

## FUND OVERVIEW

The Fund aims to achieve capital preservation through a steady stream of income by investing in a diversified portfolio of fixed income instruments issued by foreign and local entities.

The fund is suitable for investors who:

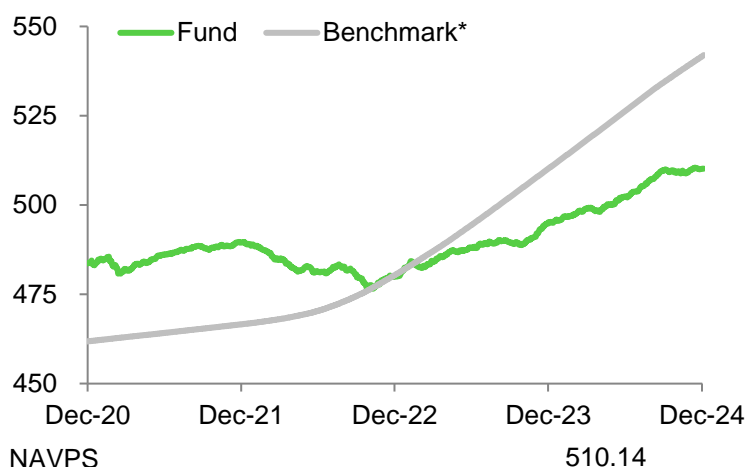
- Are at least classified as **moderately aggressive** based on their risk profile.
- Have an investment horizon of up **at least three (3) years**.

## FUND FACTS

<b>Classification:</b>	Medium-Term Bond Fund
<b>Launch Date:</b>	February 5, 2002
<b>Dealing Day:</b>	Daily up to 2:00 PM
<b>Minimum Investment:</b>	USD 600.00 <sup>1</sup>
<b>Min. Subsequent Order:</b>	Equivalent amount of 1 share
<b>Minimum Holding Period:</b>	180 calendar days
<b>Redemption Settlement:</b>	T+0 End-of-Day
<b>Early Redemption Charge:</b>	1.00%
<b>Total Management Fee<sup>2</sup>:</b>	1.25% per annum
<b>Total Fund NAV (Mn) :</b>	USD 203.27

## FUND PERFORMANCE AND STATISTICS *(Purely for reference purposes and is not a guarantee of future results)*

### NAVPS GRAPH



### STATISTICS

Weighted Ave Duration (Yrs)	6.16
Volatility, Past 1 Year (%) <sup>5</sup>	0.53
Sharpe Ratio <sup>6</sup>	-3.89
Information Ratio <sup>7</sup>	-5.55
Port. Weighted Yield to Maturity (%)	4.15
Number of Holdings	78

### PORTFOLIO COMPOSITION

Allocation	% of Fund
Government	34.65
Corporates	63.00
Fixed Income Funds	0.54
Cash & Cash Equivalents <sup>8</sup>	1.81

### Asset Valuation

Marked-to-Market	30.81
Amortized Cost	69.19

### Maturity Profile

Less than 1 year	15.81
1 – 3 years	12.40
3 – 5 years	13.15
More than 5 years	58.64

### CUMULATIVE PERFORMANCE (%) <sup>3</sup>

	1 mo	6 mos	1 YR	3 YRS	5 YRS	S.I. <sup>4</sup>
<b>Fund</b>	<b>0.06</b>	<b>1.55</b>	<b>3.01</b>	<b>4.19</b>	<b>8.95</b>	<b>124.24</b>
<b>Benchmark</b>	0.41	2.88	6.09	15.66	18.12	68.40

### ANNUALIZED PERFORMANCE (%) <sup>3</sup>

	1 YR	2 YRS	3 YRS	4 YRS	5 YRS	S.I. <sup>4</sup>
<b>Fund</b>	<b>3.01</b>	<b>3.09</b>	<b>1.38</b>	<b>1.33</b>	<b>1.73</b>	<b>3.59</b>
<b>Benchmark</b>	6.09	6.07	4.97	3.94	3.39	2.30

### CALENDAR YEAR PERFORMANCE(%) <sup>3</sup>

	YTD	2023	2022	2021	2020	2019
<b>Fund</b>	<b>3.01</b>	<b>3.17</b>	<b>-1.96</b>	<b>1.19</b>	<b>3.34</b>	<b>4.45</b>
<b>Benchmark</b>	6.09	6.15	2.96	1.03	1.37	3.09

### BENCHMARK

3-month US Treasury bill plus 1.00%

### TOP HOLDINGS

Name	Maturity	%
Ayala Corporation	2071	8.18
Aboitiz Equity Ventures, Inc.	2030	7.82
First Pacific	2027	5.88
JG Summit Holdings	2030	5.47
Manila Water Company, Inc.	2030	5.46

<sup>1</sup>Contribution rounded down/redemption rounded off to the nearest whole share. Mutual Fund shares do not issue fractional shares.

<sup>2</sup>Management, Distribution & Transfer Agency Fees

<sup>3</sup>Returns are net of fees.

<sup>4</sup>Since Inception.

<sup>5</sup>Measures the degree to which the Fund fluctuates vis-à-vis its average return over a period of time.

<sup>6</sup>Used to characterize how well the return of a Fund compensates the investor for the level of risk taken.

<sup>7</sup>Measures reward-to-risk efficiency of the portfolio relative to the benchmark. The higher the number, the higher the reward per unit of risk.

<sup>8</sup>Includes time deposits, other receivables (accrued income, investment securities purchased, accrued expenses, etc.) Net of Liabilities<sup>8</sup>

Fund prospectus is available upon request through authorized distributors and sales agents.

- THE MUTUAL FUND IS NOT A DEPOSIT AND IS NOT INSURED BY THE PHILIPPINE DEPOSIT INSURANCE CORP. (PDIC).
- RETURNS CANNOT BE GUARANTEED AND HISTORICAL NAVPS IS FOR ILLUSTRATION OF NAVPS MOVEMENTS/ FLUCTUATIONS ONLY.
- WHEN REDEEMING, THE PROCEEDS MAY BE WORTH LESS THAN THE ORIGINAL INVESTMENT AND ANY LOSSES WILL BE SOLELY FOR THE ACCOUNT OF THE CLIENT.
- THE FUND MANAGER IS NOT LIABLE FOR ANY LOSS UNLESS UPON WILLFUL DEFAULT, BAD FAITH OR GROSS NEGLIGENCE.

## OUTLOOK AND STRATEGY

**Market Review.** The JP Morgan Asia Credit Index (JACI) Philippines declined by 1.44% in December as Philippine dollar-denominated yields tracked movements in US Treasuries. The 10-year US Treasury bond yield jumped by 40 bps from 4.17% to 4.57% during the period.

Global bonds sold off after the Federal Reserve (the Fed) revised its rate projections for 2025 onward. Despite cutting policy rates by another 25 basis points during the final FOMC meeting for the year, the Fed updated its dot plot to show 2 rate cuts for 2025 in lieu of the 4 cuts previously shown. This, along with higher inflation expectations caused investors to trim positions on their bond holdings for the month. Concerns over the inflation impact of incoming President Trump's policies likewise dampened sentiment in the fixed income market.

Despite weakness in the month of December, the JACI Philippines returned 2.98% for full-year 2024.

**Fund Performance.** The Fund returned 0.06% for the month, underperforming its benchmark by 35 basis points. Year-to-date return amounted to 3.01%, underperforming its benchmark by 308 basis points.

**Fund Strategy.** The fund manager looks to trim portfolio duration given potential volatility as the US enters a new political regime. Though inflation is still expected to ease, policy changes may pose upside risk to the prices of goods and services. Investors in the bond fund must be prepared to withstand short-term volatility as higher investment value is normally achieved over the medium- to long-term.