



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

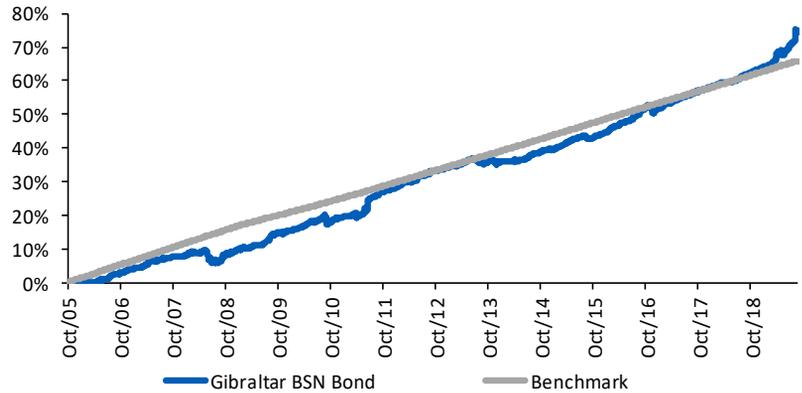
Unit NAV RM0.8311
 Fund Size RM30.4 million
 Inception Date 29 September 2005
 Management Fee 1.00% per annum

Top 5 Holdings

MGS 4.893% 7.8%
 YTL Power International 4.99% 7.1%
 IJM Land 5.65% 6.9%
 Prasarana Malaysia 5.23% 6.1%
 GII 4.895% 5.8%

Data as at 31 August 2019

Cumulative Performance Since Inception as at 31 August 2019



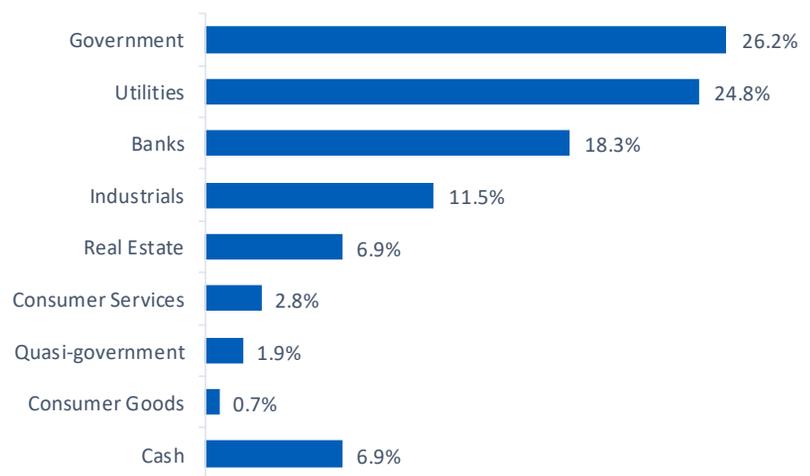
Performance Table as at 31 August 2019

	1 month	3 months	6 months	YTD	1 year	3 years	5 years	Since inception
Fund	2.1%	4.0%	5.9%	6.7%	8.1%	15.9%	26.4%	75.0%
Benchmark	0.4%	1.1%	2.4%	3.1%	4.8%	14.1%	23.7%	65.9%

- 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 31 August 2019



Source: Affin Hwang Asset Management



Manager's Comment

The Fund has appreciated by 75.0% since inception on 29th Sept 2005 or by 4.1% compounded annual return.

Market Review

Local bond yields also continued to drift lower amid expectation of another OPR cut whilst low rates globally attract foreigners to the relatively higher yielding MYR market. We estimate a continued net foreign buying in August, extending June and July's cumulative net inflows of RM 12.3 billion. A Bloomberg poll shows majority analysts expect another cut to take place before the year end, a view shared by Malaysia's two largest banks, Maybank and CIMB.

In August, the 30-year MGS benchmark yield dipped to record low (3.65%-3.80%), surpassing the most bullish target of 4%, whereas the 10-year MGS yields dropped around another 30bps on the month to 3.30% range. Meanwhile, corporate bond yields closed 20-40bps lower across the curve between, led by GG and AAA curve. Primary segment was still fairly muted but we are hearing better issuance pipeline over the next few months.

While maintaining its growth forecast of between 4.3%-4.8% for 2019, BNM cautioned on increased risk to growth going forward arising from global uncertainties.

Market Outlook

While global bond yields are expected to remain low in the near term on the back of global central banks loosening policies, strong domestic liquidity and relative lack of supply will continue to anchor MYR govies and corporate bond demand.

Amid the bullish tone currently, the impending FTSE-Russell bond index decision is not expected to have substantial impact on the market. Any sell off is an opportunity to accumulate. In our base case, we expect the OPR to remain at 3% until the end of the year.

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