



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

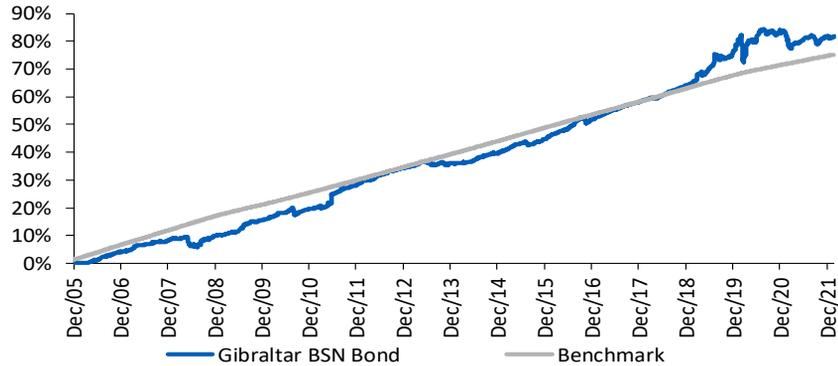
Unit NAV RM0.8634
 Fund Size RM32.8 million
 Inception Date 29 September 2005
 Management Fee 1.00% per annum

Top 5 Holdings

LPPSA 5.1% 6.6%
 IJM Land 5.65% 6.2%
 GII 3.422% 6.1%
 PTP 3.95% 4.5%
 Sarawak Hidro 4.43% 3.8%

Data as at 28 February 2022

Cumulative Performance Since Inception as at 28 February 2022



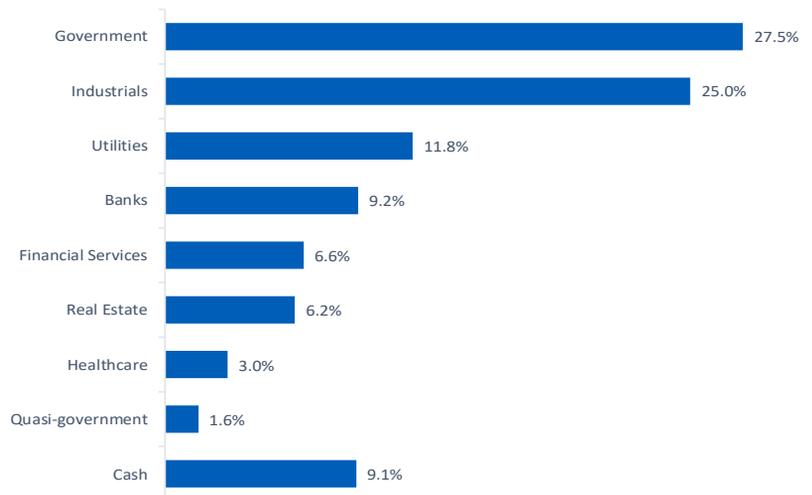
Performance Table as at 28 February 2022

	1 month	3 months	6 months	YTD	1 year	3 years	5 years	Since inception
Fund	0.2%	0.4%	0.0%	0.1%	0.7%	10.1%	18.6%	81.8%
Benchmark	0.3%	0.8%	1.7%	0.5%	3.4%	11.5%	21.0%	75.2%

- 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 28 February 2022



Source: Affin Hwang Asset Management



Manager's Comment

The Fund has appreciated by 81.8% since inception on 29th Sept 2005 or by 3.7% compounded annual return.

Market Review

In February 2022, the 2-year US Treasury yield rose 25bps to 1.43% as market priced in an interest rate hike in March. Meanwhile, the 10-year US Treasury yield rose only 5bps to 1.83%. The flatter US Treasury yield curve suggests markets anticipate future growth to slow. In addition, markets generally believe that the Fed's ability to hike aggressively is limited given the fragile economic recovery.

Locally, domestic yields were generally quite stable despite the volatile global rates market. The 10-year MGS yield closed the month at 3.67%, after trading within the 3.65% to 3.71% range. Unlike inflation in the US which no longer seemed transitory, inflation in Malaysia remained relatively benign. January 2022 CPI came in at +2.3% year-on-year (Dec 2021: +3.2%).

Market Outlook

The Russia-Ukraine geopolitical tension led to a rise in energy and commodity prices and could cause inflation to stay elevated, making it difficult for the Fed to back away from any tightening measures. While history has shown that armed conflicts will lead to a period of drawdown but ultimately recover, we remain cautious as the Fed is slated to hike rates and embark on quantitative tightening.

Locally, the expiry of various withdrawal programmes has seen the return of EPF demand and is expected to provide some support to domestic yields.

The global rates environment is likely to remain volatile over the upcoming weeks on geopolitical noise and the risk of fed tightening more aggressively than market expectations. Hence, we prefer a trading stance for government bonds. On credit, we prefer stronger and higher rated names and aim to participate in primary issuances for better yield pick-up. Overall, we remain cautious and target for a short to neutral duration.

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