

**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:

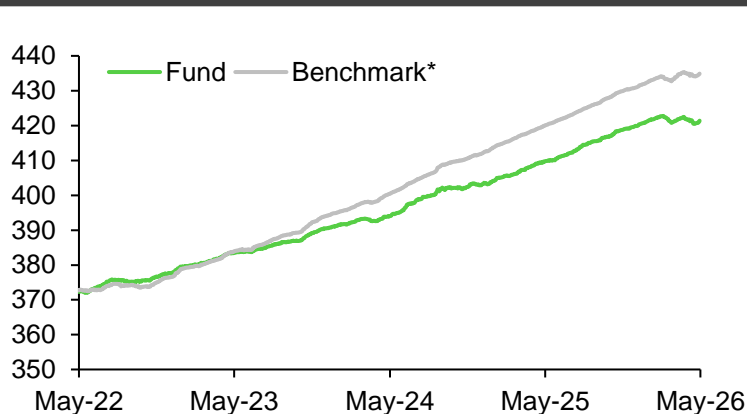
- Are at least classified as **moderately conservative** based on their risk profile.
- have an investment horizon of up **at least three (3) years**.

**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 37,029.33

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

**NAVPS GRAPH**



NAVPS 421.39

**STATISTICS**

Weighted Ave Duration (Yrs)	3.14
Volatility, Past 1 Year (%) <sup>5</sup>	0.46
Sharpe Ratio <sup>6</sup>	-2.48
Information Ratio <sup>7</sup>	-2.33
Port. Weighted Yield to Maturity (%)	4.89
Number of Holdings	108

**PORTFOLIO COMPOSITION**

Allocation	% of Fund
Government	47.59
Corporates	48.32
Fixed Income Funds	-
Cash & Cash Equivalents <sup>8</sup>	3.14
Preferreds	0.95

**Asset Valuation**

Marked-to-Market	33.49
Amortized Cost	66.51

**Maturity Profile**

Less than 1 year	21.03
1 – 3 years	32.10
3 – 5 years	20.91
More than 5 years	25.96

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

	1 mo	6 mos	1 YR	3 YRS	5 YRS	S.I. <sup>4</sup>
<b>Fund</b>	-0.08	0.63	2.84	9.88	13.49	321.39
<b>Benchmark</b>	0.04	1.18	3.55	13.31	17.14	250.53

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

	1 YR	2 YRS	3 YRS	4 YRS	5 YRS	S.I. <sup>4</sup>
<b>Fund</b>	2.84	3.41	3.19	3.14	2.56	5.11
<b>Benchmark</b>	3.55	4.22	4.25	3.93	3.21	4.44

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

	YTD	2025	2024	2023	2022	2021
<b>Fund</b>	0.35	4.22	3.18	3.38	0.91	0.88
<b>Benchmark</b>	0.94	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	2029	8.42
Retail Treasury Bond	2030	8.09
Retail Treasury Bond	2027	5.65
Fixed Rate Treasury Note	2032	4.05
Aboitiz Equity Ventures, Inc.	2027	3.24

<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 prices declined in May as yields rose sharply following a significant upside surprise in inflation. Headline inflation accelerated from 4.1% in March to 7.2% in April, well above market expectations of 5.5%. The increase was largely driven by higher fuel prices, elevated electricity rates, and faster rice inflation, indicating a broadening of price pressures.

Bond yields increased by an average of 61 basis points during the month. The 5-year benchmark yield rose from 6.87% to a high of 7.48% before closing at 7.34%. Investor sentiment remained cautious, with foreign investors posting net outflows of Php12 billion, bringing year-to-date outflows to Php251 billion.

Towards the latter part of the month, sentiment slightly improved amid positive developments in US-Iran negotiations, which helped ease concerns over global oil prices. Oil prices declined to below \$100 per barrel, providing some relief to inflation expectations.

During the month, the Bureau of the Treasury raised Php89 billion through its regular bond auctions, below its Php140 billion target, as the government opted to accept fewer bids in light of rising yields.

**Fund Performance.** The Fund returned -0.08% for the month underperforming its benchmark by 12 basis points. Year-to-date, return amounted to 0.35%, underperforming its benchmark by 59 basis points.

**Fund Strategy.** The Fund looks to maintain a nimble portfolio position to take advantage of any opportunities as interest rates are seen to remain elevated over the next few months. Local inflation is seen to be affected by ongoing geopolitical tensions in the Middle East and may breach the BSP's targeted range near-term. This may prompt the BSP to increase policy rates. 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.