



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

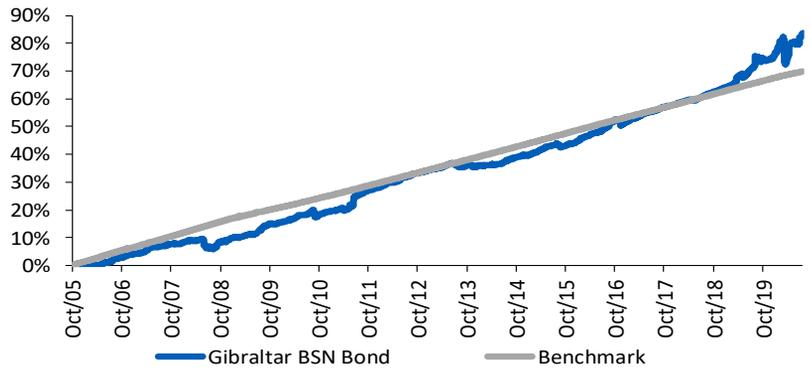
Unit NAV RM0.8718
Fund Size RM32.0 million
Inception Date 29 September 2005
Management Fee 1.00% per annum

Top 5 Holdings

LPPSA 5.1% 7.5%
GII 4.13% 7.0%
MGS 3.502% 6.7%
GII 3.422% 6.7%
IJM Land 5.65% 6.5%

Data as at 31 July 2020

Cumulative Performance Since Inception as at 31 July 2020



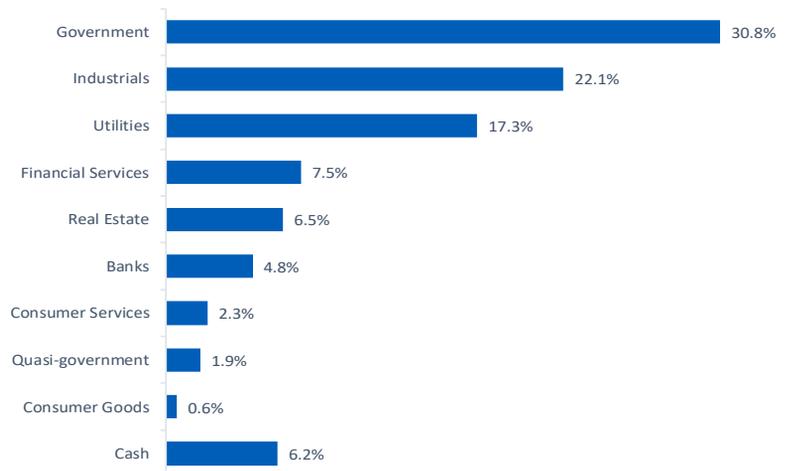
Performance Table as at 31 July 2020

| | 1 month | 3 months | 6 months | YTD | 1 year | 3 years | 5 years | Since inception |
|------------------|---------|----------|----------|------|--------|---------|---------|-----------------|
| Fund | 2.1% | 2.1% | 2.7% | 4.7% | 7.1% | 17.9% | 27.7% | 83.5% |
| Benchmark | 0.3% | 0.9% | 1.9% | 2.3% | 4.2% | 13.8% | 23.2% | 69.8% |

- 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 July 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

MYR Fixed Income market had a strong month after BNM cut the OPR further by 25bps, its fourth consecutive reduction during the July MPC meeting. The OPR now stands at 1.75% - the lowest since the rate was introduced in 2004. The main rationale is to accelerate the economic recovery. Buying activities picked up during the month as the market did not price in the rate cut. BTC on govies auctions remained above 2x in July despite the lack of private placements.

The corporate bonds market also saw better buyers with high quality credit in demand. However, corporate bond yields movement has lagged those of government bonds on a month-on-month basis.

The market saw foreign inflows accelerating in June to MYR11.6 billion (May: MYR1.5 billion). On a YTD basis, foreign flow is still negative of MYR5.8 billion. Total foreign holdings of MYR debt stood at MYR198.9 billion as of end June. In terms of percentage, foreign share of MGS outstanding was 37.3%.

Market Outlook

We expect BNM to pause for the remainder of the year with further cuts data dependent. Negative inflation provides room for further easing with BNM cutting OPR by 150ps during 2008/09 crisis to 2.0%.

Demand for bonds is expected to be strong in the near term due to ample liquidity and investors looking for higher returns versus deposit rates.

We still favour adding position in govies and quasi sovereigns over corporate credit. In the credit space, we continue to prefer primary offerings for better entry levels. We target a neutral to long duration relative to benchmarks.

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