

# Worried by market volatility?

## Diversify your investment portfolio with fixed income funds.

As of 18 May 2020

While volatility and the sting of short-term losses might leave you feeling anxious, it can be tempting to change how you invest in hopes of a better return. We understand that, money and emotions are closely tied. At this junction, we advocate you to avoid panic-actions and stay focused on your long-term investment goals and objectives.

### Focus on what you can control

Since you can't control market volatility, it's better to spend your mental energy on factors you can control – such as the mix of your investments. A diversified mix of investment options may better align your portfolio with your tolerance for risk and may help smooth out the ups and downs of the market. Not all investment options go up and down at the same time.

### Fixed income solutions can be an integral part of any diversified portfolio

Bonds are typically recommended, along with equities, as part of a diversified portfolio that helps spread risk over your portfolio.

Your investment mix may need shifting occasionally to keep everything in balance with your long-term goals.

### The roles and benefits of fixed income funds in your investment portfolio



#### Potential higher returns compared to cash investments

Investing in bonds generally offers better returns than money market funds or bank instruments.



#### Generates a potential regular stream of income

By investing in bonds, you may receive a regular stream of income with a yield that is typically higher than the interest from a normal deposit.



#### Reduce risk to capital

Potential repayment of the original investment in bonds can help investors who are concerned about protecting capital to meet financial needs with greater certainty.



#### Lower volatility than equity investments

Inclusion of bonds may bring stability to your investment portfolio as bonds have lower level of volatility than equity investments.

### Our thoughts on fixed income investments

#### Regional (Asia Pacific ex Japan)

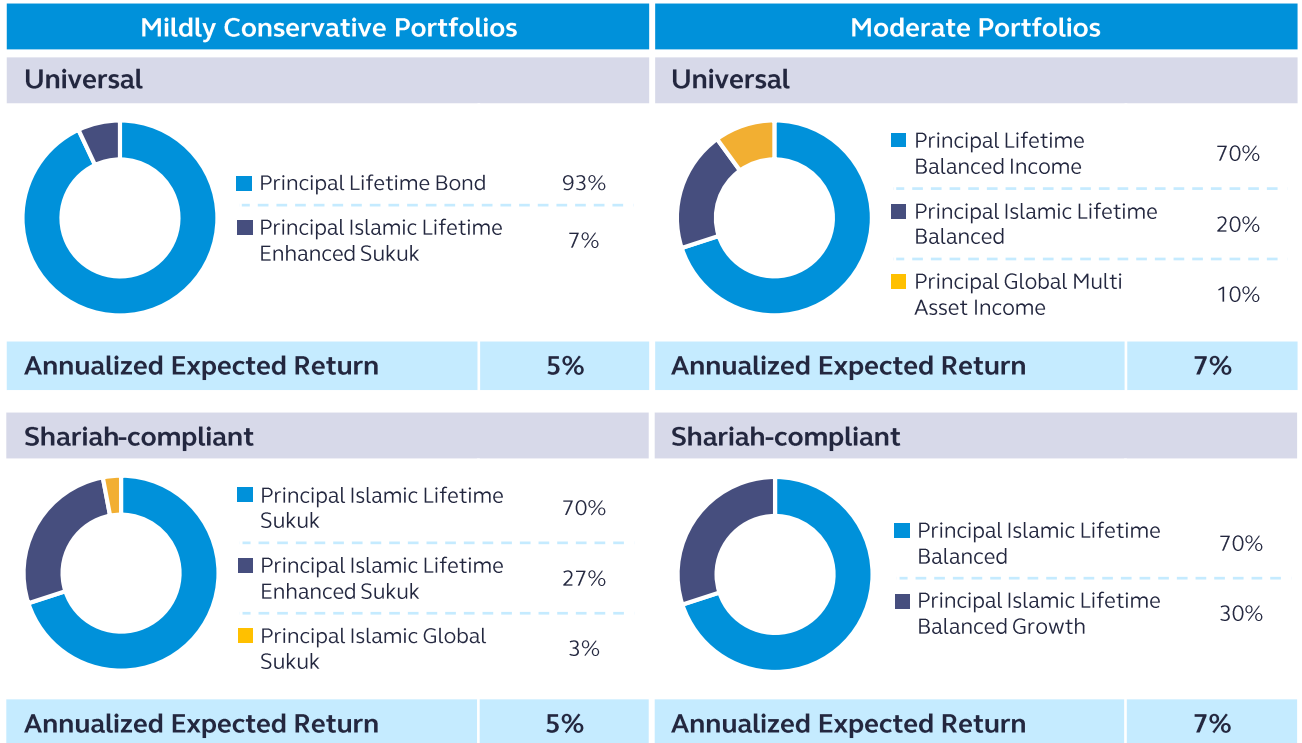
1. There are pockets of opportunity in local currency Asian and Chinese credits as yield remained relatively attractive.
2. We forecast Asian bonds to provide a return of 3.5% to 4.5% in 2020.
3. Asian central banks will continue to ease monetary policy to help spur growth.

#### Malaysia

1. Bank Negara Malaysia cut Overnight Policy Rate (OPR) by 50 basis points to 2%.
2. Focus on issuers with stronger and resilient credit metrics with preference on quasi-sovereign and highly rated papers.

## Keep calm and stay invested

We offer you the opportunity to invest in a mixed asset portfolio that combines growth and income and features global, regional, universal or Shariah-compliant options. Let us help diversify your portfolio to meet your long term-needs and risk tolerance. Here are our asset allocation models for **Mildly Conservative** and **Moderate** portfolios:



\* Fund recommendations are based on market dynamic as of May 2020 and subject to changes from time to time.

### Let's get started!

If you're looking for some perspective and additional understanding of the market and how it impacts your long-term investment goals, please call and work with:

- Your Principal consultant
- Your bank relationship manager

Or, get started online with [EPF i-Invest](#), which allows you to manage your EPF Account 1 savings quickly and conveniently.

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The price of units and distributions payable, if any, may go down as well as up.

Where past performance is quoted, the past performance of a fund should not be taken as indicative of its future performance. Where unit trust loan financing is available, you are advised to read and understand the contents of the unit trust loan financing risk disclosure statement before deciding to borrow to purchase units. Where a unit split/distribution is declared, you are advised that following the issue of additional units/distribution, the NAV per unit will be reduced from pre-unit split NAV/cum-distribution NAV to post-unit split NAV/ex-distribution NAV. Where a unit split is declared, you are advised that the value of your investment in Malaysian ringgit will remain unchanged after the distribution of the additional units.