

FUND OVERVIEW

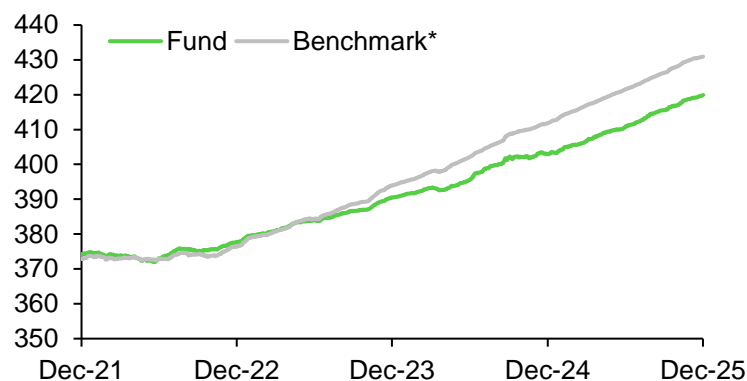
The Fund aims to achieve a steady stream of income by investing in a diversified portfolio of Philippine Peso denominated high-grade fixed income instruments, such as, but not limited to, government securities, corporate notes and bonds, and fixed income funds.

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 419.94

STATISTICS

| | |
|--|-------|
| Weighted Ave Duration (Yrs) | 3.79 |
| Volatility, Past 1 Year (%) ⁵ | 0.37 |
| Sharpe Ratio ⁶ | - |
| Information Ratio ⁷ | -1.48 |
| Port. Weighted Yield to Maturity (%) | 4.69 |
| Number of Holdings | 90 |

PORTFOLIO COMPOSITION

| Allocation | % of Fund |
|--------------------------------------|-----------|
| Government | 45.27 |
| Corporates | 52.60 |
| Cash & Cash Equivalents ⁸ | 1.07 |
| Preferreds | 1.06 |

Asset Valuation

| | |
|------------------|-------|
| Marked-to-Market | 29.01 |
| Amortized Cost | 70.99 |

Maturity Profile

| | |
|-------------------|-------|
| Less than 1 year | 12.23 |
| 1 – 3 years | 24.54 |
| 3 – 5 years | 27.44 |
| More than 5 years | 35.79 |

FUND FACTS

| | |
|--|-------------------------------|
| Classification: | Medium Term Bond Fund |
| Launch Date: | July 18, 1997 |
| Dealing Day: | Daily up to 2:00 PM |
| Minimum Investment: ¹ | PHP 1,000.00 |
| Min. Subsequent Order: ¹ | Equivalent amount of 1 share* |
| Minimum Holding Period: | 90 calendar days |
| Redemption Settlement: | T+0 End-of-Day |
| Early Redemption Charge: | 1.00% |
| Total Management Fee: ² | 1.25% per annum |
| Total Fund NAV (Mn) : | PHP 34,585.23 |

CUMULATIVE PERFORMANCE (%) ³

| | 1 mo | 6 mos | 1 YR | 3 YRS | 5 YRS | S.I. ⁴ |
|------------------|-------------|-------------|-------------|--------------|--------------|-------------------|
| Fund | 0.29 | 2.22 | 4.22 | 11.17 | 13.17 | 319.94 |
| Benchmark | 0.24 | 2.22 | 4.66 | 14.48 | 16.42 | 247.27 |

ANNUALIZED PERFORMANCE (%) ³

| | 1 YR | 2 YRS | 3 YRS | 4 YRS | 5 YRS | S.I. ⁴ |
|------------------|-------------|-------------|-------------|-------------|-------------|-------------------|
| Fund | 4.22 | 3.70 | 3.59 | 2.92 | 2.51 | 5.17 |
| Benchmark | 4.66 | 4.59 | 4.61 | 3.68 | 3.09 | 4.47 |

CALENDAR YEAR PERFORMANCE(%) ³

| | YTD | 2024 | 2023 | 2022 | 2021 | 2020 |
|------------------|-------------|-------------|-------------|-------------|-------------|-------------|
| Fund | 4.22 | 3.18 | 3.38 | 0.91 | 0.88 | 3.71 |
| Benchmark | 4.66 | 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 | 11.88 |
| Fixed Rate Treasury Note | 2032 | 4.34 |
| Retail Treasury Bond | 2029 | 3.82 |
| Fixed Rate Treasury Note | 2035 | 3.53 |
| Fixed Rate Treasury Note | 2031 | 3.49 |

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

²Management, Distribution & Transfer Agency Fees

³Returns are net of fees.

⁴Since Inception.

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

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

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

⁸Includes time deposits, other receivables (accrued income, investment securities purchased, accrued expenses, etc.) Net of Liabilities⁸

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 December, local bond yields posted a month-on-month increase of 10.26 basis points across the curve. Short-term yields of one year and below bucked the trend, declining by an average of 3.22 basis points. The rise in yields was most pronounced in the intermediate segment as investors took profits toward year-end. Five- and seven-year tenors saw the largest increases at 22.91 basis points and 20.51 basis points, respectively, followed by the three-year tenor, which rose by 19.09 basis points. Meanwhile, long-end yields rose by around 8.24 basis points amid growing concerns over economic growth prospects.

The BPI Money Market Index gained 0.32%, while the BPI 1–5 Year Index edged down by 0.01% and the BPI GS Overall Index declined by 0.16%.

On the macro front, November inflation settled at 1.5%, remaining below the government's 2% to 4% target range and easing from October's 1.7% print. The BSP maintained a dovish stance, reinforcing market expectations for further policy easing after cutting the monetary policy rate in December, with the possibility of additional cuts in 2026. Following the latest rate cut, the policy rate stands at 4.5%, with markets pricing in a potential move toward 4.0% in 2026.

Fund Performance. The Fund returned 0.29% for the month at outperforming its benchmark by 5 basis points. Year-to-date, return amounted to 4.22%, underperforming its benchmark by 44 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 125 basis points in 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.