

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 April 30, 2025

Inception Date

Fund Classification

1.8905

December 2006

Fixed Income Fund

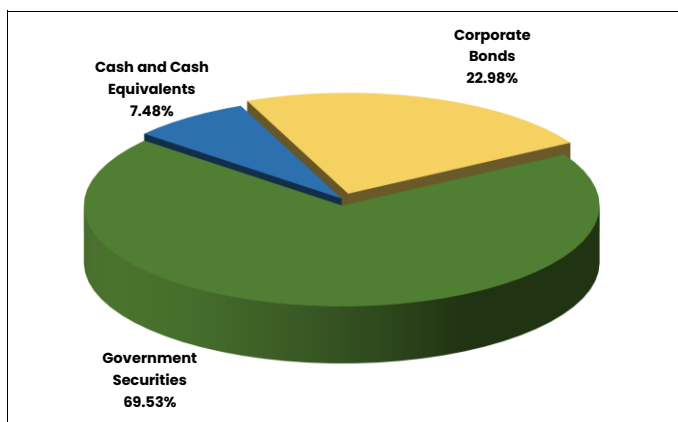
Domicile

Fund Currency

Republic of the Philippines

Philippine Peso

PORTFOLIO COMPOSITION



HISTORICAL PERFORMANCE

April 30, 2025

NAVPU	Year-to-date Return
1.8905	1.32%

	Annual Return	Cumulative Return
One-year	4.36%	4.36%
Three-year	2.05%	6.29%
Five-year	1.17%	6.01%

MARKET RECAP AND OUTLOOK

Local bond yields on average declined by 18 basis points (bps) versus end-2024 levels in the month of April as local and global setbacks put investors in caution. However, the movement of securities remained elevated month-on-month, with a 4-bps uptick from end-March values. De-escalation in the global trade façade along with prospects of a better macroeconomic outturn have resulted in volatility in the Peso bond market, yet sentiments were slightly inclined with optimism. The initial announcement of US tariffs implementation last April 2 caused extensive movement in the financial markets as investors flock towards safer haven assets, pulling yields lower in the first week of the month as analysts pointed out that the hefty tariff could be recessionary. The downtrend across securities were momentarily as most players took the Trump pronouncement as an opportunity in profit-taking with uncertainties looming around the corner. Yields began to recover towards the middle of the month following the decision of the Bangko Sentral ng Pilipinas (BSP) to lower policy rates by another 25-bps after an impressive 1.8% inflation rate in March. Furthermore, potential trade talks between US and China following Trump's announcement of hefty tariffs to China implores optimistic view among market players.

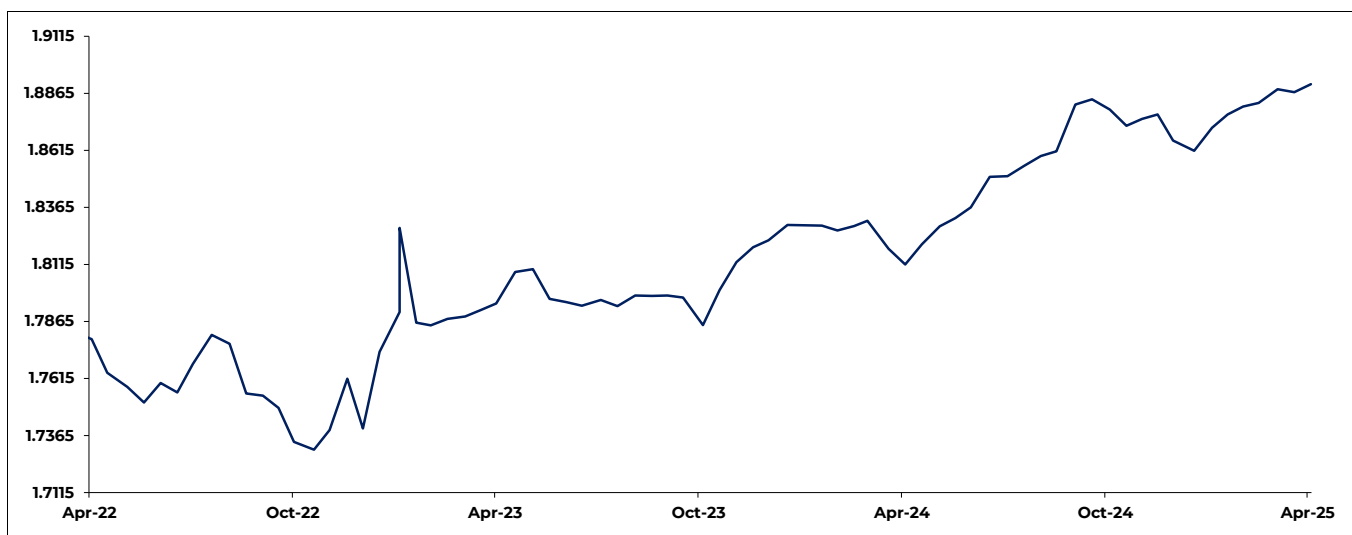
The Bureau of Treasury (BTr) borrowed a total of P99.46 billion from the auction of its Treasury bills (T-bills) in the month, in its latest auction last April 28, the Treasury has fully awarded the offered P25 billion auctioned Treasury bills (T-bills) as tenders reached a total of P81.73 billion. Broken down, the government borrowed a total of P8 billion worth of 91-day debt notes, fetching an average rate of 5.5460%. Meanwhile, the BTr raised a total of P8 billion worth of 182-day notes, settling at a quoted average yield of 5.6550%. Lastly, the Treasury has raked in P9 billion worth of 364-day securities alongside the papers quoted at an average rate of 5.6880%.

Also, the bureau has accumulated P195 billion worth of Treasury Bonds (T-bonds) in April. Last April 8, the treasury awarded P30 billion worth of 7-year securities on an average rate of 5.9860%. While in April 15, the treasury has auctioned an enormous P135 billion worth of 7-year bonds with yield averaging at 6.2860%. On April 29, the bureau also accepted P30 billion worth of 7-year T-bonds granting on rates averaged at 5.5522%.

Meanwhile, the BSP's offering of its term deposit facilities (TDF) accumulated P702.43 trillion from its auction on the month. The central bank raised a total of P91.15 billion from the issued one-week and 2 weeks securities following its April 30 auction as traders seek for long terms securities following better chances of a rate cut in June. Broken down, the BSP awarded P42.03 billion worth of 7-day notes on an average rate of 5.5642%. Meanwhile, the central bank awarded P49.13 billion 14-day security with yields averaged at 5.6176%. On a separate auction last April 25, the central awarded P50 billion worth of 28-day short-term securities to settle at an average yield of 5.7135%. Furthermore, BSP also awarded the offered 56-day securities auction and raised a total of P100 billion, as the weighted average accepted yield stood at 5.7135%.

In the upcoming month, peso bond yields will likely track higher compared to the previous month despite uncertainties forthcoming with Trump's tariff episodes. The overall sentiment for the local market turns optimistic along with market analysts are expecting that the BSP may continue to bring down interest rates in the upcoming Monetary Board Meeting in June after inflation clocked in lower at 1.4% in April. Worries on the potential effects of the global trade war may stagnate as the hefty tariffs coming from the US are currently on a 90-day hold, albeit the baseline 10% is in effect. Furthermore, de-escalation in the US-China tariff war meant further optimism among traders, but a might potentially put more risk if the recent development will not materialize.

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.