

## FUND OVERVIEW

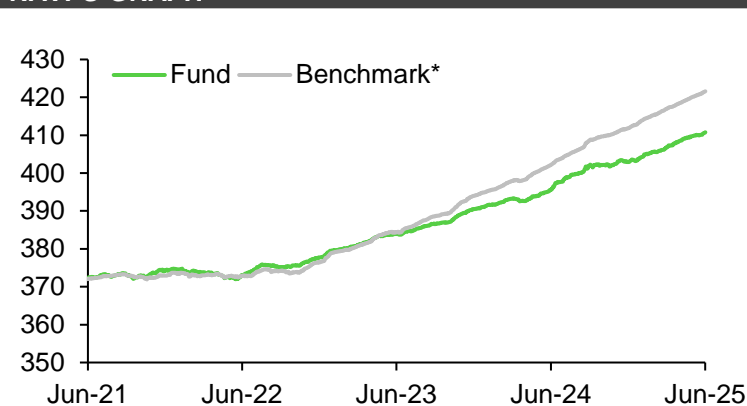
The Fund aims to achieve a steady stream of income by investing in a diversified portfolio of Philippine Peso denominated high-grade fixed income instruments, such as, but not limited to, government securities, corporate notes and bonds, and fixed income funds.

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 410.79

### STATISTICS

Weighted Ave Duration (Yrs)	3.45
Volatility, Past 1 Year (%) <sup>5</sup>	0.52
Sharpe Ratio <sup>6</sup>	-1.14
Information Ratio <sup>7</sup>	-2.39
Port. Weighted Yield to Maturity (%)	4.59
Number of Holdings	86

### PORTFOLIO COMPOSITION

Allocation	% of Fund
Government	46.59
Corporates	44.57
Cash & Cash Equivalents <sup>8</sup>	8.07
Preferreds	0.77

### Asset Valuation

Marked-to-Market	36.09
Amortized Cost	63.91

### Maturity Profile

Less than 1 year	20.62
1 – 3 years	23.43
3 – 5 years	24.69
More than 5 years	31.26

## 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 34,624.41

### 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>1.96</b>	<b>3.84</b>	<b>10.12</b>	<b>12.28</b>	<b>310.81</b>
<b>Benchmark</b>	0.36	2.39	4.84	13.03	14.74	239.75

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

	1 YR	2 YRS	3 YRS	4 YRS	5 YRS	S.I. <sup>4</sup>
<b>Fund</b>	<b>3.84</b>	<b>3.45</b>	<b>3.27</b>	<b>2.49</b>	<b>2.34</b>	<b>5.18</b>
<b>Benchmark</b>	4.84	4.73	4.17	3.17	2.79	4.47

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

	YTD	2024	2023	2022	2021	2020
<b>Fund</b>	<b>1.96</b>	<b>3.18</b>	<b>3.38</b>	<b>0.91</b>	<b>0.88</b>	<b>3.71</b>
<b>Benchmark</b>	2.39	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	2029	6.72
Retail Treasury Bond	2028	6.10
Fixed Rate Treasury Note	2032	4.33
Fixed Rate Treasury Note	2025	3.77
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 June, the Philippine bond market saw significant ups and downs. This was mainly because of a brief conflict between Israel and Iran, which caused oil prices to jump and raised concerns about inflation. The 10-year Philippine bond yield rose by as much as 16 basis points before ending the month two basis points higher. As such, the BPI Philippine Government Bond Index returned 0.28%, bringing the first half of 2025 return to 2.47%. Meanwhile, the BPI Philippine Government Bond 1-5 Year Index returned 0.35%, with first half 2025 return at 3.04%.

Aside from the Israel-Iran war, investors also weighed local and global macroeconomic developments. Philippine inflation further fell to 1.3% in May, from 1.4% in April. In addition, the Bangko Sentral ng Pilipinas cut the policy rate by 25 basis points to 5.25%. In the US, the Federal Reserve kept rates steady at 4.25%-4.50%, as policymakers await more data to better assess the impact of US import tariffs on the economy.

Looking ahead, we expect market volatility to continue due to global uncertainties, especially around US trade policies and geopolitical tensions. However, the local environment remains favorable for bond investments, thanks to low inflation, slower economic growth, dovish central bank, and fewer government bond auctions. Towards the end of June, the Bureau of the Treasury released its auction schedule for the third quarter, which showed an 11% decline in offering volume versus the initial schedule in the second quarter.

**Fund Performance.** The Fund returned 0.26% for the month, underperforming its benchmark by 10 basis points. Year-to-date, return amounted to 1.96%, underperforming its benchmark by 43 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.