

31 MAY2024

Peso Fixed Income Fund

FUND DETAILS:

Inception Date	25-May-05	Latest NAVPU	2.479060
Fund Manager	BPI Asset Mgmt. & Trust Corp.	Initial NAVPU	1.000000
Fund Currency	PHP	Highest NAVPU (08.20.2020)	2.573452
Fund Size	PHP 0.55 Billion	Lowest NAVPU (05.25.2005)	1.000000
Management Fee	1.50% p.a.	Pricing / Valuation	Daily



Risk Classification

The Fund is suitable for investors who take medium to long - term views. As a marked -to-market Fund, its net asset value and total return may fall or rise as a result of interest rates movements. On redemption of units, a policyholder may receive an amount less than the original amount invested. Prior to investment in the Fund, the policyholder shall undergo a client suitability assessment procedure to determine whether the Fund is appropriate for him considering his investment objective, risk tolerance, preferences and experience.

Market Commentary

The BPI Government Bond Index rose 1.49% in May as the local yield curve fell by 22.28 basis points (bps) on average. Average daily trading volume for the month amounted to Php23.86 billion, higher than April's Php14.73 billion with trades mostly seen on the short-end of the curve.

The Bureau of the Treasury (BTr) held four FXTN auctions in May. The 10-year FXTN 10-72 and 25-year FXTN 20-23 were fully awarded at average yields of 6.825% and 6.950%, respectively. Meanwhile, the new 20-year issuance, FXTN 20-27, was only partially awarded and priced at a coupon of 6.875%. The final bond auction for the month was FXTN 3-30, fully awarded at an average rate of 6.347%. Demand was generally healthy for the bonds issued throughout the month.

Prices of goods continue to accelerate in May to 3.9%, a tad lower than the BSP's upper bound target of 4.0%. The primary drivers of acceleration included housing, water, electricity, gas, and other fuels (from 0.4% in April to 0.9% in May) and transport (from 2.6% to 3.5%). The country's economy grew by 5.7% year-on-year for the first quarter of 2024, lower than consensus estimate of 5.9%. While net

exports contributed positively for the period, other sectors such as private consumption and government spending appeared to be slowing. The first quarter GDP growth figure falls short of the government's official target of 6-7% for the year.

Market Outlook

The portfolio will maintain its overweight duration position relative to the benchmark. We'll continue to look for opportunity to switch low-yielding securities to improve total portfolio yield. The risk of inflation in the coming months breaching the upper bound target of the BSP of 4.0% remains high, especially given the recent trend of sustained increase albeit at a gradual pace. This will keep the Monetary Board from changing the course in its July meeting. However, it seems more apparent that the risk to the upside in inflation has waned and may allow the BSP to reinforce its recent dovish tone.

RISK RATING ● ● ○

MODERATELY AGGRESSIVE

Based on the Fund Manager's fund risk categorization

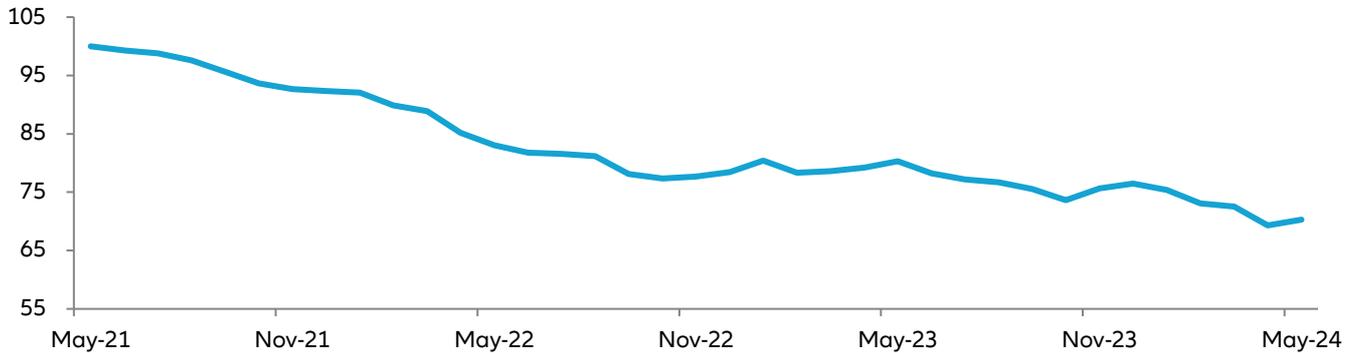
Investment Objective

To achieve preservation of capital and income growth in Philippine Peso terms over time by investing in a diversified portfolio of Philippine Peso denominated fixed income securities

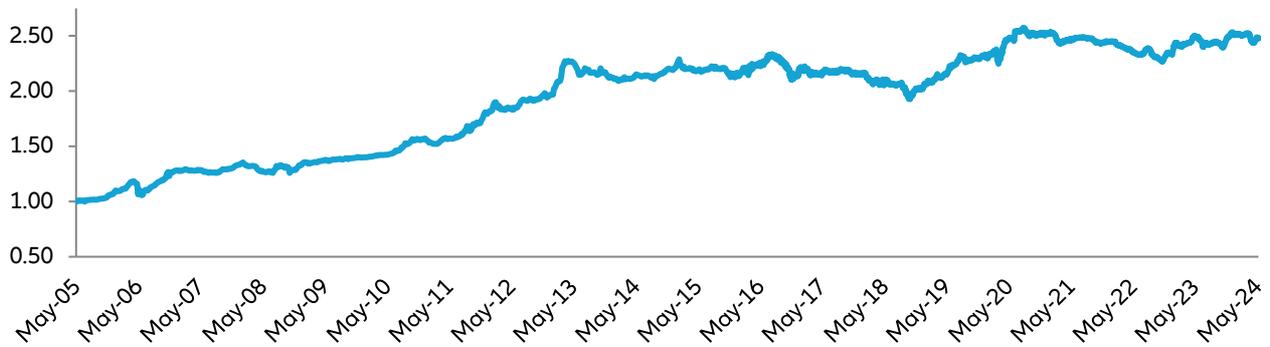
Performance Overview

Performance History	Year To Date	1 Year (YoY)	3 Years (YoY)	5 Years (YoY)	Since Inception
Absolute	-2.15%	-0.34%	0.55%	14.48%	147.91%
Annualized	N/A	-0.34%	0.18%	2.74%	4.89%

Indexed Performance Over 3 Years (NAV - NAV)



NAVPU Since Inception



Portfolio Analysis

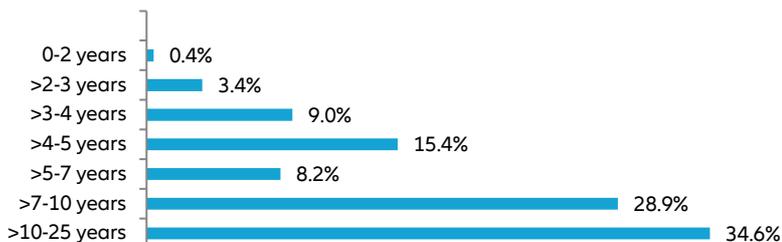
Top 5 Holdings

Securities	%
FXTN 20-17 6.40% 07/19/2031	15.4
FXTN 20-23 6.75% 01/24/2013	9.8
FXTN 10-64 6.875% 01/10/2031	9.6
FXTN 20-25 11/24/2042	8.1
07-70	7.2
Total	50.1

Asset Allocation

Government	99.70%
Corporate	0.00%
Short-Term Deposits	0.30%

Maturity Profile (Bond Holdings)



IMPORTANT NOTICE:

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