

## FUND OVERVIEW

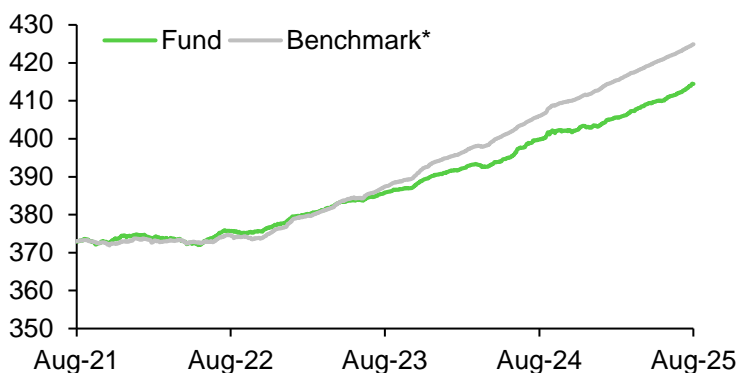
The Fund aims to achieve a steady stream of income by investing in a diversified portfolio of Philippine Peso denominated high-grade fixed income instruments, such as, but not limited to, government securities, corporate notes and bonds, and fixed income funds.

The fund is suitable for investors who:

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

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

### NAVPS GRAPH



NAVPS 414.45

### STATISTICS

Weighted Ave Duration (Yrs)	3.73
Volatility, Past 1 Year (%) <sup>5</sup>	0.50
Sharpe Ratio <sup>6</sup>	-1.36
Information Ratio <sup>7</sup>	-2.37
Port. Weighted Yield to Maturity (%)	4.60
Number of Holdings	86

### PORTFOLIO COMPOSITION

#### Allocation % of Fund

Government	50.92
Corporates	45.73
Cash & Cash Equivalents <sup>8</sup>	2.60
Preferreds	0.75

#### Asset Valuation

Marked-to-Market	35.85
Amortized Cost	64.15

#### Maturity Profile

Less than 1 year	15.57
1 – 3 years	25.83
3 – 5 years	29.89
More than 5 years	28.71

## FUND FACTS

<b>Classification:</b>	Medium Term Bond Fund
<b>Launch Date:</b>	July 18, 1997
<b>Dealing Day:</b>	Daily up to 2:00 PM
<b>Minimum Investment:</b> <sup>1</sup>	PHP 1,000.00
<b>Min. Subsequent Order:</b> <sup>1</sup>	Equivalent amount of 1 share*
<b>Minimum Holding Period:</b>	90 calendar days
<b>Redemption Settlement:</b>	T+0 End-of-Day
<b>Early Redemption Charge:</b>	1.00%
<b>Total Management Fee:</b> <sup>2</sup>	1.25% per annum
<b>Total Fund NAV (Mn) :</b>	PHP 34,541.02

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

	1 mo	6 mos	1 YR	3 YRS	5 YRS	S.I. <sup>4</sup>
<b>Fund</b>	<b>0.53</b>	<b>2.18</b>	<b>3.67</b>	<b>10.32</b>	<b>12.59</b>	<b>314.47</b>
<b>Benchmark</b>	0.41	2.29	4.64	13.43	15.39	242.37

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

	1 YR	2 YRS	3 YRS	4 YRS	5 YRS	S.I. <sup>4</sup>
<b>Fund</b>	<b>3.67</b>	<b>3.64</b>	<b>3.33</b>	<b>2.68</b>	<b>2.40</b>	<b>5.18</b>
<b>Benchmark</b>	4.64	4.72	4.29	3.30	2.90	4.47

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

	YTD	2024	2023	2022	2021	2020
<b>Fund</b>	<b>2.87</b>	<b>3.18</b>	<b>3.38</b>	<b>0.91</b>	<b>0.88</b>	<b>3.71</b>
<b>Benchmark</b>	3.18	4.52	4.65	0.94	0.75	2.90

### BENCHMARK

75% of the 91-day Philippine Treasury Bill (net of tax) + 25% of the BPI Philippine Government 1-5 Year Index

### TOP HOLDINGS

Name	Maturity	%
Retail Treasury Bond	2030	11.90
Retail Treasury Bond	2029	6.75
Fixed Rate Treasury Note	2032	4.34
Fixed Rate Treasury Note	2044	3.98
Aboitiz Equity Ventures, Inc.	2027	3.47

<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.** In August, the Philippine fixed income market showed mixed performance across tenors, reflecting cautious investor sentiment amid global and domestic developments. The Retail Treasury Bonds Tranche 31 (RTB-31), a five-year peso-denominated bond, was also launched, priced at a final coupon of 6.00% per annum. The offering attracted strong investor interest, raising PHP210 billion from PHP354.18 billion in tenders on the first day of the offer period. For this issuance, the government raised a total of PHP507 billion.

Philippine inflation eased to 0.9% in July, well below the target range of 2-4%, further supporting bond market stability. As a result, the Bangko Sentral ng Pilipinas reduced its policy rate by 25 bps to 5.00%, marking a continuation of its easing cycle. BSP Governor Eli Remolona described it as a “Goldilocks rate”, designed to stimulate economic activity while keeping inflation in check. Performance across BPI's domestic fixed income indices reflected this easing bias. The BPI GS Overall Index returned 1.08%, led by the BPI GS 5+ Index, which gained 1.54%. Shorter-duration indices posted more modest returns, with the BPI GS 1-3 Index up 0.53% and the Money Market Index rising 0.37%.

Looking ahead, the outlook remains cautiously optimistic. Locally, the benign inflation environment and the BSP's recent 25 bps rate cut for overnight borrowing (and 5.50% for lending) provide further support for lower yields.

**Fund Performance.** The Fund returned 0.53% for the month outperforming its benchmark by 12 basis points. Year-to-date, return amounted to 2.87%, underperforming its benchmark by 31 basis points.

**Fund Strategy.** The Fund looks to gradually increase its duration position as interest rates are expected to fall over the next few months. Local inflation has settled within the BSP's target in the past months and is expected to be manageable. After easing its policy rates by a total of 50 basis points in the first half of 2025, the BSP remains vigilant in monitoring inflation figures before considering further rate cuts. Volatility may persist in the near term driven by global factors, and the portfolio will be actively managed to take advantage of this. Investors in the bond fund must be prepared to withstand volatility as higher investment value is normally achieved over the medium to long term horizon.