

FUND OVERVIEW

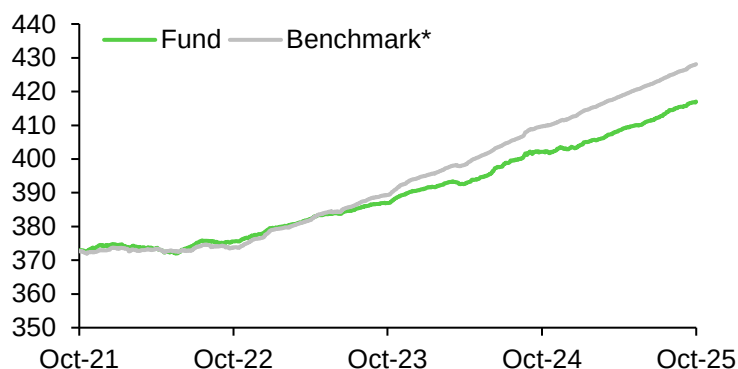
The Fund aims to achieve a steady stream of income by investing in a diversified portfolio of Philippine Peso denominated high-grade fixed income instruments, such as, but not limited to, government securities, corporate notes and bonds, and fixed income funds.

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 417.04

STATISTICS

Weighted Ave Duration (Yrs)	3.80
Volatility, Past 1 Year (%) ⁵	0.41
Sharpe Ratio ⁶	-1.40
Information Ratio ⁷	-2.41
Port. Weighted Yield to Maturity (%)	4.61
Number of Holdings	88

PORTFOLIO COMPOSITION

Allocation	% of Fund
Government	48.81
Corporates	49.24
Cash & Cash Equivalents ⁸	0.91
Preferreds	1.04

Asset Valuation

Marked-to-Market	32.68
Amortized Cost	67.32

Maturity Profile

Less than 1 year	14.16
1 – 3 years	24.48
3 – 5 years	29.23
More than 5 years	32.13

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 34,534.39

CUMULATIVE PERFORMANCE (%) ³

	1 mo	6 mos	1 YR	3 YRS	5 YRS	S.I. ⁴
Fund	0.36	2.09	3.71	11.04	13.06	317.06
Benchmark	0.44	2.32	4.51	14.57	16.10	245.06

ANNUALIZED PERFORMANCE (%) ³

	1 YR	2 YRS	3 YRS	4 YRS	5 YRS	S.I. ⁴
Fund	3.71	3.81	3.55	2.83	2.49	5.17
Benchmark	4.51	4.87	4.64	3.53	3.03	4.47

CALENDAR YEAR PERFORMANCE(%) ³

	YTD	2024	2023	2022	2021	2020
Fund	3.51	3.18	3.38	0.91	0.88	3.71
Benchmark	3.99	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	11.96
Retail Treasury Bond	2029	6.78
Fixed Rate Treasury Note	2032	4.34
Aboitiz Equity Ventures, Inc.	2027	3.47
Fixed Rate Treasury Note	2044	3.32

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. Local government bond yields declined by an average of nine basis points after the Bangko Sentral ng Pilipinas (BSP) surprised markets with a 25-basis point policy rate cut, lowering the benchmark interest rate from 5.00% to 4.75%. Beyond the rate decision, investors reacted positively to BSP's guidance, signaling further easing to support growth. The central bank highlighted economic growth risks amid dampened business sentiment due to public infrastructure issues. As bond yields fell and prices rose, the BPI Government Bond Index returned 0.79% for the month.

Headline inflation rose to 1.7% in September from 1.5% in August, driven by higher transport costs and faster food inflation due to surging vegetable prices. The figure was below market expectations of 1.9% and the BSP's 2–4% target range, reinforcing room for continued policy rate cuts.

The Bureau of the Treasury (BTr) issued Php70 billion worth of FXTNs across 3-, 7-, 10-, and 25-year tenors, notably lower than the previous monthly average of Php120 billion. Demand was strong for most maturities, with bids roughly double the offer size, except for the 25-year FXTN, which drew Php18.6 billion in tenders versus a Php15 billion offer.

Fund Performance. The Fund returned 0.36% for the month underperforming its benchmark by 8 basis points. Year-to-date, return amounted to 3.51%, underperforming its benchmark by 48 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.