FWD insurance BSN

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FWD BOND FUND

(formerly known as Gibraltar BSN Bond Fund)

September 2023

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

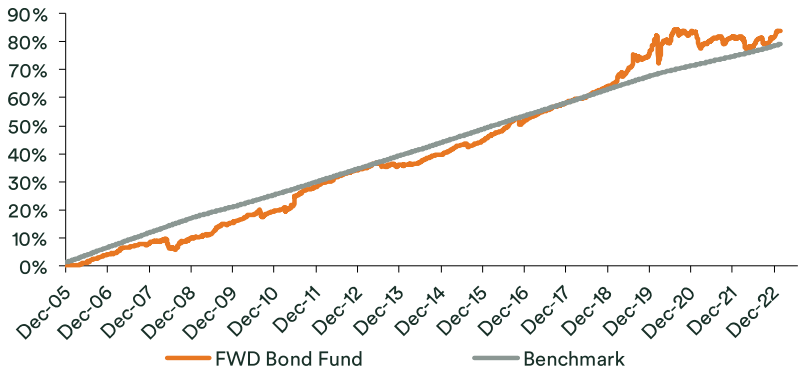
Unit NAV	RM0.8978
Fund Size	RM32.9 million
Inception Date	29 September 2005
Management Fee	1.00% per annum

Top 5 Holdings

LPPSA 5.1%	6.7%
IJM Land 5.65%	6.2%
TNB Power 4.58%	4.7%
Pengurusan Air 4.51%	4.7%
MMC Port 4.66%	4.6%

Data as at 31 August 2023

Cumulative Performance Since Inception as at 31 August 2023



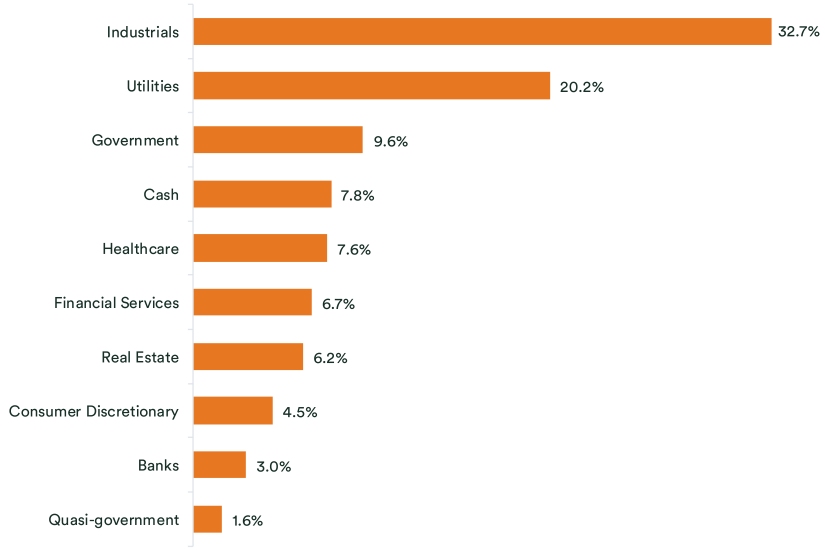
Performance Table as at 31 August 2023

	1 month	3 months	6 months	YTD	1 year	3 years	5 years	Since inception
Fund	0.3%	1.0%	2.7%	4.1%	4.3%	2.8%	16.8%	89.0%
Benchmark	0.4%	1.1%	2.2%	2.9%	4.3%	11.2%	20.1%	81.3%

- *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.

Portfolio Composition as at 31 August 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 0.34%, underperforming the benchmark's return of 0.36%. Since inception, the Fund recorded a return of 89.01% with an annualized return of 3.61%.

Market Review

US Treasuries (UST) yields increased during the month due to a tight labor market and stronger than expected economic growth. Additionally, US headline CPI slightly increased to 3.2% year-on-year in July 2023 (June 3.0% year-on-year), while core CPI decreased to 4.7% year-on-year (June 4.8% year-on-year). As of end-August 2023, the 2-year and 10-year UST yields were at 4.86% (+44 bps) and 4.11% (+15 bps) respectively.

Meanwhile, Malaysia's fixed income market saw the Malaysian Government Securities (MGS) yields ended mixed on a month-on-month basis. The yields for longer tenured government bonds (10-year and longer) rose by 1 bp to 7 bps, while the yields of 3- and 5-year fell slightly lower by 3 bps and 1 bp.

Market Outlook

During the month, we switched out from the MGS 6/38 as the long end part of the curve was under pressure due to the heavy duration supply. The proceeds raised was use for the new issuance of YTL Power International 8/38 with a purchased yield of 4.71%. This bond rallied 15 bps to close the month at 4.55%. Looking forward, we are maintaining neutral duration in relative to benchmark as we will be looking to increase more exposure in the corporate bonds through primary issuances.

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