

## PESO FIXED INCOME FUND

### INVESTMENT OBJECTIVE

The Peso Fixed Income Fund seeks to generate regular interest income, consistent with its policy to preserve capital and maintain liquidity of investment through a diversified portfolio of high-grade bonds and evidence of debt of solvent corporations and institutions.

### KEY FIGURES

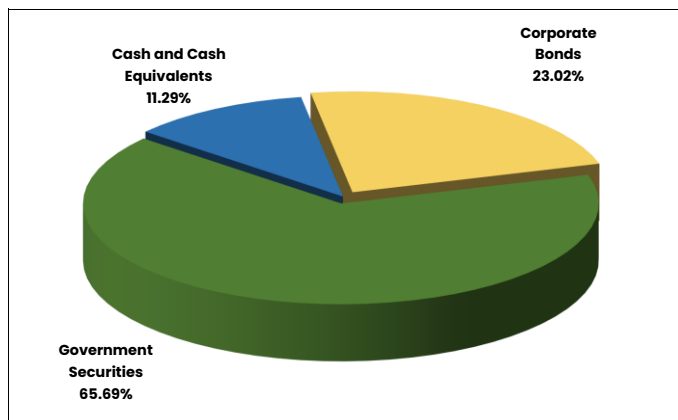
NAVPU as of March 31, 2025  
Inception Date  
Fund Classification

1.8883  
December 2006  
Fixed Income Fund

Domicile  
Fund Currency

Republic of the Philippines  
Philippine Peso

### PORTFOLIO COMPOSITION



### HISTORICAL PERFORMANCE March 31, 2025

NAVPU	Year-to-date Return
1.8883	1.21%

	Annual Return	Cumulative Return
One-year	3.15%	3.15%
Three-year	1.98%	6.07%
Five-year	1.27%	6.52%

### MARKET RECAP AND OUTLOOK

Local bond yields on average declined by 22 basis points (bps) versus end-2024 levels in the month of March as local and global setbacks put investors in caution. For the month alone, the movement of securities was slightly stagnant from the previous month, yet a fair 0.16-bp drop from end-February values was observed. The ongoing trade war continued to cloud excitement in the market, putting traders at caution as they resolved to favor safer haven assets. Consumer prices declined further in March, settling at a rate of 1.8% as slower movement in food and transport prices ceased to pull inflation. The latest print set the chance that the Bangko Sentral ng Pilipinas (BSP) may resolve to a rate cut in its upcoming Monetary Board Meeting in April following a decision to hold rates to 5.75% on its February meeting.

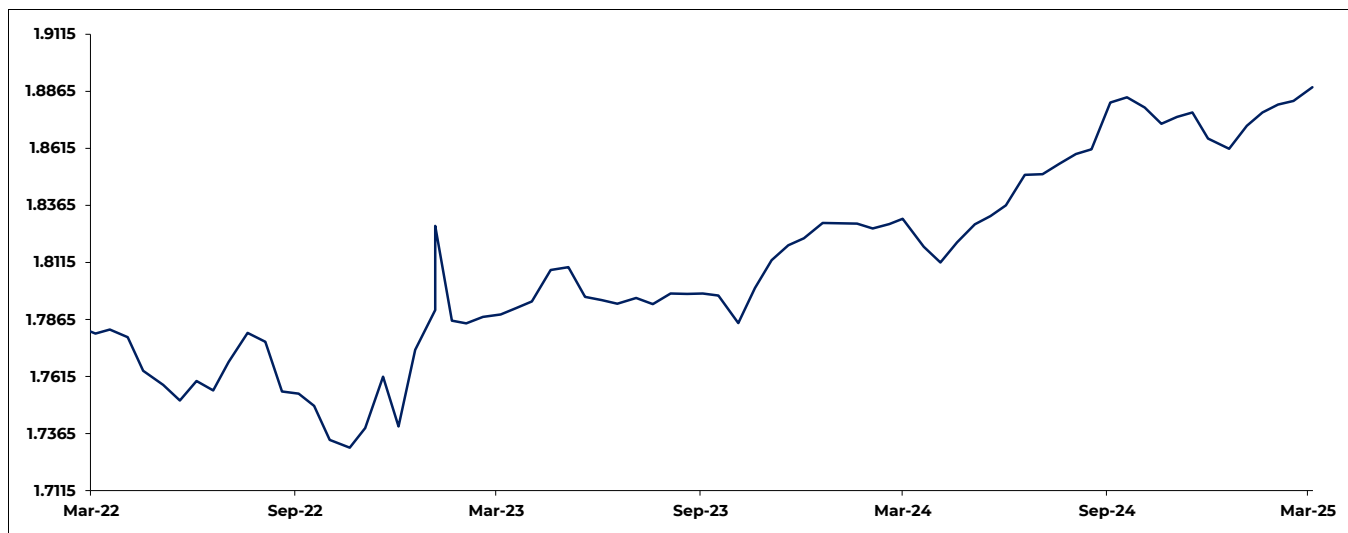
The BTR borrowed a total of P135.79 billion from the auction of its Treasury bills (T-bills) in the month. The Treasury has awarded P24.15 billion of the offered P25 billion auctioned Treasury bills (T-bills) last March 31, despite as tenders reaching a total of P45.66 billion. Broken down, the government borrowed a total of P7.15 billion worth of 91-day debt notes, fetching an average rate of 5.3070%. Meanwhile, the BTR raised a total of P8 billion worth of 182-day notes, settling at a quoted average yield of 5.6460%. Lastly, the Treasury has raked in P9 billion worth of 364-day securities alongside the papers quoted at an average rate of 5.7480%.

Also, the bureau has accumulated P132 billion worth of Treasury Bonds (T-bonds). Last March 4, the treasury awarded P30 billion worth of 7-year securities on an average rate of 6.0190%. While the March 11 auction garnered another P30 billion worth of 10-year bonds with a higher mean yield of 6.1430%. In addition, the bureau has offered another P7 billion worth of 10-year bonds in TAP facilities given the spike in demand on mean rates of 6.1430%. On March 18, the bureau also accepted P30 billion worth of 10-year T-bonds granting on rates averaged at 6.2070%. Following its Treasury bond (T-bonds) auction last March 25, the Treasury has fully awarded P35 billion as programmed via its dual-tranche with total tenders amounting to P75.32 billion. Broken down, the agency borrowed P10 billion worth of 7-year reissued securities with remaining tenor of 3.02 years on rates averaged at 5.7790% as demand for long term securities surged to P41.48 billion. The robust demand for the reissued seven-year bonds prompted the BTR to open its tap facility window to raise P5 billion more via the papers. Likewise, the government raised P25 billion from the reissued 25-year T-bonds, with total bids reaching P33.837 billion. The notes, which have a remaining life of 24 years and nine months, were awarded at an average rate of 6.4760%.

Meanwhile, the BSP's offering of its term deposit facilities (TDF) accumulated P613.97 trillion from its auction on the month. During its latest auction last March 26, the central bank raised a total of P113.50 billion from the issued one-week and 2 weeks securities partially awarding the offered short term fixed instrument. Broken down, the BSP awarded P43.50 billion worth of 7-day notes on an average rate of 5.7614%. Meanwhile, the central bank awarded P70 billion 14-day security with yields averaged at 5.7646%. On a separate auction last March 21, the central awarded P70 billion worth of 28-day short-term securities to settle at an average yield of 5.8222%. Furthermore, BSP also awarded the offered 56-day securities auction and raised a total of P112.34 billion, as the weighted average accepted yield stood at 5.81314%.

In the upcoming month, we may anticipate peso government yields to track sideways as the hazy global economy continues to dampen investor sentiment. The release of the details on further US tariffs will likely result in retaliatory tariffs among its trading partners, which market analysts suggest could damage the global economic outlook. While that is the case, the Philippines along with Singapore are more likely to be seen as safer havens in the Asean region relative to the ongoing trade war given the much slower tariff imposed on exports to US. With inflation continuing to slow down, analysts are pricing in better chances that BSP will resolve to another quarter of a point cut. In addition, the upwardly revised GDP figure for the fourth quarter of 2024 brought the full year figure to 5.7% from the former 5.6% may spur enthusiasm among investors.

### FUND PERFORMANCE



**DISCLAIMER:** Historical performance is not indicative of future results. The price per unit may go up or down depending on market fluctuations. The Fund is NOT a deposit product, and, as such, yields are NOT guaranteed. The performance of the fund is reflected by the Net Asset Value (NAV) computed at the end of each business day.