

DOLLAR BOND FUND

INVESTMENT OBJECTIVE

The Dollar Bond Fund seeks to generate regular interest income, consistent with its policy to preserve capital and to maintain liquidity of its investments. The fund shall be invested primarily in dollar-denominated fixed-income instruments ranging from debentures, money market instruments and government securities.

KEY FIGURES

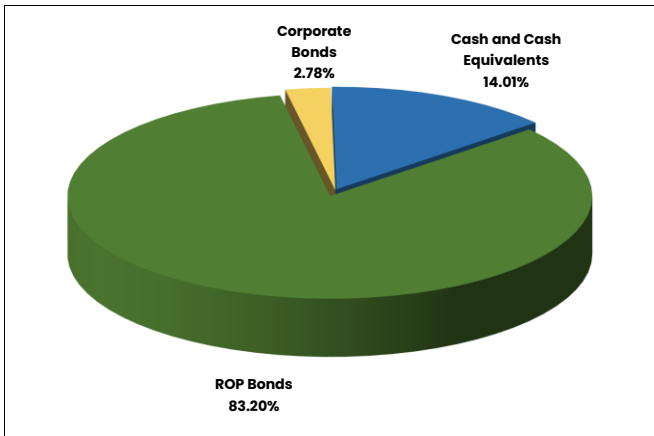
NAVPU as of April 30, 2026
Inception Date
Fund Classification

1.4682
December 2006
Bond Fund

Domicile
Fund Currency

Republic of the Philippines
US Dollar

PORTFOLIO COMPOSITION



MARKET RECAP AND OUTLOOK

Yields of Philippine sovereign US-denominated bonds (ROP bonds) climbed 27 basis-points(bps) from end-2025 levels in April. Meanwhile, the yields of US Treasury notes also climbed by 18 from the 2025 data. In April 2026, the US Treasury market experienced a notable shift as yields trended higher across the curve, building on a "bear flattening" trend observed earlier in the year. The 10-year Treasury yield ended the month around 4.37%, a slight increase that reflected persistent concerns over sticky inflation and robust economic data. Similarly, Republic of the Philippines (ROP) bonds saw mixed but generally resilient performance. Following a significant triple-tranche global bond offering in January 2026, ROPs faced a higher-yield environment in April, with spreads remaining relatively stable as global investors continued to show confidence in the Philippines' fiscal management despite the broader uptick in global interest rates.

The primary factors driving this performance were a combination of geopolitical tensions and resilient domestic growth. A surge in energy prices, exacerbated by ongoing conflicts in the Middle East, fueled renewed inflation fears, preventing the aggressive yield declines that many investors had anticipated at the start of the year. Additionally, the US labor market remained surprisingly durable, and a strong start to the first-quarter earnings season boosted risk appetite in equities, which traditionally draws some capital away from the safety of sovereign debt. For ROP bonds, the performance was further influenced by the Philippines' proactive funding strategy and stable credit ratings, though they remained sensitive to the "higher-for-longer" narrative emanating from Washington.

Regarding the US Federal Reserve, policy expectations for 2026 have shifted toward a more cautious "hawkish pause." After a series of minor rate cuts in late 2025, the FOMC held the federal funds target rate steady in the 3.50% to 3.75% range throughout the first four months of 2026. Current market consensus suggests that the Fed will remain on hold for most of the year. While early 2026 projections hinted at multiple cuts, persistent energy-driven inflation and solid GDP growth have led policymakers to signal that only one additional cut—if any—is likely for the remainder of 2026. There is even a burgeoning discussion among analysts about potential hikes in 2027 should inflation expectations become unanchored.

As we move into May 2026, the prospects for both US Treasuries and ROP bonds appear to be characterized by continued volatility and range-bound trading. Yields are expected to stay elevated, with the 10-year Treasury likely fluctuating between 4.25% and 4.50%. For ROP bonds, the outlook remains cautiously optimistic; while they will likely track the movement of US Treasuries, the successful settlement of recent global issuances provides a liquidity cushion. Investors will be closely monitoring the May inflation prints and Fed commentary for any signs of a "dovish tilt," though the prevailing sentiment suggests that significant capital gains from falling yields may remain elusive in the near term.

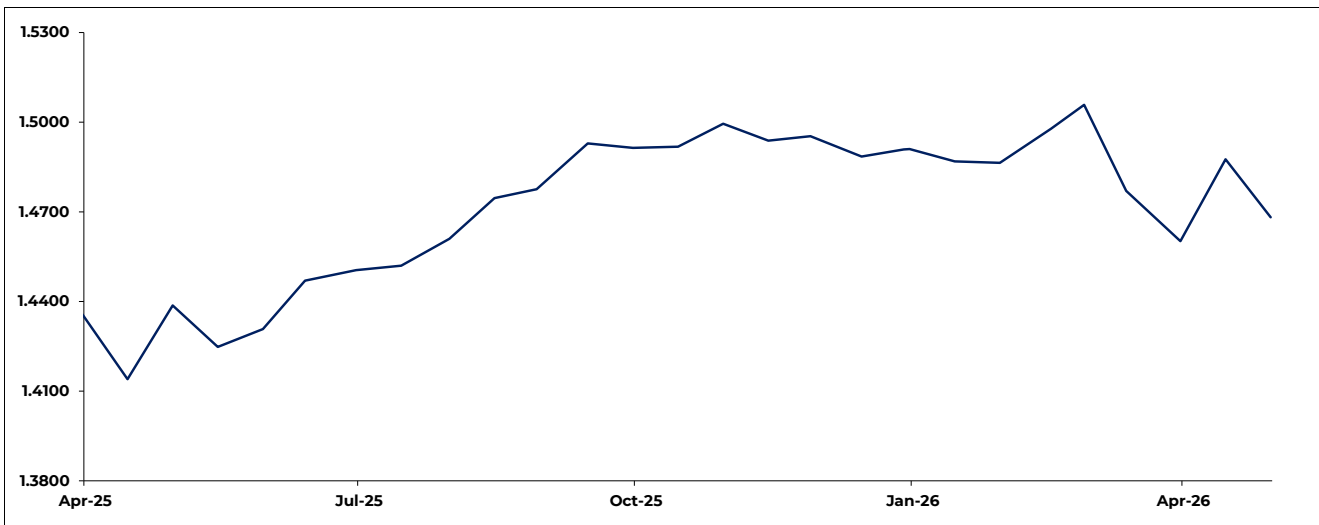
In the US, the transition into a "new era" of central banking, marked by the leadership transition following Chair Powell, adds a layer of structural uncertainty. Therefore, May 2026 is poised to be a month of watchful waiting, where bond performance will be dictated more by marginal shifts in economic data than by major policy pivots.

HISTORICAL PERFORMANCE

April 30, 2026

NAVPU	Year-to-date Return	
1.4682	-1.53%	
	Annual Return	Cumulative Return
One-year	2.05%	2.05%
Three-year	2.01%	6.16%
Five-year	-1.26%	-6.15%

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.