



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

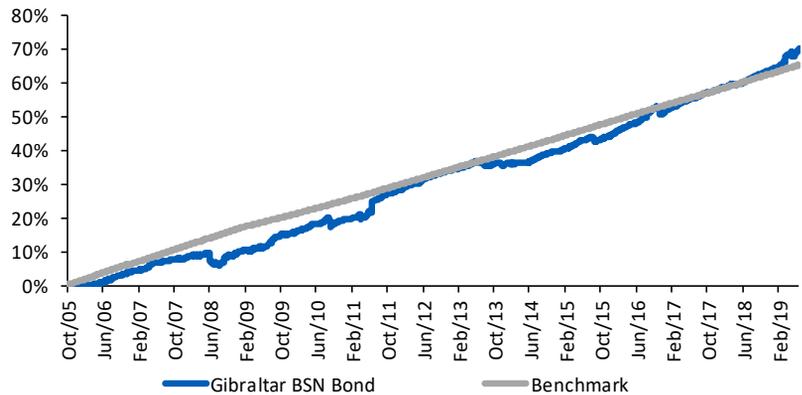
Unit NAV RM0.8070
 Fund Size RM29.8 million
 Inception Date 29 September 2005
 Management Fee 1.00% per annum

Top 5 Holdings

GII 4.755% 7.3%
 IJM Land 5.65% 6.9%
 YTL Power International 4.99% 6.9%
 Prasarana Malaysia 5.23% 5.7%
 GII 4.369% 5.3%

Data as at 30 June 2019

Cumulative Performance Since Inception as at 30 June 2019



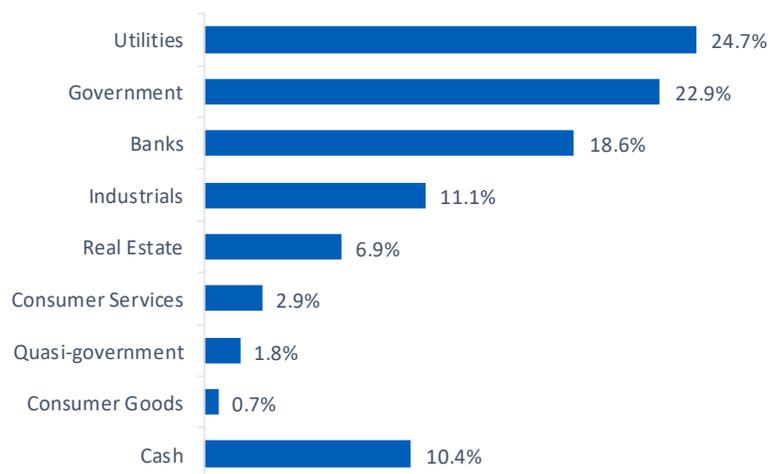
Performance Table as at 30 June 2019

	1 month	3 months	6 months	YTD	1 year	3 years	5 years	Since inception
Fund	1.0%	1.4%	3.6%	3.6%	6.0%	14.4%	24.1%	69.9%
Benchmark	0.4%	1.2%	2.3%	2.3%	4.8%	14.1%	23.7%	65.1%

- 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 30 June 2019



Source: Affin Hwang Asset Management



Manager's Comment

The Fund has appreciated by 69.9% since inception on 29th Sept 2005 or by 3.9% compounded annual return.

Market Review

Local yield curve bull-flattened as investors favoured long duration. Strong domestic liquidity, lack of corporate bond supply and negative global development continued to favour bonds. As such, The 15 and 30-year benchmark MGS tightened 15 and 22 bps to 3.94% and 4.34% respectively, whereas the 10-year benchmark shed 16 bps to close at 3.64%.

Data showed foreigners pulled RM 4.2 billion out of MYR bonds market in May, following almost RM 10 billion outflows in April. At RM 175.9 billion, the latest foreign position is the lowest since March 2011. Foreign holdings of MGS now stand at 35.8%. In the corporate bond segment, demand for duration was very strong. The ultra long government guaranteed (GG) sukuk are currently providing less than 10 bps pickup vs govies.

Market Outlook

Global bond yields are expected to remain low as some major global central banks are seen to embark on monetary loosening. The Fed is under heavy pressure to deliver a cut in July's meeting - failing which may lead to a new market volatility.

Strong domestic liquidity and lack of supply will continue to anchor MYR govies and corporate bond demand. Against this backdrop and lack of foreign positioning locally, we favour long duration positioning. We will turn more cautious in the event of foreign holdings creeping up again.

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