

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:

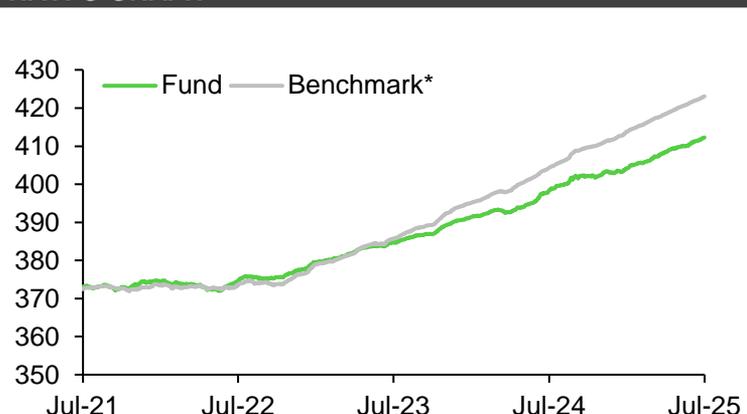
- Are at least classified as **moderately conservative** based on their risk profile.
- have an investment horizon of up **at least three (3) years**.

FUND 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 34,568.88

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

NAVPS GRAPH



NAVPS 412.29

STATISTICS

Weighted Ave Duration (Yrs)	3.19
Volatility, Past 1 Year (%) ⁵	0.50
Sharpe Ratio ⁶	-1.82
Information Ratio ⁷	-2.81
Port. Weighted Yield to Maturity (%)	4.59
Number of Holdings	85

CUMULATIVE PERFORMANCE (%) ³

	1 mo	6 mos	1 YR	3 YRS	5 YRS	S.I. ⁴
Fund	0.36	1.99	3.49	10.06	12.23	312.27
Benchmark	0.36	2.21	4.64	13.26	14.97	240.97

ANNUALIZED PERFORMANCE (%) ³

	1 YR	2 YRS	3 YRS	4 YRS	5 YRS	S.I. ⁴
Fund	3.49	3.50	3.25	2.53	2.33	5.18
Benchmark	4.64	4.73	4.24	3.23	2.83	4.47

CALENDAR YEAR PERFORMANCE (%) ³

	YTD	2024	2023	2022	2021	2020
Fund	2.32	3.18	3.38	0.91	0.88	3.71
Benchmark	2.76	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	%
Time Deposit	2025	8.45
Retail Treasury Bond	2029	6.72
Retail Treasury Bond	2028	6.11
Fixed Rate Treasury Note	2032	4.34
Aboitiz Equity Ventures, Inc.	2027	3.47

PORTFOLIO COMPOSITION

Allocation	% of Fund
Government	42.82
Corporates	43.78
Cash & Cash Equivalents ⁸	12.18
Preferreds	0.77

Asset Valuation	
Marked-to-Market	37.35
Amortized Cost	62.65

Maturity Profile	
Less than 1 year	24.92
1 – 3 years	21.03
3 – 5 years	26.94
More than 5 years	27.11

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. The bond market was relatively flat end-July as participants stayed sidelined ahead of final details on the new RTB tranche, with the 10-year benchmark going down only about 2 bps on the month. Headline inflation printed benignly in July at roughly 0.9% year-on-year. At the same time, growth remains positive, with Q2 2025 GDP expanding around 5.5% year-on-year but still below the target of the BSP. Overall, the macro backdrop tilted toward lower rates, reflecting low inflation, slower but still-solid growth, and subdued volatility. Liquidity conditions stayed orderly, with limited knee-jerk moves across the curve. This combination left yields narrowly traded and anchored just below recent levels.

The Bureau of the Treasury announced RTB 519 with an initial offer size of PHP 200bn, pricing scheduled for 5 August, a public offer window through 15 August, and settlement on 20 August. Market expectations are that the accepted size will exceed the initial PHP 200bn, driven largely by the sizable R-513 maturity in August of around PHP 500bn, which will create strong rollover demand from institutional holders.

Looking ahead, the bias remains toward lower yields as benign inflation, slower growth and fading trade policy-related volatility. The combination of slower but still positive growth and the prospect of very strong demand for RTB 519 suggests continued compression, particularly in the belly of the curve. Key risks that could derail this path include a sudden global risk-off episode, materially higher imported inflation, or a surprise change in BSP guidance. For now, however, the prevailing view is that subdued inflation, ample demand for government supply, and a benign macro backdrop keep yields on a downward trajectory. Investors should monitor upcoming inflation prints and auction subscription results for confirmation.

Fund Performance. The Fund returned 0.36% for the month at par with its benchmark. Year-to-date, return amounted to 2.32%, 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 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.