

**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:

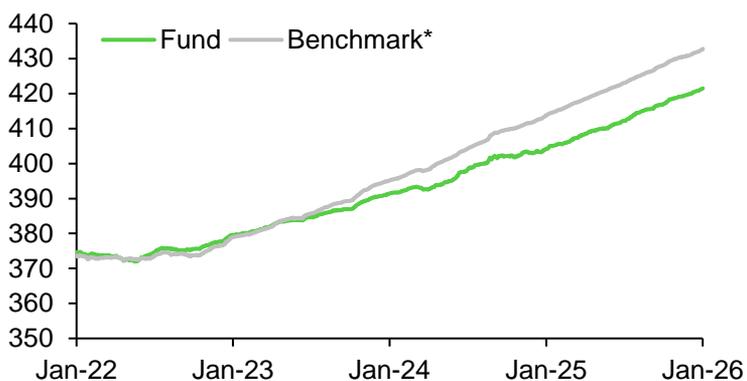
- Are at least classified as **moderately conservative** based on their risk profile.
- have an investment horizon of up **at least three (3) years**.

**FUND FACTS**

<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:<sup>1</sup></b>	PHP 1,000.00
<b>Min. Subsequent Order:<sup>1</sup></b>	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:<sup>2</sup></b>	1.25% per annum
<b>Total Fund NAV (Mn) :</b>	PHP 34,644.89

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

**NAVPS GRAPH**



NAVPS 421.54

**STATISTICS**

Weighted Ave Duration (Yrs)	3.56
Volatility, Past 1 Year (%) <sup>5</sup>	0.35
Sharpe Ratio <sup>6</sup>	0.43
Information Ratio <sup>7</sup>	-0.96
Port. Weighted Yield to Maturity (%)	4.54
Number of Holdings	90

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

	1 mo	6 mos	1 YR	3 YRS	5 YRS	S.I. <sup>4</sup>
<b>Fund</b>	<b>0.38</b>	<b>2.25</b>	<b>4.28</b>	<b>11.04</b>	<b>13.44</b>	<b>321.54</b>
<b>Benchmark</b>	0.43	2.29	4.56	14.19	16.84	248.76

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

	1 YR	2 YRS	3 YRS	4 YRS	5 YRS	S.I. <sup>4</sup>
<b>Fund</b>	<b>4.28</b>	<b>3.77</b>	<b>3.55</b>	<b>3.00</b>	<b>2.55</b>	<b>5.17</b>
<b>Benchmark</b>	4.56	4.65	4.52	3.74	3.16	4.47

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

	YTD	2025	2024	2023	2022	2021
<b>Fund</b>	<b>0.38</b>	<b>4.22</b>	<b>3.18</b>	<b>3.38</b>	<b>0.91</b>	<b>0.88</b>
<b>Benchmark</b>	0.43	4.66	4.52	4.65	0.94	0.75

**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	9.08
Retail Treasury Bond	2029	8.40
Fixed Rate Treasury Note	2032	4.33
Fixed Rate Treasury Note	2031	3.49
Aboitiz Equity Ventures, Inc.	2027	3.46

**PORTFOLIO COMPOSITION**

Allocation	% of Fund
Government	45.53
Corporates	50.32
Cash & Cash Equivalents <sup>8</sup>	3.09
Preferreds	1.06

**Asset Valuation**

Marked-to-Market	33.34
Amortized Cost	66.66

**Maturity Profile**

Less than 1 year	12.10
1 – 3 years	26.15
3 – 5 years	28.87
More than 5 years	32.88

<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.** Philippine government bond yields declined by an average of 12 basis points in January, largely driven by softer-than-expected economic data. PH GDP grew 3.0% year-on-year in 4Q2025, bringing the full-year growth to 4.4%, below the government's target range. The weaker print fueled expectations that the Bangko Sentral ng Pilipinas (BSP) may cut policy rates in February to help support growth. At the same time, December inflation was at 1.8%, below the BSP's 2–4% target range. This further reinforces the view that the central bank has room to cut rates.

Despite the downtrend in yields, the month saw periods of heightened volatility due to global geopolitical developments, especially concerning the US, Greenland, and some European countries. Market sentiment was affected by concerns linked to global trade tensions and geopolitical risks, though these eased after statements indicating no escalation. A weaker peso, which touched new record lows against the US dollar, also weighed on overall sentiment and contributed to net foreign outflows of around Php88 billion in January.

The Bureau of the Treasury conducted four treasury bond auctions in January. Demand remained strong, with several auctions reaching up to three times oversubscription, reflecting robust domestic liquidity and continued investor interest in government securities.

**Fund Performance.** Year-to-date, return amounted to 0.38%, underperforming its benchmark by 5 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.