



### 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

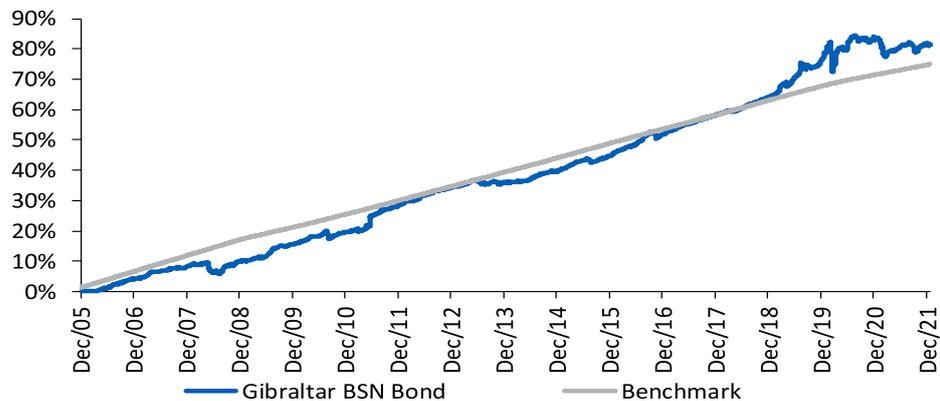
Unit NAV RM0.8616  
Fund Size RM32.9 million  
Inception Date 29 September 2005  
Management Fee 1.00% per annum

### Top 5 Holdings

LPPSA 5.1% 6.6%  
IJM Land 5.65% 6.3%  
GII 3.422% 6.1%  
PTP 3.95% 4.5%  
Sarawak Hidro 4.43% 3.8%

Data as at 31 January 2022

### Cumulative Performance Since Inception as at 31 January 2022



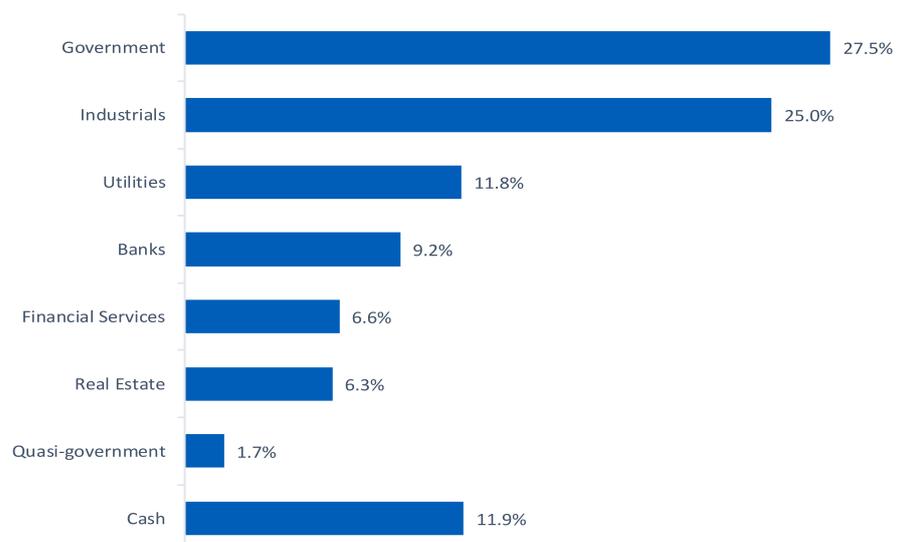
### Performance Table as at 31 January 2022

	1 month	3 months	6 months	YTD	1 year	3 years	5 years	Since inception
<b>Fund</b>	-0.2%	1.1%	-0.1%	-0.2%	-1.1%	10.3%	19.0%	81.4%
<b>Benchmark</b>	0.3%	0.9%	1.7%	0.3%	3.4%	11.6%	21.1%	75.0%

- 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 January 2022



Source: Affin Hwang Asset Management



**Gibraltar BSN**

# **GIBRALTAR BSN BOND FUND**

## **February 2022**

### **Manager's Comment**

The Fund has appreciated by 81.4% since inception on 29<sup>th</sup> Sept 2005 or by 3.7% compounded annual return.

#### **Market Review**

With the persistently high inflation readings (Dec 2021: +7.0% YoY), the Fed had to change its stance abruptly from neutral to an outright hawkish in the last two FOMC meetings. The FOMC had given a clear hint that rate liftoff will come in March, with the possibility of back-to-back rate increases in the next few meetings. The Fed also signaled it will reduce its balance sheet after the rate hikes start.

Locally, the MGS yield curve rose higher in line with global rates, albeit at a smaller magnitude. The current MGS bond yields appear to have priced in 3 to 4 rate hikes. However, we think this is too aggressive and most Asian central banks prefer to stay accommodative for longer to sustain their recoveries.

#### **Market Outlook**

The global economy is currently at a mid-cycle adjustment. The supply chain disruption has caused inflation to stay for longer than previously expected. As central banks look to hike rates aggressively to tame inflation, we view the overall setback to the global bonds yields will be contained as expectations had been front loaded.

Locally, despite a more aggressive Federal Reserve, BNM's OPR path will likely still be dependent on the pace of domestic economic recovery than the pace of US rate hike.

Yields have risen higher on YTD basis, but large bond supply and UST volatility may not favour this space so well. Hence, we prefer a trading stance for government bonds between 5 to 15 years. On credit, we prefer stronger and higher rated names in the 5 to 10 years bucket. Overall, we remain cautious and aim to maintain shorter duration than benchmark.

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