

Fund Manager's Commentary

In February, the domestic government bond market experienced a partial reversal of the previous month's strong rally, attributed to weaker signs of global inflation abating and major central banks potentially remaining hawkish for a longer period. The Malaysian Government Securities (MGS) yield curve flattened as front-end to belly of the curve surged 10-13 bps MoM while long-end of the curve was better supported. However, corporate sukuk performed better, resulting in narrower credit spreads as domestic real money investors sought higher yields.

Malaysia's gross domestic product ("GDP") continued to expand in 4Q2022, albeit at a slower rate than the previous quarter, by 7.0% (3Q2022: +14.2%) due to dissipating low base effects. The services sector (+8.9%) drove broad-based growth amid robust domestic demand and resilient labour market conditions, while sustained expansion was also observed in the manufacturing (+3.9%), mining & quarrying (+6.8%), agriculture (+1.1%), and construction sectors (+10.1%). Private consumption (+7.4%) remained the main driver of Malaysia's economic growth, with total investments, government spending, and net trade also contributing positively to the headline GDP.

The long-awaited Budget 2023 was retabled by Prime Minister and Finance Minister Datuk Seri Anwar Ibrahim, presenting a narrower fiscal deficit of 5.0% of GDP for 2023, down from the initial 5.5% of GDP tabled in October 2022, mainly attributed to higher nominal GDP and revenue targets. The government forecasts a GDP growth of 4.5% and inflation of 2.8-3.8% for 2023. From a rates perspective, Budget 2023 is viewed as mildly positive for the domestic bond market, with the lower fiscal deficit target, absence of EPF special withdrawal programmes, and no significant changes in subsidy policies.

In terms of strategy, the current steepness of the belly of the credit curve presents value, particularly as the 3-7 year portion remains fairly steep, making for an attractive rolldown play.

Cumulative Fund Returns (%)

	YTD 31/12/2022 To 28/2/2023	1 Month 31/1/2023 To 28/2/2023	3 Months 30/11/2022 To 28/2/2023	6 Months 31/8/2022 To 28/2/2023
Fund	1.51	0.15	2.23	2.44
Benchmark	0.46	0.22	0.70	1.36

Cumulative Fund Returns (%)

	1 Year 28/2/2022 To 28/2/2023	Since Commencement 29/07/2020 To 28/2/2023
Fund	2.92	3.04
Benchmark	2.41	5.44

Source: Refinitiv Lipper

Notes:

Performance data is calculated based on the changes in the Fund's NAV price per unit for the specified length of time and on the assumption that any dividends declared are reinvested into the Fund. Performance figures are presented in cumulative basis, unless indicated otherwise.

FUND'S PAST PERFORMANCE IS NOT AN INDICATION OF ITS FUTURE PERFORMANCE

Investment Objective

The Fund seeks to generate regular income by investing in fixed income securities whilst carefully considering capital preservation on behalf of its investors.

Benchmark

12-Month Malayan Banking Berhad Fixed Deposit Account Rate.

Distribution Policy

The Fund will distribute income on a monthly basis, subject to availability of income.

Key Facts

Launch Date	28-Jul-20
Fund Type	Wholesale – Fixed Income
Year End	31 March
Fund Size	MYR 264.72 million
Units in Circulation	272.01 million
NAV per Unit	MYR 0.9732
Transaction cut-off time	Daily; 4:00 pm
Redemption Period	T + 3 business days

Sales charge

Nil

Management fee

Up to 0.25% per annum of the NAV of the Fund.

Trustee fee

Up to 0.03% per annum of the NAV of the Fund with a minimum of RM12,000.00 per annum.

Calendar Year Returns (%)

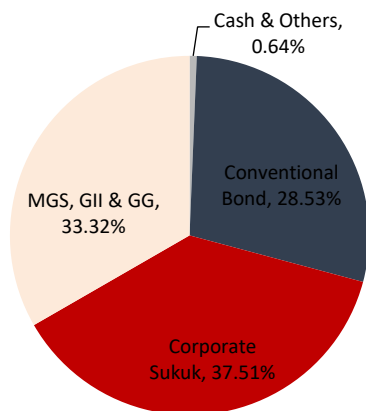
	2022	2021	2020
Fund	1.83	-1.02	0.71
Benchmark	2.24	1.85	0.79

Source: Refinitiv Lipper

Notes: Performance data is calculated based on the changes in the Fund's NAV price per unit for the specified length of time and on the assumption that any dividends declared are reinvested into the Fund. Calendar year returns for 2020 are measured from its commencement date of 29 July 2020.

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Asset Allocation*



*Presented as a % of NAV as at 28 Feb 2023

Percentages may not add up to 100% due to rounding.

Included in 'Cash & Others' are cash on hand and other net current assets/liabilities.

Distribution By Financial Year

	2022
Distribution (RM)	0.0326
Distribution Yield (%)	3.39

Top Holdings*

Government of Malaysia	24.17%
GENM Capital Berhad	13.48%
Malayan Banking Berhad	9.22%

Rating Profile*

NR (MGS, GII & GG)	33.32%
AAA	7.09%
AA1	43.77%
AA2	3.85%
AA3	11.33%

Sector Breakdown*

Public Administration	31.29%
Financial	24.33%
Consumer Discretionary	17.21%
Transportation and Storage	15.12%
Real Estate	7.55%
Energy and Utilities	3.86%

Disclaimer:

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