FWD insurance BSN

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FWD INVEST INCOME EXTRA FUND

May 2024

Investment Objective

To preserve value over the short to medium term while still providing some growth. This Fund invests mainly in short-term debentures, money market instruments and/or deposits.

Investor Profile

The Fund is suitable for low risk Investors who are generally risk averse and prefer a short-term investment horizon with regular income.

Investment Strategy & Approach

The manager invests in securities with at least AA3 and P1 by RAM rating agency or equivalent. The average portfolio duration shall not be more than 3 years. The manager will invest in debentures with remaining time to maturity of not more than 5 years and are expected to be called within 5 years or less at the time of investment.

Fund Details

Unit NAV	RM1.0428
Fund Size	RM0.3 million
Inception Date	2 October 2023
Management Fee	0.35% per annum

Top 5 Holdings *

PTP 3.15%	2.7%
Pac Lease 0.00%	2.3%
Toyota Capital 4.20%	1.8%
Sabah Credit 4.25%	1.8%
ALR 4.28%	1.8%

*Holdings in AHAM Income Extra Fund

Data as at 30 April 2024

Cumulative Performance Since Inception as at 30 April 2024

Performance Table as at 30 April 2024

	1 month	3 months	6 months	YTD	1 year	3 years	5 years	Since inception
Fund	0.1%	0.9%	0.7%	0.8%	-	-	-	0.5%
Benchmark	0.2%	0.6%	1.3%	0.8%	-	-	-	1.5%

- *Benchmark: Maybank 1-month fixed deposit rate*
- *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 of AHAM Income Extra Fund as at 30 April 2024

Source: AHAM Asset Management Berhad

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Manager's Comment

On a month-to-date basis, the Fund recorded a gain of 0.1%, slightly underperforming the benchmark's return of +0.2%.

Market Review

US Treasuries (UST) yields surged 40-50bps across tenors, on the back of better-than-expected economic data and higher inflation. The 2-year and 10-year UST yields ended the month at 5.04% (+42bps MTD) and 4.68% (+48bps MTD) respectively. In March 2024, inflation rose by 3.5% on a YoY basis. During the 30 April/1 May Federal Open Market Committee meeting, the Federal Reserve (Fed) kept the Federal Funds Rate unchanged at 5.25% to 5.50%. Fed chair noted the recent lack of progress towards the inflation target of 2% but added that the Fed sees current rates as sufficiently restrictive.

In April 2024, Malaysia's domestic bond market remain resilient despite higher US Treasuries. The 3-year and 5-year Malaysian Government Securities (MGS) yields ended the month at 3.61% (+12bps MTD) and 3.79% (+15bps MTD) respectively. The Employees Provident Fund's announcement of Account 3 also resulted in a more cautious sentiment domestically.

Market Outlook

The current positioning is comfortable. The manager will look to roll over the fund's fixed deposit maturities with preference for the 3-6 months tenure bucket as fixed deposit rates still provide good yield. The manager will also look out for opportunities to buy into primary issuances (3-5 years) with for yield enhancement and/or secondary corporate bonds that have been repriced higher with preference for good quality and liquid names.

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