



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

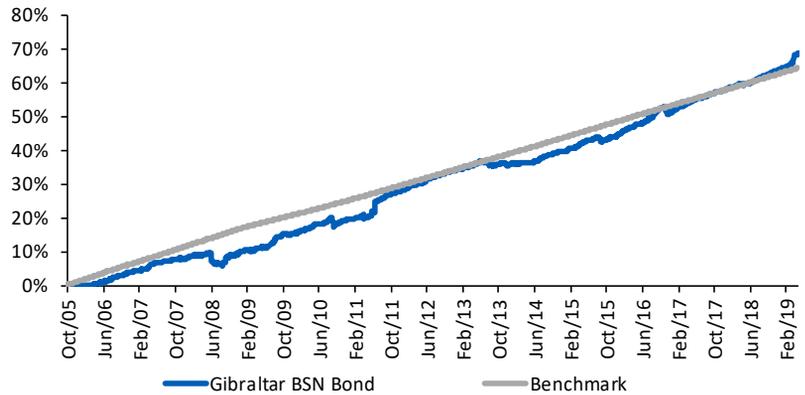
Unit NAV RM0.8014
 Fund Size RM29.5 million
 Inception Date 29 September 2005
 Management Fee 1.00% per annum

Top 5 Holdings

MGS 4.921% 7.1%
 IJM Land 5.65% 7.0%
 YTL Power International 4.99% 7.0%
 GII 4.245% 7.0%
 PKNS 4.835% 6.9%

Data as at 30 April 2019

Cumulative Performance Since Inception as at 30 Apr 2019



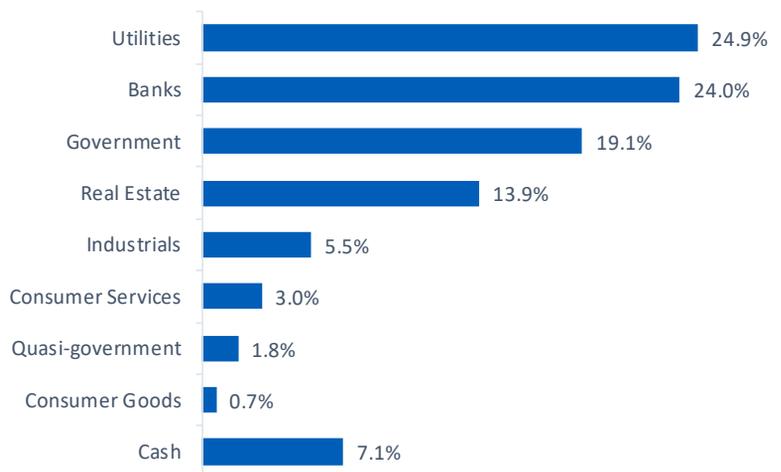
Performance Table as at 30 Apr 2019

	1 month	3 months	6 months	YTD	1 year	3 years	5 years	Since inception
Fund	0.7%	2.6%	3.6%	2.8%	5.8%	14.4%	23.9%	68.7%
Benchmark	0.4%	1.2%	2.4%	1.6%	4.9%	14.2%	23.7%	64.4%

- 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 30 Apr 2019



Source: Affin Hwang Asset Management



Manager's Comment

The Fund has appreciated by 68.7% since inception on 29th Sept 2005 or by 3.9% compounded annual return.

Market Review

In April, Malaysian government bonds were sold off on the back of several negative headline news. FTSE Russell announced that Malaysia is being considered for exclusion from its World Government Bond Index (WGBI). The negative news came shortly after Norway announced that its sovereign wealth fund will cut emerging-market debts, including Malaysian securities from its portfolio. The estimated outflow as a result of these developments could be as much as RM30 - 40 billion. As such, the benchmark 10-year MGS yield spiked up to 3.95% from 3.78% due to knee-jerk reaction. However, market quickly rebounded supported by local investors. The MGS yield curve ended the month higher month-on-month by up to 6 bps across the curve.

Meanwhile, inflation rose by 0.2% in March after decreasing 0.4% in the previous month and 0.7% in January. Thus far, the headline inflation rate had declined 0.3% year-on-year in 1Q19. This has led market participants to expect a 25 bps OPR cut in BNM's meeting in May 2019.

Market Outlook

We opine the current accommodative monetary policy by global central banks will continue to be supportive of the bond market. On the local front, MGS/GII yields have recovered from the sell off brought upon by the recent negative headline news. Risk of further foreign outflows are present but we believe it has somewhat stabilized. Moving forward, we expect the market to be supported by domestic demand as the local market remain flushed with liquidity. Due to the lack of visible pipeline for new issuances, we are targeting to buy corporate bonds from the secondary market at good valuations for yield pick-up.

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