



### 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

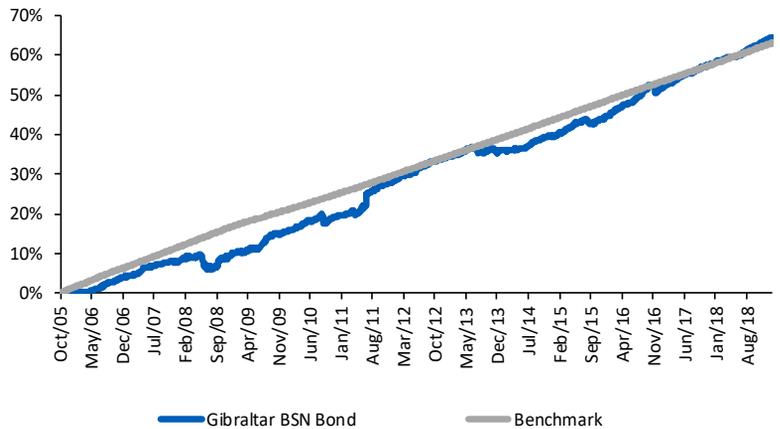
Unit NAV RM0.7812  
 Fund Size RM26.8 million  
 Inception Date 29 September 2005  
 Management Fee 1.00% per annum

### Top 5 Holdings

YTL Power International 7.5%  
 Malaysia Government Bond 7.5%  
 MGS 3.955% 7.5%  
 MGS 3.733% 7.3%  
 TF Varlik Kiralama 5.6%

Data as at 31 January 2019

### Cumulative Performance Since Inception



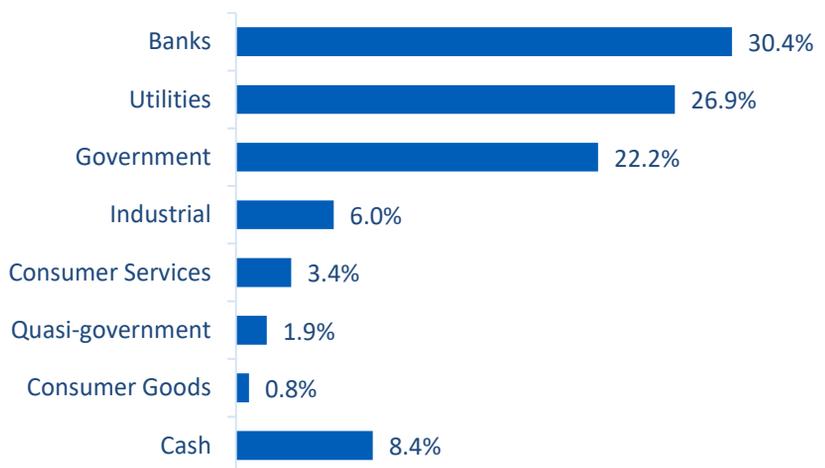
### Performance Table

	1 month	3 months	6 months	YTD	1 year	3 years	5 years	Since inception
Fund	0.3%	1.0%	2.1%	0.3%	3.7%	13.0%	21.0%	64.5%
Benchmark	0.4%	1.2%	2.4%	0.4%	4.9%	14.2%	23.7%	63.2%

- 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





### Manager's Comment

The Fund has appreciated by 64.5% since inception on 29<sup>th</sup> Sept 2005 or by 3.8% compounded annual return.

#### **Market Review**

On the local front, the market started the year strongly as investors position themselves for the new year. Strong demand was seen in the local market for the government and corporate bonds from local and foreign players amid risk on appetite. Sentiment remained positive towards the end of the month as a result of the dovish statement by the Fed Chairman during the January FOMC meeting

Bank Negara maintained the (Overnight Policy Rate) OPR as expected. The BNM MPC statement in January sounded overall neutral to slightly dovish. While indicating that the “degree of monetary accommodativeness is consistent with intended policy stance”, it cautioned on the downside risks to growth as “trade tensions are beginning to have a material impact on global trade and investments”.

#### **Market Outlook**

Markets will likely focus on the developments in the US economy to gauge if the Fed will have to change its course with regards to its interest rates stance. The UST market is currently pricing in a dovish Fed going forwards. In the local market, we expect the government bonds market will remain supportive in February on the back of strong buying momentum from local and offshore players.

At this juncture, we prefer a trading stance for government bonds as valuations start to look expensive. There could be some pullback after the strong rally. However, technical are supportive. Foreigners are currently underweight position on Malaysia. Any risk-on is positive for future inflows. For corporate bonds, against historical standard, we believe that credit spreads are considerably tight currently. We prefer primary offerings and target selected bonds from the secondary market which have yet to reprice.

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