

# **Wealth Bond Fund**

Fund Fact Sheet as of February 2024



# **INVESTMENT OBJECTIVE**

The Fund is an actively-managed fixed income fund that seeks to achieve capital and income growth through investments in interest-bearing securities issued by the Philippine Government and money market instruments issued by banks.



### **FUND INFORMATION**

0004
6839
2753
8800
.91%
5.68



Fund risk ratings are calculated based on the historical volatility of the fund in order to match the client's risk profile. A risk profile of 2 matches with the conservative investor, indicating a fund with a low-medium volatility profile (i.e. fixed income, money market).

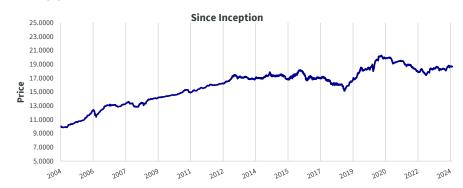


# **MARKET COMMENTARY**

January headline inflation eased to 2.8% YoY, a decline from December 2023's 3.9%, lower than the consensus forecast of 3.1%, and the slowest since 3.0% in November 2020 amid the pandemic. The softer print can be attributed to reduced upward price pressures on items like vegetables, housing, water, electricity, gas, and transport, coupled with a high base of 8.7% YoY in January 2023. Based on the data, BSP opted to maintain its policy rate at 6.50% for the third time in the first Monetary Board meeting of the year. While acknowledging improvements in inflation, the monetary board still maintains a watchful stance, particularly regarding upside risks from higher transport charges, oil prices amid geopolitical tensions, and electricity and domestic food prices as the hot season approaches. Market reaction to the lower inflation print was fairly muted as the Bureau of Treasury better captured the attention of fixed income investors through the new 5-year Retail Treasury Bond (RTB 5-18) boasting a final coupon of 6.25%. The BTr surpassed its initial plan, successfully raising PHP585bn, as opposed to the intended P 400bn, through fresh money and swap orders from bondholders of RTB 3-11 and RTB 5-12 set to mature on March 9 and 12, respectively. This issuance garnered robust interest, highlighting an attractive return, particularly in anticipation of rate cuts in 2H2024 and by relative value following the BTR's award of a new 20-year bond (FXTN 20-26) at the same 6.25% rate.

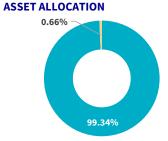
# **FUND PERFORMANCE AND STATISTICS**

#### **NAVPU GRAPH**



(Purely for reference purposes and is not a guarantee of future results)

FUND RETURNS <sup>3</sup>	1 MONTH	1 YEAR	3 YEARS	5 YEARS	SINCE INCEPTION
Cumulative <sup>4</sup>	-0.27%	2.11%	-4.74%	13.50%	86.83%
Annualized <sup>5</sup>	-	2.11%	-1.60%	2.56%	3.26%



■ Fixed Income ■ Cash / Money Market

#### **CREDIT QUALITY\***

AAA	0.00%
AA	0.00%
A	0.00%
BBB	100.00%
ВВ	0.00%
В	0.00%
Below B	0.00%
NR	0.00%

\*Fixed Income portion only

#### **FOOTNOTES**

<sup>1</sup> Quoted Asset Management Charge is inclusive of Fund Manager, Custodian and Fund Administration fees and VAT. Please note that the target fund of the Fund charges a separate management fee which is included in the computation of the Fund's NAVPU.

<sup>2</sup>Volatility measures the degree to which the Fund fluctuates vis-à-vis its average return in a specific period. The lower the number, the more stable the Fund's return is.

<sup>3</sup>Fund return refers to the fund performance based on the NAVPU movement of the fund

<sup>4</sup>Cumulative returns is the total earnings performance of the fund in a specific period.

<sup>5</sup> Annualized returns is the Compounded Annual Growth Rate, or the simulated growth rate on a yearly basis if Principal plus Interest are re-invested annually.

### TOP HOLDINGS

TOP HOLDINGS			
1. Rep. of the Philippines 8.000% 09/30/35	5.02%	6. Rep. of the Philippines 6.250% 04/20/36	3.99%
2. Rep. of the Philippines 8.125% 12/16/35	4.96%	7. Rep. of the Philippines 6.625% 08/17/33	3.63%
3. Rep. of the Philippines 6.375% 07/27/30	4.39%	8. Rep. of the Philippines 8.000% 07/19/31	3.50%
4. Rep. of the Philippines 6.750% 09/15/32	4.27%	9. Rep. of the Philippines 6.000% 04/27/30	3.41%
5. Rep. of the Philippines 6.875% 01/10/29	4.10%	10. Rep. of the Philippines 6.250% 02/28/29	3.26%

The investment fund is not a deposit product and is not insured by the Philippine Deposit Insurance Corp (PDIC). Returns presented are not guaranteed and graphs of historical NAVPUs are for illustration only. The Fund figures reflected in this document are not indicative of future performance. Potential investors should be aware that the price of units per share and the potential income from them may go up or down depending on market fluctuations, and thus are not guaranteed. The figures are exclusive of charges which will vary depending on the AXA product where this fund will be used. The weekly unit prices of the AXA funds are published every Tuesday in the business section of the Philippine Star. You can also get more information at http://www.axa.com.ph.