

## 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:

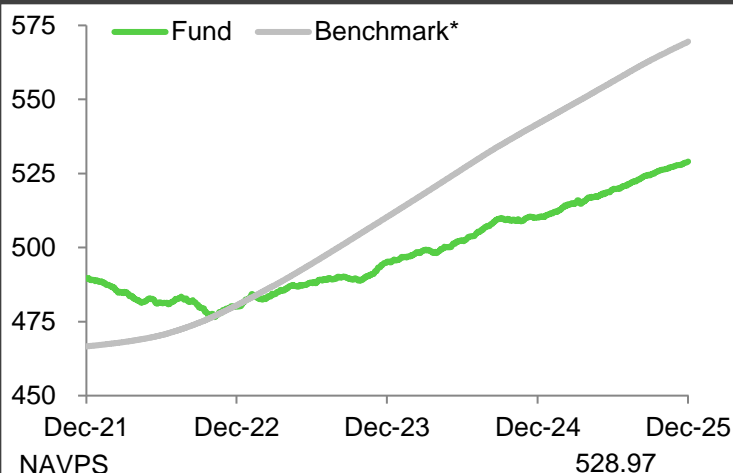
- Are at least classified as **moderately aggressive** based on their risk profile.
- Have an investment horizon of up **at least three (3) years**.

## 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 194.32

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

### NAVPS GRAPH



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

	1 mo	6 mos	1 YR	3 YRS	5 YRS	S.I. <sup>4</sup>
<b>Fund</b>	<b>0.26</b>	<b>1.80</b>	<b>3.69</b>	<b>10.20</b>	<b>9.32</b>	<b>132.51</b>
<b>Benchmark</b>	0.39	2.47	5.18	18.12	22.41	76.02

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

	1 YR	2 YRS	3 YRS	4 YRS	5 YRS	S.I. <sup>4</sup>
<b>Fund</b>	<b>3.69</b>	<b>3.35</b>	<b>3.29</b>	<b>1.95</b>	<b>1.80</b>	<b>3.59</b>
<b>Benchmark</b>	5.18	5.58	5.71	4.96	4.13	2.39

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

	YTD	2024	2023	2022	2021	2020
<b>Fund</b>	<b>3.69</b>	<b>3.01</b>	<b>3.17</b>	<b>-1.96</b>	<b>1.19</b>	<b>3.34</b>
<b>Benchmark</b>	5.18	6.09	6.15	2.96	1.03	1.37

### BENCHMARK

3-month US Treasury bill plus 1.00%

## STATISTICS

Weighted Ave Duration (Yrs)	5.92
Volatility, Past 1 Year (%) <sup>5</sup>	0.43
Sharpe Ratio <sup>6</sup>	-1.13
Information Ratio <sup>7</sup>	-3.30
Port. Weighted Yield to Maturity (%)	3.87
Number of Holdings	58

## PORTFOLIO COMPOSITION

### Allocation % of Fund

Government	31.25
Corporates	59.16
Fixed Income Funds	5.15
Cash & Cash Equivalents <sup>8</sup>	4.44

### Asset Valuation

Marked-to-Market	30.01
Amortized Cost	69.99

### Maturity Profile

Less than 1 year	24.31
1 – 3 years	9.17
3 – 5 years	36.93
More than 5 years	29.59

## TOP HOLDINGS

Name	Maturity	%
Ayala Corporation	PERP	8.55
Aboitiz Equity Ventures, Inc.	2030	7.20
First Pacific	2027	6.08
Ayala Corporation	PERP	5.22
Manila Water Company, Inc.	2030	4.74

<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 gained 0.39% in December, despite a rise in Philippine dollar bond yields. Most of the yield curve steepening occurred in the mid-tenor segment, mirroring trends in U.S. Treasuries.

Global backdrop: Cooling U.S. inflation and mixed labor data provided the Federal Reserve room to ease policy. On December 10, the Fed cut rates by 25 basis points, signaling a more accommodative stance. However, strong demand at mid-month U.S. Treasury auctions pushed long-term yields higher, resulting in a steeper curve, short-term yields declined while long-term yields rose.

Domestic macro: Philippine inflation eased to 1.5% in November, remaining below the government's 2–4% target range and down from October's 1.7%. The Bangko Sentral ng Pilipinas (BSP) maintained a dovish tone, reinforcing expectations for further policy easing after its December rate cut. The policy rate now stands at 4.5%, with markets anticipating a potential move toward 4.0% in 2026.

**Fund Performance.** The Fund returned 0.26% for the month, underperforming its benchmark by 13 basis points. Year-to-date return amounted to 3.69%, underperforming its benchmark by 149 basis points.

**Fund Strategy.** The fund manager looks to maintain portfolio duration in consideration of continued volatility in the global space. Though policy rates are expected to come down, inflationary pressures are seen to persist. Investors in a bond fund must be prepared to withstand short-term volatility as higher investment value is normally achieved over the medium to long term