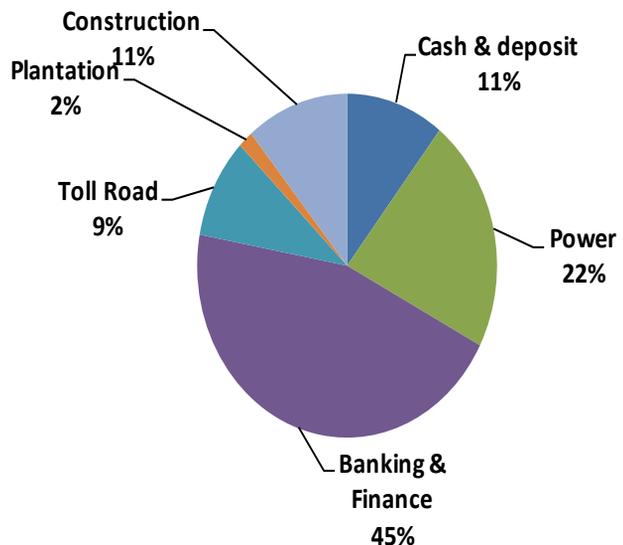


Performance Table

	1 month	3 months	6 months	YTD	1 year	3 years	5 years	Since inception
Fund	0.1%	0.5%	1.3%	1.0%	3.1%	11.8%	17.0%	59.7%
Benchmark	0.4%	1.2%	2.4%	2.0%	4.7%	14.1%	23.6%	59.9%

*Benchmark: 1-year Maybank FD rates + 150 bps

Portfolio Composition





Manager's Comment

The Fund has appreciated by 59.7% since inception on 29th Sept 2005 or by 3.8% compounded annual return.

Market Review

Most investors were mostly on the sidelines pending for the GE14 results on 9 May. The surprise win by Pakatan Harapan in the election saw some knee-jerk reactions in the govies market with the 10y MGS given 10 bps higher at 4.25%. However, the knee-jerk reactions did not last long due to strong support from the local institutional/pension funds.

Towards the later part of the month as the UST continued to sell off with 10y UST touching all-time high of 3.12% on higher inflationary pressures, local govies market saw yields rising again. The bearish sentiment in the govies market intensified as MYR continued to weaken on heavy foreign selling both in the domestic bond and equity market.

Market Outlook

In the absence of local catalysts, the bond market will continue to be driven by external factors i.e. US monetary policy and geopolitical events. The weakening of MYR against the USD will weigh on the market due to the fear of foreign outflows. Although external factors will influence market sentiments, we expect the govies market to be supported by the local institutional houses/pension funds once yields reach levels deemed to be attractive for these long term investors. In short, we do not expect any further significant rise in government bond yields unless Bank Negara Malaysia unexpectedly signal a tightening in monetary policy.

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