



## 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

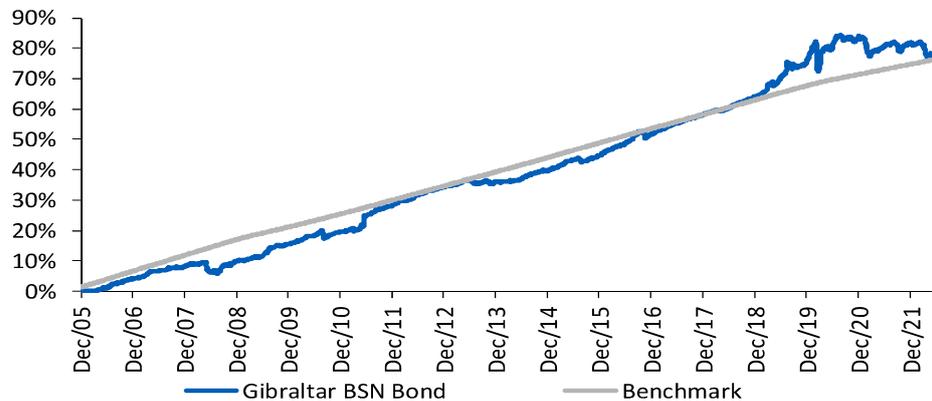
Unit NAV	RM0.8454
Fund Size	RM32.3 million
Inception Date	29 September 2005
Management Fee	1.00% per annum

## Top 5 Holdings

IJM Land	5.65%	6.3%
LPPSA	5.1%	6.1%
Tan Chong Motor	5.0%	4.6%
Point Zone Malaysia	4.29%	4.6%
MMC Port	4.66%	4.5%

Data as at 31 May 2022

## Cumulative Performance Since Inception as at 31 May 2022



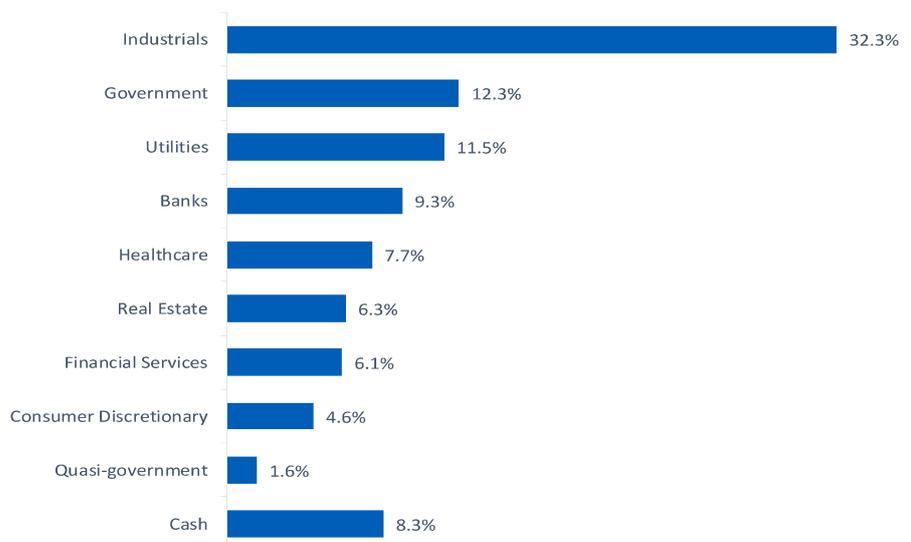
## Performance Table as at 31 May 2022

	1 month	3 months	6 months	YTD	1 year	3 years	5 years	Since inception
<b>Fund</b>	0.4%	-2.1%	-1.7%	-2.0%	-0.9%	5.8%	14.9%	78.0%
<b>Benchmark</b>	0.3%	0.9%	1.7%	1.4%	3.4%	11.2%	20.7%	76.1%

- 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 May 2022



Source: Affin Hwang Asset Management



**Gibraltar BSN**

# **GIBRALTAR BSN BOND FUND**

**June 2022**

## **Manager's Comment**

The Fund has appreciated by 78.0% since inception on 29<sup>th</sup> Sept 2005 or by 3.5% compounded annual return.

### **Market Review**

In May 2022, US Treasuries rebounded slightly following the selloff in April on the back of concerns on possibility of economic slowdown amidst the US Fed's aggressive monetary policy stance. During the month, the 2-year and 10-year US Treasury yields fell 16bps and 8bps to 2.56% and 2.85% respectively.

Locally, Bank Negara Malaysia (BNM) raised the Overnight Policy Rate (OPR) by 25bps to 2.00%, marking the first rate hike since January 2018, and cited signs of firmer economic growth which is supported by easing restrictions and reopening of international borders. During the month, yields decreased by 5bps to 30bps as the 10-year MGS ended the month at 4.19%. On a YTD basis, yields were higher by 53bps to 69bps as market already priced in 5 to 6 interest rate hikes.

### **Market Outlook**

The global rates environment is likely to remain volatile in the near term due to geopolitical noise and as market digest US Fed aggressive stance. Market will be monitoring closely the impact of US balance sheet reduction, which begins on 1<sup>st</sup> of June, on market liquidity.

Domestically, risk-reward has turn attractive, but we are mindful of volatile UST, potential foreign outflows and potential higher government spending on subsidies amidst rising food and energy prices. Furthermore, the larger than expected EPF withdrawal would impact the demand dynamics in the local bond market.

We maintain a trading stance for government bonds. On credit, we prefer strong and higher-rated names and aim to participate in primary issuances. Overall, we maintain a defensive stance and target for neutral duration.

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