

# FWD BOND FUND

(formerly known as Gibraltar BSN Bond Fund)

January 2024

## 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 as stable income stream and have a medium to long term investment horizon.

## Investment Strategy & Approach

The Manager employ a rigorous and structured investment approach in evaluating the various bond investment 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

AHAM Asset Management Berhad (formerly known as Affin Hwang Asset Management Berhad)

## Fund Details

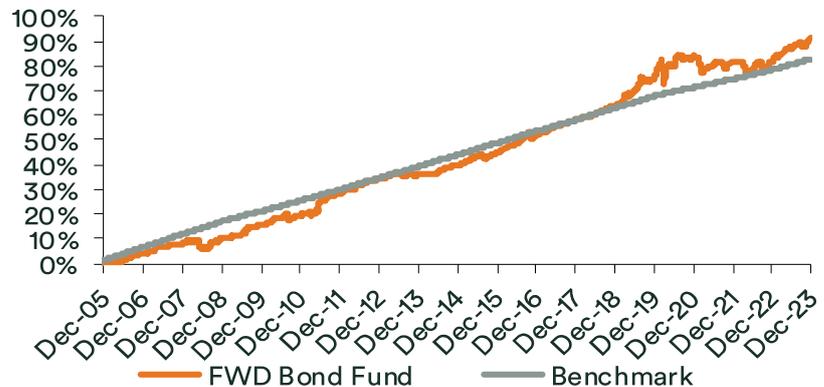
Unit NAV RM0.9107  
Fund Size RM33.4 million  
Inception Date 29 September 2005  
Management Fee 1.00% per annum

## Top 5 Holdings

LPPSA 5.1% 6.6%  
IJM Land 5.65% 6.1%  
Pengurusan Air 4.51% 4.6%  
SMJ 4.43% 4.6%  
Point Zone 4.29% 4.5%

Data as at 31 December 2023

## Cumulative Performance Since Inception as at 31 December 2023



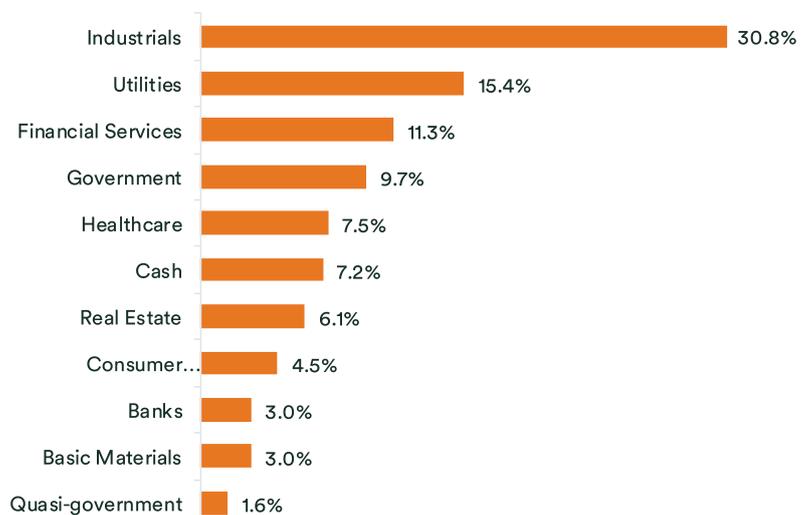
## Performance Table as at 31 December 2023

	1 month	3 months	6 months	YTD	1 year	3 years	5 years	Since inception
Fund	0.8%	1.5%	2.3%	5.6%	5.6%	4.5%	16.9%	91.7%
Benchmark	0.4%	1.1%	2.1%	4.3%	4.3%	11.4%	19.9%	82.8%

- Benchmark: 1-year Maybank FD rates + 150 bps
- Source: Bloomberg & FWD Insurance Berhad
- Past performance is not indicative of future performance and the performance of the fund is not guaranteed.
- This is strictly the performance of the investment fund, and not the returns earned on the actual premiums/contributions paid of the investment-linked product.
- The above returns are calculated using NAV to NAV prices, with any income or dividends reinvested, according to this formula:

$$\frac{\text{Net Asset Value Per Unit At Current Period}}{\text{Net Asset Value Per Unit At Previous Period}} - 1$$

## Portfolio Composition as at 31 December 2023



Source: AHAM Asset Management Berhad (formerly known as Affin Hwang Asset Management Berhad)

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## Manager's Comment

On a month to date basis, the Fund recorded a gain of 0.81%, outperforming the benchmark's return of +0.36%. Since inception, the Fund recorded a return of 91.73% with an annualized return of 3.63%.

### Market Review

US Treasury yields rallied further in December following the Fed's revised Dot Plot (which pushed away from its earlier, hawkish and "higher for longer" stance). Key highlights from the statement and press conference include strongest signal that rates have peaked, and the dot plot pointed to 3 rate cuts (25bps each) in 2024 and 4 rate cuts in 2025. As of end-December 2023, the 2-year and 10-year UST yields were at 4.25% (-41 bps MTD) and 3.88% (-43bps MTD) respectively.

In line with lower UST yields and improved sentiment, Malaysian Government Securities (MGS) yields declined during the month. In particular, demand for local bonds were seen for the longer tenure bonds. The yields for 3-year, 10-year, and 30-year papers ended the month at 3.47% (-1 bps MTD), and 3.73% (-10 bps MTD) and 4.25% (-6 bps MTD) respectively. Domestically, moderating growth and subdued inflation continued to support the fixed income market, while external pressure in the form of widening interest differential and ensuing Ringgit weakness kept short-end rates elevated.

### Market Outlook

During the month, we further deploy cash by participating in the primary issuance of UEM Olive Capital 5Y and lengthen the duration slightly by purchasing MGS 10/42. Looking forward, we are looking to tactically add duration for range-bound trading. We will continue to selectively participate in primary corporate bond/sukuk issuances for yield pick up, subject to levels.

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