



### 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 Details

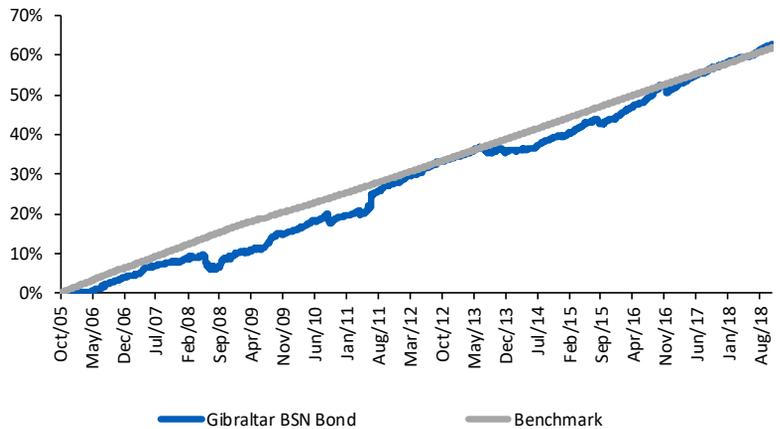
Unit NAV	RM0.7734
Fund Size	RM13.3 million
Inception Date	29 September 2005
Management Fee	1.00% per annum

### Top 5 Holdings

Sunway	15.2%
RHB Bank	10.8%
Tanjung Bin Energy Issuer	9.0%
TF Varlik Kiralama	8.2%
Sarawak Hidro	6.1%

Data as at 31 October 2018

### Cumulative Performance Since Inception



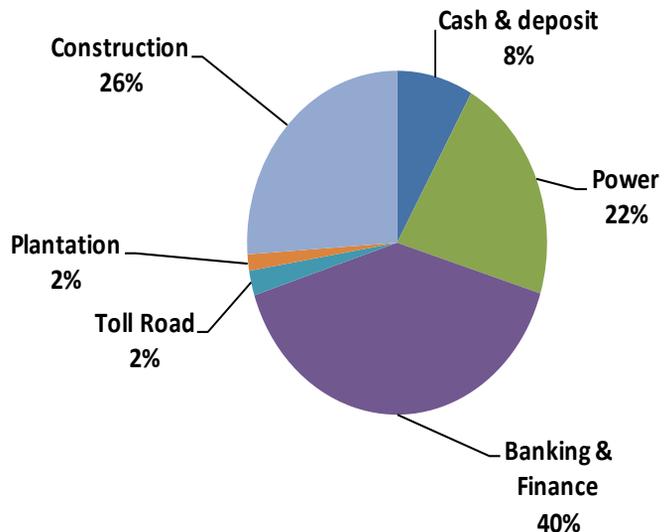
### Performance Table

	1 month	3 months	6 months	YTD	1 year	3 years	5 years	Since inception
<b>Fund</b>	0.3%	1.1%	2.1%	3.0%	3.5%	13.3%	19.4%	62.8%
<b>Benchmark</b>	0.4%	1.2%	2.4%	4.0%	4.8%	14.2%	23.6%	62.0%

- 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





### Manager's Comment

The Fund has appreciated by 62.8% since inception on 29<sup>th</sup> Sept 2005 or by 3.8% compounded annual return.

#### **Market Review**

Foreign funds continued to trim their positions (-RM3.0b) in Malaysian govies in September. On a YTD basis, total outflow has reached around RM22.2b. To a certain extent, the recent outflows were maturity driven and hence were expected by the market. The Malaysian bond market continue to see strong support from local institutional investors in spite of the steepening of US Treasuries and strong USD sentiment.

Despite the ongoing global and local market volatility, we expect Bank Negara Malaysia to hold the Overnight Policy Rate (OPR) steady in the immediate term. The US-China trade war continues to be a key development to provide catalyst to EM market direction in general. Any move on the policy rate would depend on the pace of domestic economic growth and inflation. Staying neutral duration is our base strategy for now. Tactical strategy to increase portfolio duration may be adopted intermittently if there are material mismatch of trading sentiments vs. valuations.

#### **Market Outlook**

We maintain focus on valuation play to take advantage of the volatile market to enhance portfolio return, which currently favors corporate bonds over government bonds in view of the wide corporate credit spreads. We will participate in high quality lower rated corporate bonds in the primary market which offer better yield pick-up relative to the secondary market as and when price discovery takes place for the new issuances.

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