



### 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

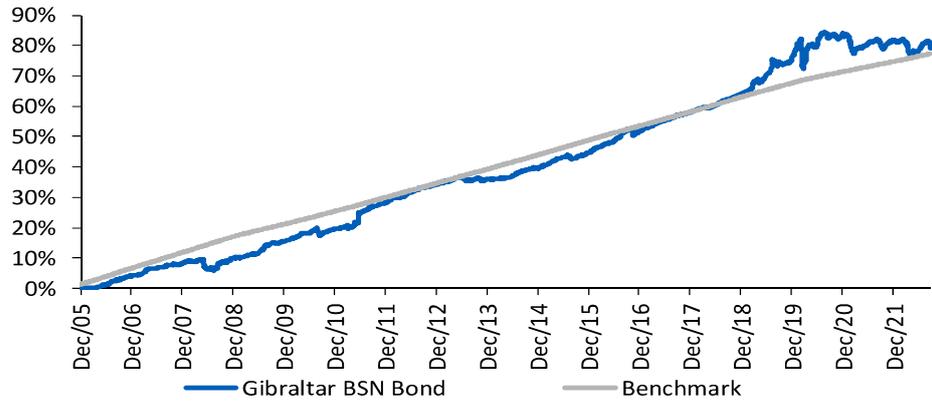
Unit NAV RM0.8510  
 Fund Size RM32.5 million  
 Inception Date 29 September 2005  
 Management Fee 1.00% per annum

### Top 5 Holdings

IJM Land 5.65% 6.2%  
 LPPSA 5.1% 6.0%  
 Tan Chong Motor 5.0% 4.5%  
 Point Zone Malaysia 4.29% 4.5%  
 MMC Port 4.66% 4.5%

Data as at 30 September 2022

### Cumulative Performance Since Inception as at 30 September 2022



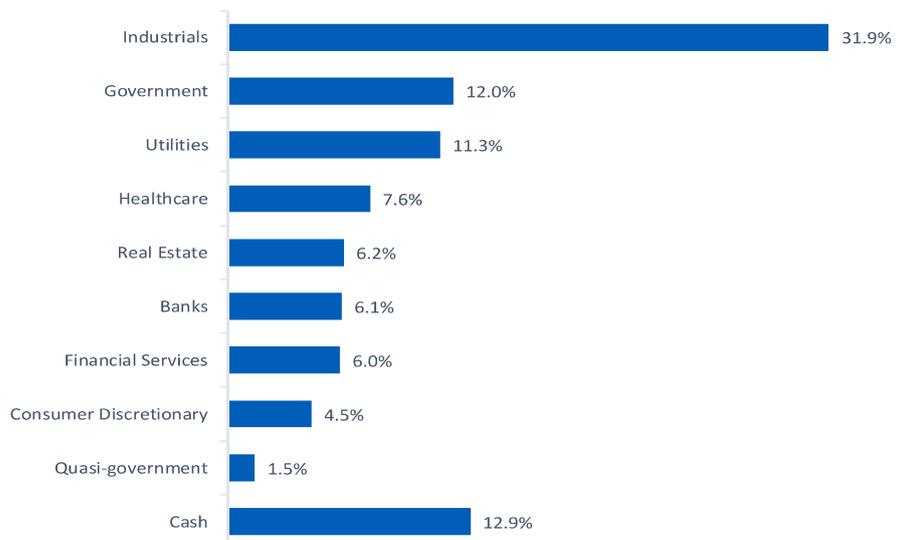
### Performance Table as at 30 September 2022

	1 month	3 months	6 months	YTD	1 year	3 years	5 years	Since inception
<b>Fund</b>	-1.1%	0.6%	-1.0%	-1.4%	-1.0%	2.7%	14.2%	79.2%
<b>Benchmark</b>	0.3%	1.0%	1.8%	2.7%	3.5%	10.9%	20.4%	77.4%

- 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 2022



Source: Affin Hwang Asset Management



**Gibraltar BSN**

# **GIBRALTAR BSN BOND FUND**

## **October 2022**

### **Manager's Comment**

The Fund has appreciated by 79.2% since inception on 29<sup>th</sup> Sept 2005 or by 3.5% compounded annual return.

#### **Market Review**

The September 2022 FOMC meet saw the FFR raised by 75bps for the third straight time to 3.00%-3.25%. Fed's latest dot plot signals FFR at 4.38% by end-2022 – suggesting another 125bps hikes in November and December FOMC meet. The UST yield curve continued to bear flatten as investors reacted to synchronized rate hikes by central banks around the world.

Locally, after weeks of resilience, the MGS yield curve was not spared, and saw yields move higher in line with global rates movement. Yields averaged 45bps higher across the curve, and the selloff has reversed all the rally in July-August.

#### **Market Outlook**

Despite rising recession risk (EU and US) and signs of peak inflation (US), global central banks have stuck with hawkish rhetoric as they try to reign in inflation which is still above their comfort level. We expect market to remain volatile as market continue to shift between competing narratives of elevated inflation and risk of a recession.

Domestically, we expect BNM to stay ahead by normalizing the OPR further on the back of elevated inflation and robust economic growth. Expectation for another +25bps hike in the November meeting has already been priced in.

On government bonds, we maintain a defensive stance. However, current valuations are attractive and we will be looking to opportunistically trade. On credit, we prefer 3Y-7Y tenures at attractive valuations, and selected strong credit fundamental names. On duration, we aim for short to neutral (0.9-1.0x duration band).

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