



### 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

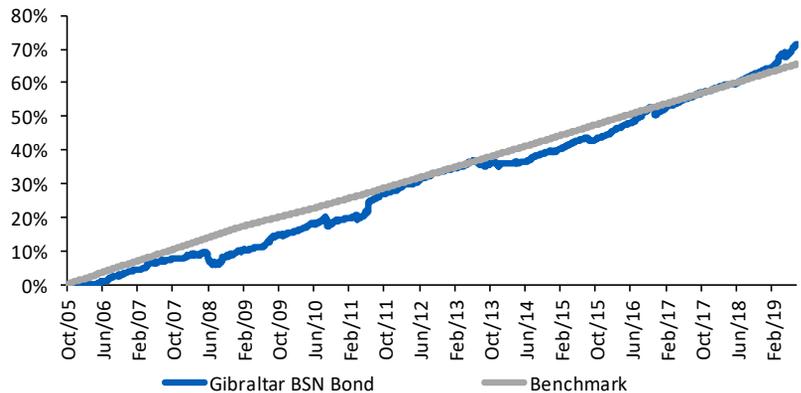
Unit NAV RM0.8141  
Fund Size RM30.1 million  
Inception Date 29 September 2005  
Management Fee 1.00% per annum

### Top 5 Holdings

MGS 4.893% 7.4%  
YTL Power International 4.99% 7.0%  
IJM Land 5.65% 6.9%  
Prasarana Malaysia 5.23% 5.8%  
GII 4.369% 5.3%

### Data as at 31 July 2019

### Cumulative Performance Since Inception as at 31 July 2019



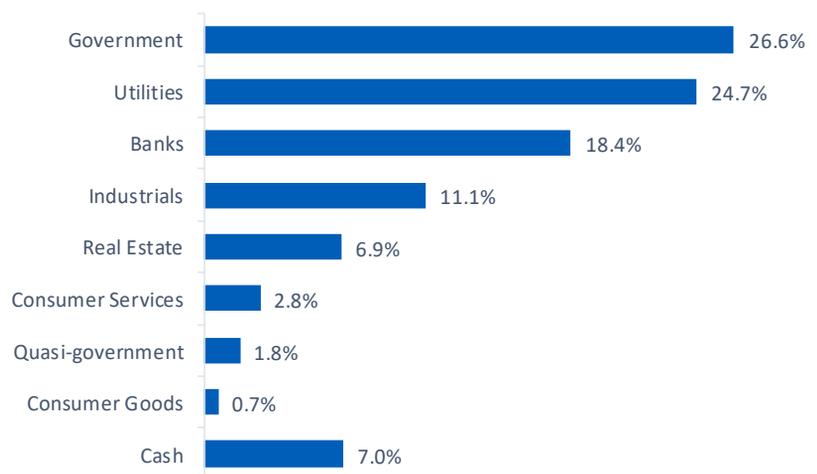
### Performance Table as at 31 July 2019

	1 month	3 months	6 months	YTD	1 year	3 years	5 years	Since inception
<b>Fund</b>	<b>0.9%</b>	<b>1.6%</b>	<b>4.2%</b>	<b>4.5%</b>	<b>6.4%</b>	<b>14.6%</b>	<b>24.3%</b>	<b>71.4%</b>
<b>Benchmark</b>	<b>0.4%</b>	<b>1.2%</b>	<b>2.4%</b>	<b>2.8%</b>	<b>4.8%</b>	<b>14.1%</b>	<b>23.7%</b>	<b>65.5%</b>

- 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 July 2019



Source: Affin Hwang Asset Management



### Manager's Comment

The Fund has appreciated by 71.4% since inception on 29<sup>th</sup> Sept 2005 or by 4.0% compounded annual return.

#### Market Review

The local yield curve continued to bull-flatten as investors favoured long duration. Strong domestic liquidity, limited primary corporate bond supply and expectation of a slowdown in global growth continued to favour bonds. On a monthly basis, the 15-year and 20-year benchmark MGS tightened by 12 and 7 bps to 3.79% and 3.98%, respectively. The 10-year benchmark shed another 5 bps to close at 3.59%.

Foreign inflows returned in June totalling RM 6.6 billion as the Fed's dovish pivot drove yields down globally and a return of risk appetite for Emerging Market debt. As a result, the foreign share of MGS and MGS+GII rose to 36.9% (May: 35.8%) and 22.3% (May: 21.8%), respectively.

Elsewhere, Monetary Policy Committee (MPC) remains on hold at 3.00% as widely expected; reiterates growth momentum is moderating and "considerable" downside risks remained on unresolved trade tensions.

#### Market Outlook

Global bond yields are expected to remain supported as major global central banks are seen embarking on monetary loosening. The July decision by FOMC appears to be the insurance cut, to cushion the current impact of global growth uncertainty and help bring inflation to its long term target. Ample domestic liquidity and lack of primary corporate bond supply will continue to anchor MYR govies and corporate bond demand.

At this juncture, we prefer government bonds over government guaranteed papers due to the tight spreads. We will turn more cautious in the event foreign holdings creep up substantially. On the corporate bonds, we view overall demand will still be strong relative to supply and we favour primary issuances.

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