



#### 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

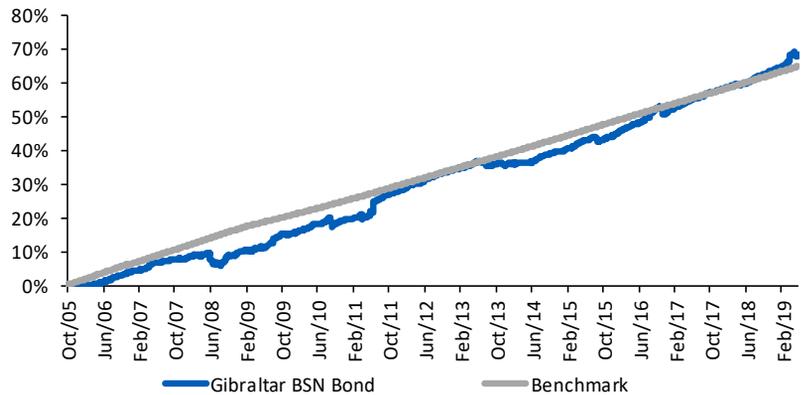
Unit NAV RM0.7993  
 Fund Size RM29.5 million  
 Inception Date 29 September 2005  
 Management Fee 1.00% per annum

#### Top 5 Holdings

IJM Land 5.65% 7.0%  
 YTL Power International 4.99% 7.0%  
 Prasarana Malaysia 5.23% 5.6%  
 GII 4.369% 5.3%  
 MGS 4.232% 5.2%

Data as at 31 May 2019

#### Cumulative Performance Since Inception as at 31 May 2019



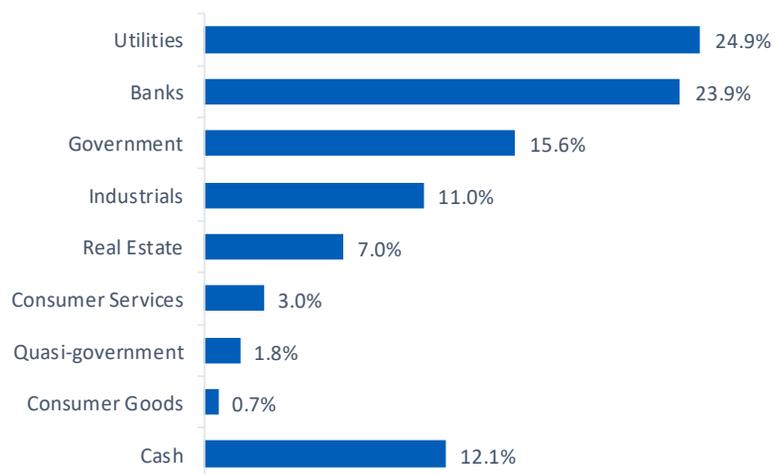
#### Performance Table as at 31 May 2019

	1 month	3 months	6 months	YTD	1 year	3 years	5 years	Since inception
<b>Fund</b>	-0.3%	1.9%	3.0%	2.6%	5.4%	13.8%	23.3%	68.3%
<b>Benchmark</b>	0.4%	1.2%	2.4%	2.0%	4.8%	14.1%	23.8%	64.8%

- 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 May 2019



Source: Affin Hwang Asset Management



### Manager's Comment

The Fund has appreciated by 68.3% since inception on 29<sup>th</sup> Sept 2005 or by 3.9% compounded annual return.

#### **Market Review**

The highlight for month of May was the 25 bps cut on the Overnight Policy Rate (OPR). BNM's move was well predicted by market participants as growth outlook continues to worsen. The bond markets which had seen yields coming down aggressively over the past few months, continued to see very strong support, more so as investors were looking for better return given the OPR-induced decline in deposit rates. At the same time, a very poor visibility on the primary pipeline continued to push secondary levels lower and lower, across credit spectrum.

On the macro side, inflation rose 0.2% in April from a year earlier, matching the pace in March. Both exports and imports declined less than expected in March.

#### **Market Outlook**

Given the heightened growth risk emanating from Trump's action, we expect risk off sentiment to remain in the coming period. Moreover, we expect global rates to stay low and perhaps some central banks will take a more dovish stance to safeguard growth.

Any potential outflows arising from emerging market scare should be easily absorbed by the local players. Duration wise, despite rich valuations over many years, we are not against extending duration as we still see the current period as the potential starting point of easing global monetary policy.

#### **For Internal Use Only**

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