

30 NOVEMBER 2024

Peso-Hedged Diversified Income Dividend-Paying Fund



FUND DETAILS:

Inception Date	3-Aug-20	Latest NAVPU	0.825000
Fund Manager	PIMCO Global Advisors (Ireland) Limited	Initial NAVPU	1.000000
Fund Currency	PHP	Highest NAVPU (01.04.2021)	1.023433
Fund Size	PHP 0.15 billion	Lowest NAVPU (10.24.2022)	0.751021
Management Fee	1.85% 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

Markets experienced generally positive results in November, as global equity markets rallied, with U.S. stocks hitting new all-time highs, while government bonds generally rallied despite some weaker spots including in Japan and France. The month started with Donald Trump securing the presidency of the U.S. alongside Republicans winning the majority in both the House and the Senate. In Germany, the parliamentary groups agreed to hold an early federal election in February 2025, following the dismissal of Finance Minister Christian Lindner earlier in the month. Meanwhile, in France, PM Michel Barnier's government faced pressure on the back of budget disagreements, leading the OAT-Bund spread to reach its highest level since 2012 and to concerns about the government's survival. The U.S. 2y yield fell 2bps, to 4.15%, while the UK 2y yield fell 20bps to 4.23%. The U.S. 10y yield rallied 12bps to 4.17%, while the UK 10y yield rallied 20bps to 4.24%. In Germany, the 2y yield fell 33bps to 1.95%, while the 10y fell 30bps to 2.09%. Within spreads, USD investment grade tightened 3bps to 83bps, while EUR investment grade widened 2bps to 107bps. USD high yield credit tightened by 14bps to 274bps, while EUR high yield spreads widened 11bps to 335bps. In the equities space, US equities saw the biggest gains, as the S&P 500 registered a monthly gain of 5.87% and the Russell 2000 led the pack with a gain of 10.97%. Other hand, the Hang Seng Index lost -4.23% over the month, on the back of worries regarding Trump's tariff policies. On the backdrop of U.S. election, the dollar index strengthened by 1.69%.

that recent macro indicators have indicated stronger economic activity. The Bank of England also cut its policy rate by 25bps to 4.75% amid evidence of easing inflation data. Governor Andrew Bailey confirmed future cuts will be gradual and data driven, acknowledging that although inflationary pressure is likely to rise following the UK Budget, it was not sensible to conclude that it would cause the path of rates to be different. The Reserve Bank of Australia left the cash rate target unchanged at 4.35% for the eighth consecutive meeting. Governor Michele Bullock noted that recent inflation figures remain too high, and they need to remain vigilant to upside risks to inflation. After an assessment of the existing stimulus measures, the People's Bank of China (PBoC) maintained the one-year loan prime rate (LPR) at 3.1% and the five-year LPR at 3.6%. The PBoC also kept the one-year Medium-Term Lending Facility unchanged at 2.0%, while injecting CNY 900 billion into the market.

Regarding macro prints, we saw a weaker U.S. labour market, as the month started with non-farm payrolls printing at +12k (vs +113k expected) – a figure that was likely distorted by storms and strikes. Meanwhile, the unemployment rate printed at 4.1% (in line with expectations). U.S. core CPI printed at 3.3%yoy (in line with expectations) and headline CPI rose, printing at 2.6%yoy (in line with expectations). In the UK, core CPI rose to 3.3%yoy (vs. 3.1% expected), and headline CPI printed at 2.3%yoy (vs. 2.2%expected). Euro Area core inflation remained at 2.7%yoy, in line with expectations, while headline inflation also printed in line with expectations at 2%yoy. Finally, the Eurozone and UK flash composite PMIs printed at 48.1 and 49.9, respectively, in November.

Market Outlook

We believe credit has rarely appeared more compelling relative to equities, as starting yield levels are historically attractive. At the same time, given current spread valuations, the portfolio continues to emphasize resilience, namely through an allocation to Agency and Non-Agency Mortgage-Backed Securities.

Furthermore, we favor DM, in light of the higher quality relative to EM risk, alongside better fundamentals and a more attractive risk-reward profile. We also continue to see opportunities in select companies with good earnings visibility and that we believe are more resilient to margin pressures, as well as select names in the crossover segment that are well-placed for future ratings upgrades.

PIMCO RISK AND REWARD INDICATOR



Investment Objective

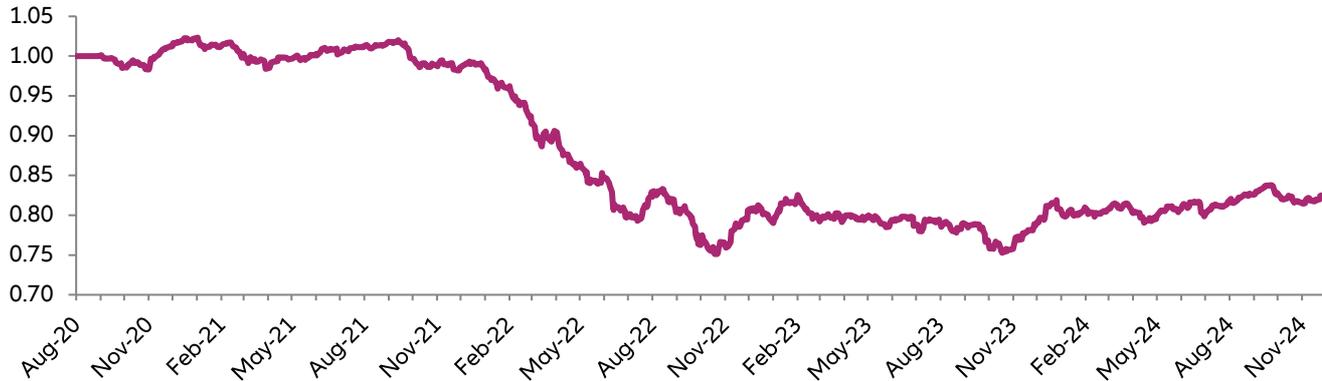
To maximize total return, consistent with prudent investment management by investing primarily in a diversified pool of corporate and emerging market fixed income securities of varying maturities

- The Fund is exposed to significant risks which include investment/general market, company-specific, creditworthiness/credit rating/ downgrading, default, currency, valuation, asset allocation, country and region, emerging market and interest rate risks.
- The Fund may invest in high-yield (non-investment grade and unrated) investments and convertible bonds which may subject to higher risks, such as volatility, loss of principal and interest, creditworthiness and downgrading, default, interest rate, general market and liquidity risks and therefore may adversely impact the net asset value of the Fund.
- The Fund may invest in financial derivative instruments ("FDI") for efficient portfolio management (including for hedging) which may expose to higher leverage, counterparty, liquidity, valuation, volatility, market and over the counter transaction risks. The Fund will not invest extensively in FDI for investment purpose.
- Dividend payments may, at the sole discretion of the Investment Manager, be made out of the Fund's capital or effectively out of the Fund's capital which represents a return or withdrawal of part of the amount investors originally invested and/or capital gains attributable to the original investment. This may result in an immediate decrease in the NAV per share and the capital of the Fund available for investment in the future and capital growth may be reduced.
- This investment may involve risks that could result in loss of part or entire amount of investors' investment.
- In making investment decisions, investors should not rely solely on this material.

Performance Overview

Performance History	Year To Date	1 Year (YoY)	3 Years (YoY)	5 Years (YoY)	Since Inception
Absolute	2.06%	4.58%	-15.98%	N/A	-17.50%
Annualized	N/A	4.58%	-5.64%	N/A	-4.35%

NAVPU Since Inception



Portfolio Analysis

Asset Allocation

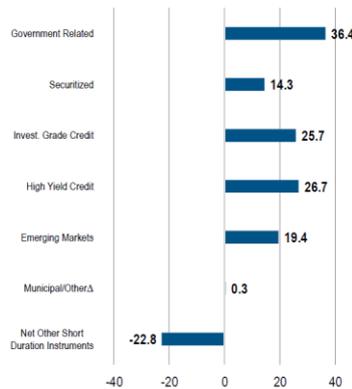


Top 10 Holdings (% Market Value)*

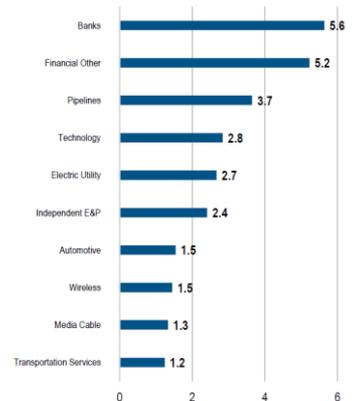
FNMA TBA 6.0% NOV 30YR	3.2
FNMA TBA 6.5% NOV 30YR	2.9
U S TREASURY BOND	2.9
FNMA TBA 6.5% OCT 30YR	2.8
FNMA TBA 5.5% NOV 30YR	1.4
FNMA TBA 4.0% NOV 30YR	1.3
U S TREASURY BOND	1.1
FNMA TBA 5.0% NOV 30YR	1.1
MUNDYS SPA SR UNSEC	0.9
REPUBLIC OF ARGENTINA	0.7

*Top 10 holdings as of 09/30/2024, excluding derivatives.

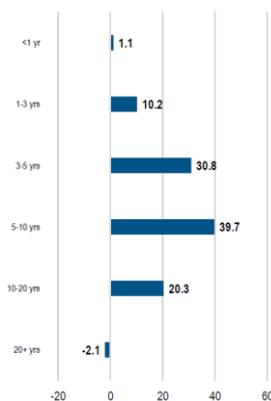
Sector Allocation (% Market Value)



Top 10 Industries (% Market Value)



Duration (% Duration Weighted Exposure)



IMPORTANT NOTICE:

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RISKS

- Share value can go up as well as down and any capital invested in the Fund may be at risk.
- The fund may use derivatives for hedging or as part of its investment strategy which may involve certain costs and risks.
- Currency-hedged funds are invested in assets denominated in currencies other than the base currency of the fund. The fund value may then fluctuate depending on the movement of the exchange rate, and could either be higher or lower than the amount invested, regardless of the performance of the fund's underlying assets. Currency-hedged funds aim to minimize this currency exposure by employing a hedging mechanism. However, there is no guarantee that such hedge transactions can fully eliminate currency risks.
- Any distributions involving payment of distributions out of the Fund's capital may result in an immediate decrease in the Net Asset Value per Share and may reduce the capital available for the Fund for future investment and capital growth.