



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

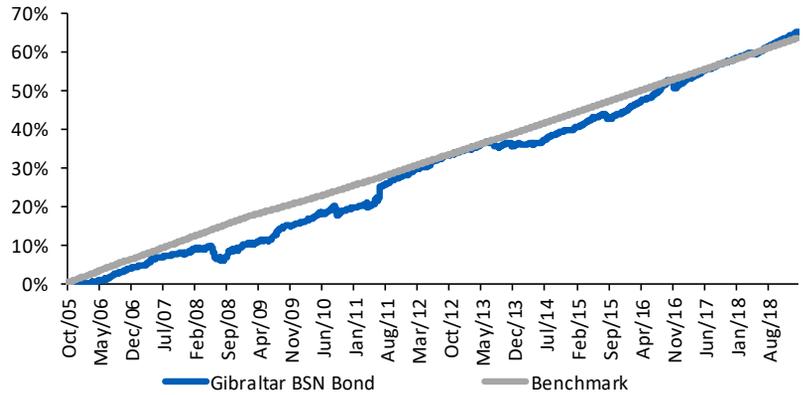
Unit NAV RM0.7845
 Fund Size RM26.9 million
 Inception Date 29 September 2005
 Management Fee 1.00% per annum

Top 5 Holdings

YTL Power International 7.5%
 MGS 3.906% 7.4%
 MGS 3.955% 7.4%
 MGS 3.733% 7.3%
 TF Varlik Kiralama 5.6%

Data as at 28 February 2019

Cumulative Performance Since Inception



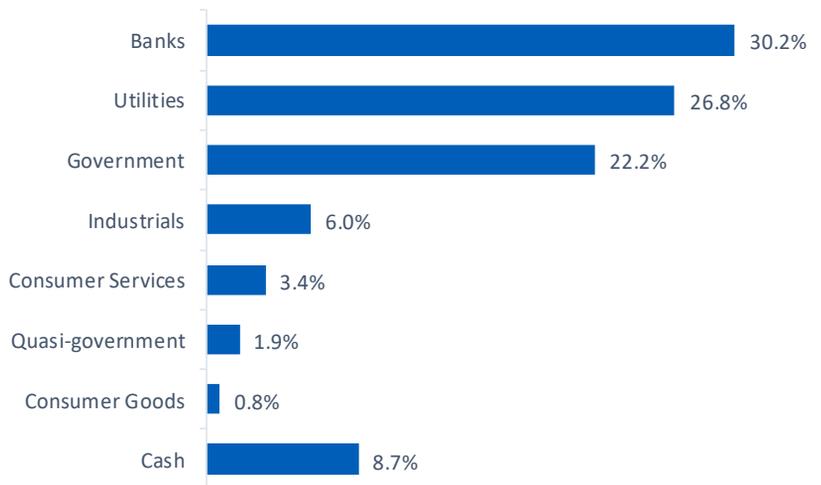
Performance Table

	1 month	3 months	6 months	YTD	1 year	3 years	5 years	Since inception
Fund	0.4%	1.1%	2.0%	0.7%	3.9%	12.9%	21.4%	65.2%
Benchmark	0.4%	1.2%	2.4%	0.8%	4.9%	14.1%	23.7%	63.6%

- 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 65.2% since inception on 29th Sept 2005 or by 3.8% compounded annual return.

Market Review

With lower foreign participation, local bonds were more driven by local dynamics in February. Domestic demand for government bonds remained resilient. As the latest Monetary Policy Committee (MPC) statement sounded neutral to slight dovish, market was anticipating 4Q18 GDP numbers to be flattish. However, Malaysia 4Q18 real GDP growth picked up to 4.7% year-on-year (3Q18: 4.4%), beating estimates of 4.2% - 4.5% on the back of a rebound in mining and agriculture.

Meanwhile, Malaysia's January 2019 Consumer Price Index (CPI) came out at a deflation of 0.7% year-on-year, lower than the estimate of -0.4%. The deflation was mainly due to the reinstatement of the weekly fuel price float that had pushed down the transport price index. Foreign investors withdrew RM2.3 billion from local bonds in January 2019. The foreign shares of MGS and MGS+GII declined to 37.6% (December 2018: 38.4%) and 23.1% (December 2018: 23.7%) respectively.

Market Outlook

All eyes will be on the upcoming US FOMC meeting in March, where market is hoping for some guidance on the interest rate movement for the year. As of end February 2019, market is expecting the Federal Funds Rate (FFR) to remain unchanged at 2.50% in the upcoming meeting. On the local front, while domestic demand remains strong, it is unlikely to push yields much lower. Further decline in yield curve would require strong foreign inflows.

At this juncture, we prefer taking a trading stance for government bonds as valuations start to look expensive. There could be pullback after the strong rally despite resilient local demand. For corporate bonds, against historical standards, we think that credit spreads are considerably tight. We prefer primary offerings and have targeted selected bonds from the secondary market which have yet to reprice.

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