

## FUND PROFILE

Fund Classification	Fixed Income Fund
Risk Profile	Conservative
Fund Currency	Philippine Peso
Launch Date	06-Sep-05
Net Asset Value per Share (NAVPS)	2.5048
Fund Size	PHP 1,178.94 in Millions
Annualized Volatility	3.17%
Duration (Years)	5.02
Management Fee	up to 1.750% per annum
Min. Initial Investment	PHP 5,000
Min. Add'l Investment	PHP 1,000
Min. Holding Period	6 months
Sales Load	Max. of 2%
Exit Fee	1.00% within 6 months
Redemption Notice Period	max. of 7 days
Valuation Method	Marked-to-Market
Custodian Bank	Deutsche Bank AG Manila
Transfer Agent	MetrobankTrust

## MARKET UPDATE

### LOCAL FIXED INCOME

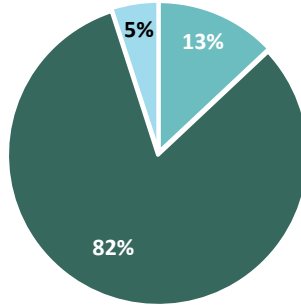
Local GS yield curve saw a bear flattening in the month, where short end yields rose by as much as 46 bps while yields in the belly to the long end rose by 13 – 19 bps due to higher US yields, as well as revised rate cut expectations from the Fed and the BSP. As expected, the BSP reduced their policy rates by 25-bps in their last MB meeting and revised their risk-adjusted inflation forecast for 2024 to 3.1% (previous estimate 3.3%) due to the impact of lower import tariffs on rice.

However, they raised their inflation forecasts for 2025 and 2026 to 3.3% and 3.7%, respectively (previous estimate 2.9% and 3.3%) due to potential adjustments in electricity rates and higher minimum wages, which fueled some pushback on the magnitude of future rate cuts. Selling activity was mostly prevalent in the secondary market, as players looked to de-risk/trim positions due to lack of downward catalysts.

We expect the local GS market to continue to consolidate in the near term given elevated US yields. However, we expect the market to be well supported given the additional liquidity from the reserve requirement ratio cut and recent bond maturities. Market movement will continue to be dictated by key economic data releases and further signals from the BSP on their monetary policy moving forward.

## FUND BASICS

The fund aims to provide returns through investments in government, corporate debt securities, and bank deposits. This fund is suitable for conservative investors with short to medium-term investment horizons.



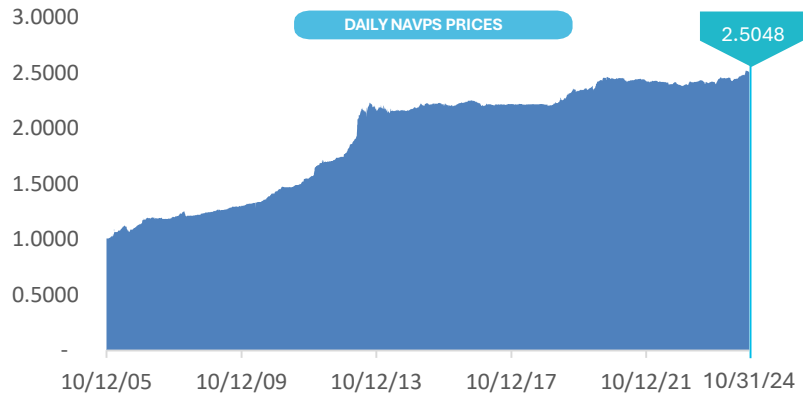
- Corporate Bonds
- Government Securities
- Cash, Time Deposits and Others

### CUMULATIVE RETURNS<sup>1</sup>

	YTD	1-year	3-year	5-year	10-year	S.I. <sup>2</sup>
<b>SALFIF</b>	1.95%	4.43%	3.40%	6.83%	15.18%	148.62%
Benchmark <sup>3</sup>	3.76%	7.71%	-0.82%	9.96%	-	-

### CALENDAR YEAR RETURNS<sup>4</sup>

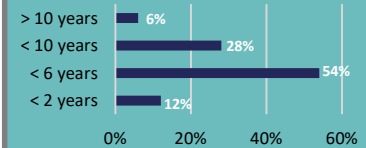
	2023	2022	2021	2020	2019	2018	2017
<b>SALFIF</b>	2.74%	-1.41%	-1.11%	4.00%	6.80%	-0.50%	0.47%



### TOP 5 FIXED-INCOME SECURITIES

(34% OF FIXED-INCOME SECURITIES HOLDINGS)	COUPON	MATURITY DATE
FXTN 20-17	8.0000%	07/19/2031
SAN MIGUEL FOOD AND BEVERAGES, INC.	5.2500%	03/10/2027
RTB 05-18	6.2500%	02/28/2029
FXTN 10-72	6.2500%	01/25/2034
FXTN 20-27	6.8750%	05/23/2044

### MATURITY PROFILE



**DISCLAIMER:** This is not a deposit product. Earnings are not assured, and principal amount invested is exposed to risk of loss. An investment in the Fund is not insured or guaranteed by the Philippines Deposit Insurance Corporation or any other government agency. This product cannot be sold to you unless its benefits and risks have been thoroughly explained. Past performance is not a guide to future performance. The price of securities can and does fluctuate, and any individual security may experience upward or downward movement.

<sup>1</sup> Cumulative returns as of October 31, 2024.

<sup>2</sup> Since Inception as of 10/12/05.

<sup>3</sup> Benchmark – Blended FI Benchmark. (Blended FI Benchmark is composed of 60% BPHILR Index + 30% SPBPHCPT Index + 10% PSAVAVE Index and was first used on 09/01/20)

<sup>4</sup> Calendar Year Return is computed by getting the change on NAVPS from the first business day of the calendar year to the last business day of same year (Jan 01 – Dec 31 of a given year).

Note: Year-to-date (YTD) return refers to the amount of profit made by an investment since the first day of the current year.