



### 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

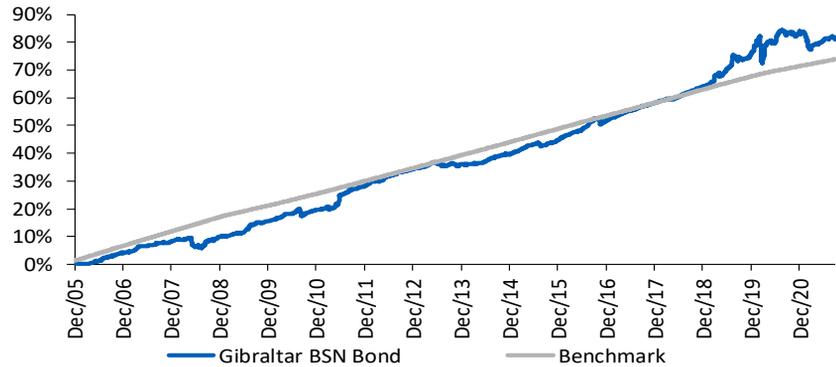
Unit NAV RM0.8596  
Fund Size RM32.8 million  
Inception Date 29 September 2005  
Management Fee 1.00% per annum

### Top 5 Holdings

LPPSA 5.1% 6.5%  
IJM Land 5.65% 6.3%  
GII 4.467% 6.2%  
GII 3.422% 6.1%  
PTP 3.95% 4.6%

Data as at 30 September 2021

### Cumulative Performance Since Inception as at 30 September 2021



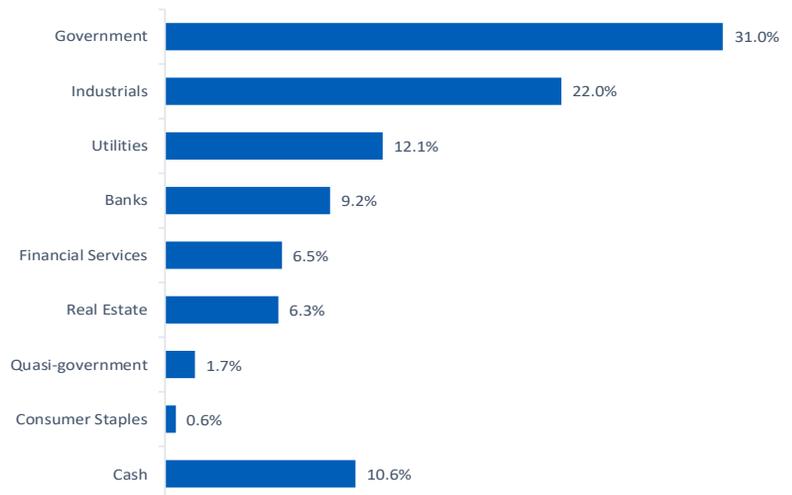
### Performance Table as at 30 September 2021

	1 month	3 months	6 months	YTD	1 year	3 years	5 years	Since inception
<b>Fund</b>	-0.5%	0.3%	1.9%	-1.4%	-1.1%	11.5%	19.2%	81.0%
<b>Benchmark</b>	0.3%	0.8%	1.7%	2.5%	3.4%	12.2%	21.5%	73.8%

- 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 30 September 2021



Source: Affin Hwang Asset Management



### Manager's Comment

The Fund has appreciated by 81.0% since inception on 29<sup>th</sup> Sept 2005 or by 3.8% compounded annual return.

#### **Market Review**

In the US, Fed appears to be getting closer to tapering of bond purchases and bringing forward rate hike expectations. It reiterated its expectation that inflation to remain transitory. The 10-year US Treasury yield saw a volatile trading month in September, from a low to 1.28% to a high of 1.54%.

In Malaysia, BNM kept the OPR unchanged at 1.75%, within market expectations. Meanwhile, the local bond yield curve bear flattened. The short to belly of the curve (3 to 10 years) suffered the brunt of selling, while the long end (20 to 30 years) remained largely anchored.

#### **Market Outlook**

We are cognizant of the risk of the expected taper by the Fed, which will impact the outlook for local bonds. Hence, we expect some near-term volatility in yields.

Domestically, a gradual reopening of the economy is expected as the country is on track to achieve herd immunity. We expect the OPR to be kept at the current level of 1.75% at least until 2H2022. Investors will be closely watching the upcoming Budget 2022 which will be announced on the 29<sup>th</sup> of October 2021.

Heading into 4Q2021, we remain cautious on duration with higher government bond supply in October (4 auctions). We look to stay neutral on duration (0.95x-1.05x benchmark duration). For corporate bonds, the preference is for the short to mid-term tenures as we continue to be mindful of credit selection.

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