

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:

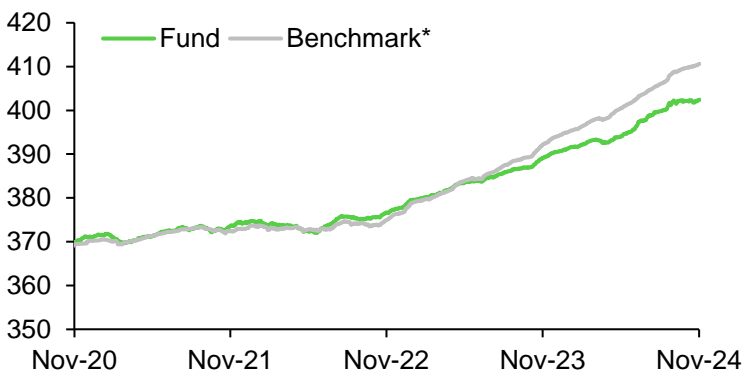
- Are at least classified as **moderately conservative** based on their risk profile.
- have an investment horizon of up **at least three (3) years**.

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 34,826.95 |

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

NAVPS GRAPH



NAVPS 402.42

STATISTICS

| | |
|--|-------|
| Weighted Ave Duration (Yrs) | 3.95 |
| Volatility, Past 1 Year (%) ⁵ | 0.48 |
| Sharpe Ratio ⁶ | -2.26 |
| Information Ratio ⁷ | -3.60 |
| Port. Weighted Yield to Maturity (%) | 4.59 |
| Number of Holdings | 89 |

PORTFOLIO COMPOSITION

| Allocation | % of Fund |
|--------------------------------------|-----------|
| Government | 46.98 |
| Corporates | 49.34 |
| Cash & Cash Equivalents ⁸ | 2.93 |
| Preferreds | 0.75 |

| Asset Valuation | |
|------------------|-------|
| Marked-to-Market | 30.24 |
| Amortized Cost | 69.76 |

| Maturity Profile | |
|-------------------|-------|
| Less than 1 year | 18.29 |
| 1 – 3 years | 24.72 |
| 3 – 5 years | 22.47 |
| More than 5 years | 34.52 |

CUMULATIVE PERFORMANCE (%) ³

| | 1 mo | 6 mos | 1 YR | 3 YRS | 5 YRS | S.I. ⁴ |
|------------------|------|-------|------|-------|-------|-------------------|
| Fund | 0.07 | 2.11 | 3.40 | 7.72 | 12.85 | 302.42 |
| Benchmark | 0.22 | 2.53 | 4.67 | 10.26 | 14.48 | 230.95 |

ANNUALIZED PERFORMANCE (%) ³

| | 1 YR | 2 YRS | 3 YRS | 4 YRS | 5 YRS | S.I. ⁴ |
|------------------|------|-------|-------|-------|-------|-------------------|
| Fund | 3.40 | 3.36 | 2.51 | 2.13 | 2.45 | 5.22 |
| Benchmark | 4.67 | 4.65 | 3.31 | 2.68 | 2.74 | 4.47 |

CALENDAR YEAR PERFORMANCE(%) ³

| | YTD | 2023 | 2022 | 2021 | 2020 | 2019 |
|------------------|------|------|------|------|------|------|
| Fund | 3.05 | 3.38 | 0.91 | 0.88 | 3.71 | 4.20 |
| Benchmark | 4.23 | 4.65 | 0.94 | 0.75 | 2.90 | 5.43 |

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 | 7.83 |
| Fixed Rate Treasury Note | 2044 | 5.40 |
| Fixed Rate Treasury Note | 2032 | 4.31 |
| Ayala Corporation | 2025 | 3.73 |
| Aboitiz Equity Ventures, Inc. | 2027 | 3.45 |

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 BPI Government Bond Index returned -0.23% in November as Philippine government bond yields rose by an average of 24 basis points (bps). Average daily trading volume for the month reached Php36.1 billion, lower than Php39.5 billion in October, with most trades concentrated in 5-year followed by 1-year papers. Despite the lower average trading volume, foreign investors' fixed income volume was net buying for the month compared to previous month's net selling.

The Bureau of the Treasury (BTr) held two FXTN auctions in November, offering the 5-, and 20-year tenors. FXTNs 20-27 (20-year) and 7-67 (5-year) were fully awarded at average yields of 6.095% and 5.954%, respectively.

Locally, October headline inflation rose to 2.3% year-on-year (YoY) from 1.9% YoY in September, well within Bangko Sentral ng Pilipinas' (BSP) forecast range of 2.0% to 2.8% for the month. The pick-up in inflation was driven mainly by faster food inflation due to adverse weather conditions for the month and tapering of favorable base effects from last year. Rice inflation in October also accelerated by 9.6% YoY from September's 5.7% YoY, breaking its 6-month deceleration streak. The reversal of the course due to year-on year base effects as rice inflation slowed in 2023 after the government implemented a rice price ceiling shortly last year.

Fund Performance. The Fund returned 0.07% for the month, underperforming its benchmark by 15 basis points. Year-to-date, return amounted to 3.05%, underperforming its benchmark by 118 basis points.

Fund Strategy. The fund will maintain its current duration given the potential for higher inflation in the long term particularly, beginning next year. Investors in the bond fund must be prepared to withstand short-term volatility as higher investment value is normally achieved over the medium- to long-term.