

29 FEBRUARY 2024

Peso Fixed Income Fund

FUND DETAILS:

Inception Date	25-May-05	Latest NAVPU	2.509910
Fund Manager	BPI Asset Mgmt. & Trust Corp.	Initial NAVPU	1.000000
Fund Currency	PHP	Highest NAVPU (08.20.2020)	2.573452
Fund Size	PHP 570.63 Million	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 returned -0.03% in February as the local yield curve rose 10 basis points (bps) on average. Average daily trading volume for the month amounted to Php16.78 billion, lower than January's Php20.98 billion with trades mostly seen on the short-end and belly of the curve. The Bureau of the Treasury (BTr) originally announced four FXTN auctions in February. The first FXTN issuance, the 5-year FXTN 05-78, was rejected by the BTr. Had the paper been fully awarded, the average yield of the 5-year paper would have risen to 6.219%. The next two FXTN auctions were also cancelled to give way to the 5-year RTB issuance. The BTr set the 5-year RTB at 6.25% coupon and raised a record Php458 billion, exceeding the initial Php400 billion target. Following the jumbo RTB issuance, the government issued a new 20-year paper, the FXTN 20-26, and set the coupon at 6.25%. Towards the end of the month, the BTr revised the March schedule of Treasury Bonds offering to 7-, 10-, 20- and 6-year.

In the local space, February inflation rose to 3.4% from 2.8% in January driven by food inflation. Latest figure beat estimates of 3.0% rise. The Bangko Sentral ng Pilipinas (BSP) held its first monetary policy meeting of the year and kept its key

rate unchanged at 6.50%. The policymakers deem it appropriate to keep the policy rate on hold amid the improvement in inflation condition, but they are ready to adjust the policy settings to maintain price stability

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. Moving forward, inflation is expected to continue trending lower with the BSP forecasting inflation to average 3.7% in 2024 from 6.0% in 2023. Moreover, the US Federal Reserve signaled that it could start easing monetary policy in 2024. These tailwinds may enable the BSP to gradually cut rates in the second half. However, we remain watchful of upside risks to inflation such as the impact of El Niño phenomenon on agricultural product prices including rice, global oil price volatility, transport fare hikes, power rate upward adjustments, and above-average wage increases. In line with this, BSP Governor Remolona signaled that the BSP will likely keep the policy rate tight until inflation firmly falls within target.



RISK RATING ● ● ○

MODERATELY AGGRESSIVE

Based on the Fund Manager's fund risk categorization

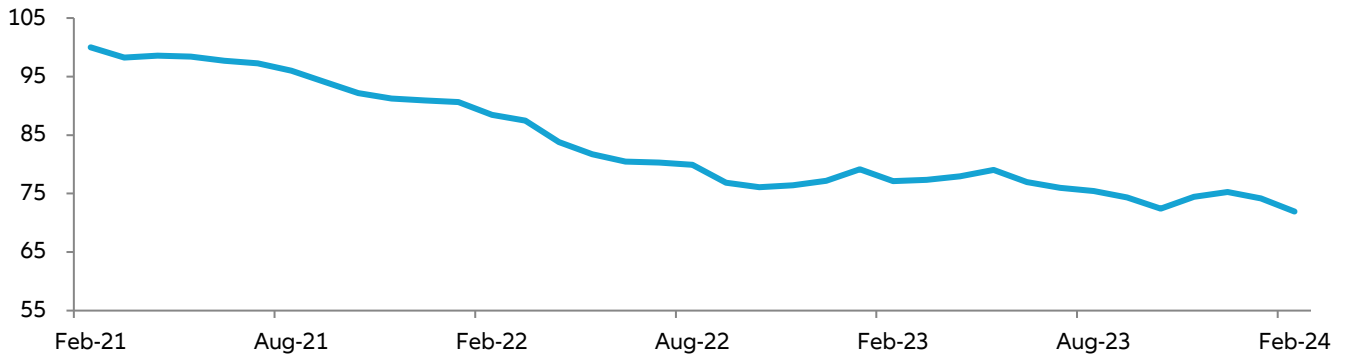
Investment Objective

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

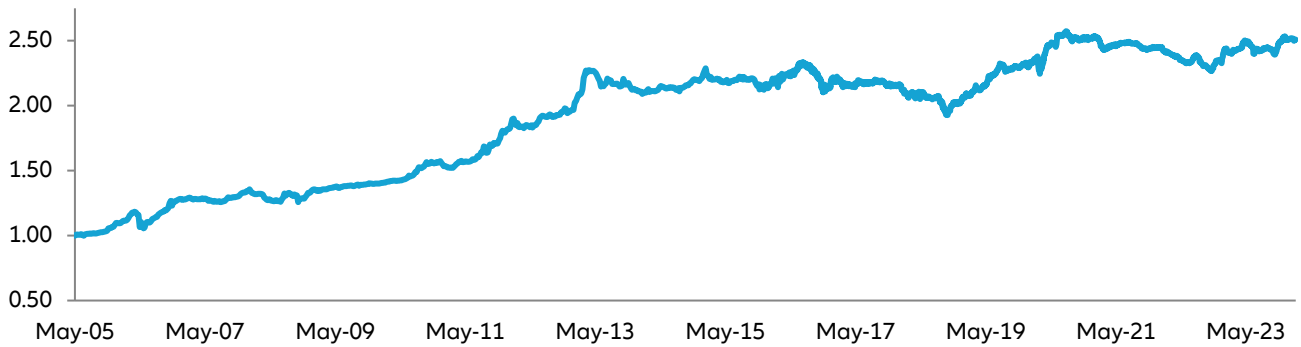
Performance Overview

Performance History	Year To Date	1 Year (YoY)	3 Years (YoY)	5 Years (YoY)	Since Inception
Absolute	-0.93%	3.52%	2.95%	16.93%	150.99%
Annualized	N/A	3.52%	0.97%	3.18%	5.03%

Indexed Performance Over 3 Years (NAV - NAV)



NAVPU Since Inception

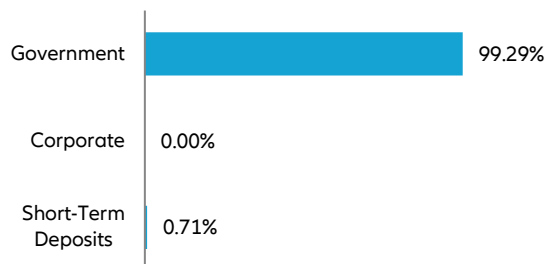


Portfolio Analysis

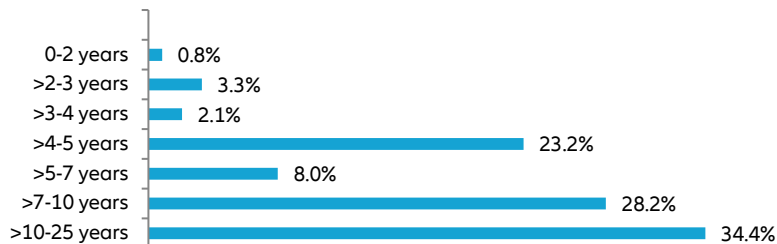
Top 5 Holdings

Securities	%
FXTN 20-17 6.40% 07/19/2031	15.1
FXTN 20-23 6.75% 01/24/2013	9.8
FXTN 10-64 6.875% 01/10/2031	9.3
RTB 5-16 03/07/2028	8.2
FXTN 20-25 11/24/2042	8.2
Total	50.6

Asset Allocation



Maturity Profile (Bond Holdings)



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