



#### 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

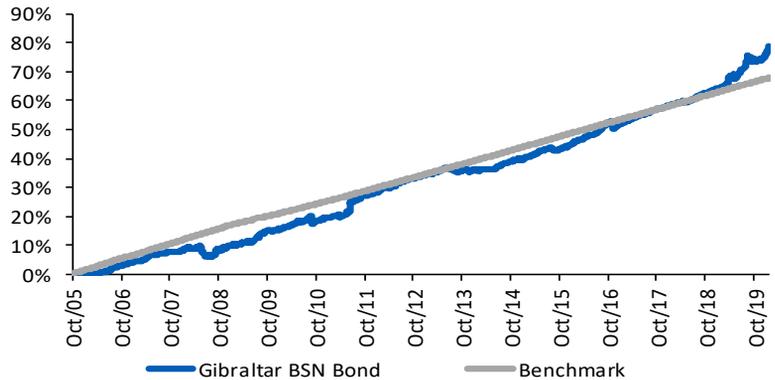
Unit NAV RM0.8492  
 Fund Size RM31.2 million  
 Inception Date 29 September 2005  
 Management Fee 1.00% per annum

#### Top 5 Holdings

LPPSA 5.1% 7.7%  
 YTL Power International 4.99% 6.9%  
 IJM Land 5.65% 6.8%  
 Prasarana Malaysia 5.23% 5.8%  
 MGS 4.921% 5.8%

#### Data as at 31 January 2020

#### Cumulative Performance Since Inception as at 31 January 2020



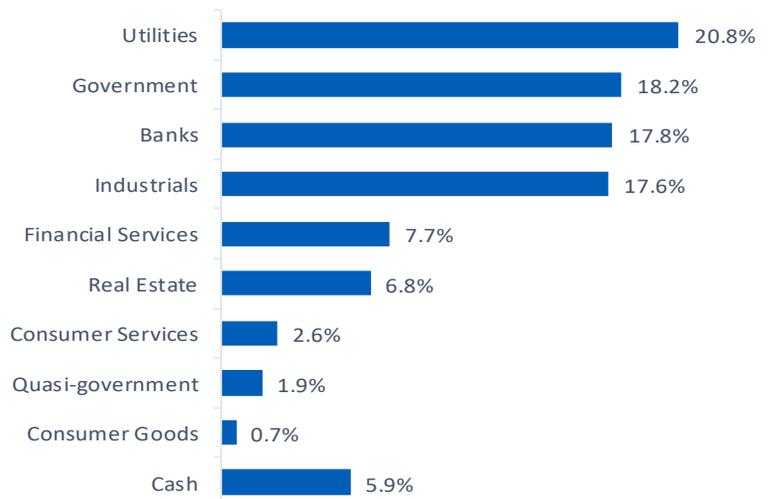
#### Performance Table as at 31 January 2020

	1 month	3 months	6 months	YTD	1 year	3 years	5 years	Since inception
<b>Fund</b>	2.0%	2.9%	4.3%	2.0%	8.7%	17.3%	27.4%	78.8%
<b>Benchmark</b>	0.4%	1.2%	2.3%	0.4%	4.7%	14.1%	23.6%	67.8%

- 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 January 2020



Source: Affin Hwang Asset Management



**Manager's Comment**

The Fund has appreciated by 78.8% since inception on 29<sup>th</sup> Sept 2005 or by 4.1% compounded annual return.

**Market Review**

Local bond markets extended its bull run in the month of January. Initially tracking lower global yields, a somewhat surprise Overnight Policy Rate (OPR) cut on 22 January led to another strong buying flow. Long duration bonds rallied the most. On the month, the 10y MGS yield declined almost 20 bps to settle at 3.13% and the 30y MGS yield declined more than 30 bps to close below 3.80%.

Elsewhere, data showed another sizeable inflow into MYR fixed income market in December at RM8.1 billion. As a result, foreign holdings of MGS increased to 41.6% from 40.5%. On inflation, consumer price index (CPI) averaged just 0.7% for the full year of 2019.

**Market Outlook**

Amidst the ongoing pandemic, the case for global central markets to remain dovish has grown stronger. Markets see an increased chance of another Fed Fund Rate (FFR) cut this year. In the case of Malaysia, the chance of a further cut should increase if Covid-19 outbreak scare prolongs.

Against this backdrop, we expect global bond yields, including Malaysia's, to remain low. In addition, the decline in deposit rates subsequent to the recent OPR cut may lead to more inflows into the bond market.

In the meantime, new issue visibility remains poor at this juncture. We expect government guaranteed (GG) issuance to continue leading the pipeline this year. Overall, we still favour a neutral to slightly long duration positioning.

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