



# Premium Bond Fund

Fund Fact Sheet as of February 2024



## INVESTMENT OBJECTIVE

The Fund seeks to maintain a moderate level of liquidity and earn moderate investment returns by investing in medium to long-term US Dollar-denominated time deposits and government bonds whose credit rating is at least at par with the Philippine government.



## FUND INFORMATION

Launch Date	April 24, 2003	Initial NAV per Unit	\$0.9999
Total Net Asset Value	\$58,933,261	Latest NAV per Unit	\$2.4626
Fund Classification & Currency	Bond Fund - USD	Highest NAV per Unit	8/12/2020 \$2.9791
Fund Manager	Metrobank - Trust Banking Group	Lowest NAV per Unit	5/13/2004 \$0.9986
Fund Admin & Custodian	Citibank N.A.	1 Year Volatility <sup>2</sup>	7.03%
Asset Management Charge <sup>1</sup>	2.2058%	Weighted Average Duration	8.72



## RISK PROFILE

Low-Medium Risk

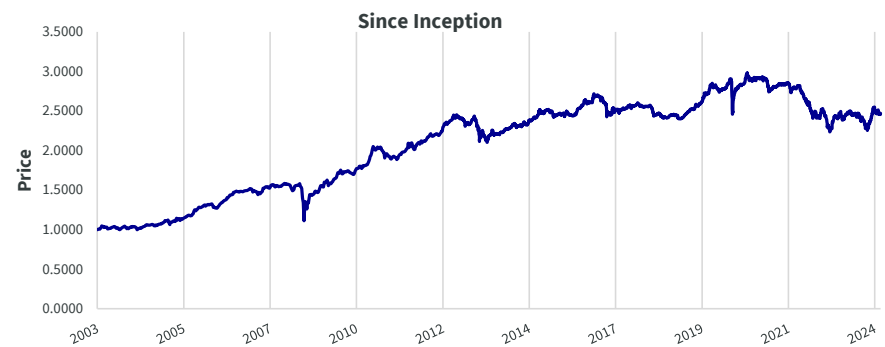
Lower risk **1 2 3 4 5** Higher risk

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).



## FUND PERFORMANCE AND STATISTICS

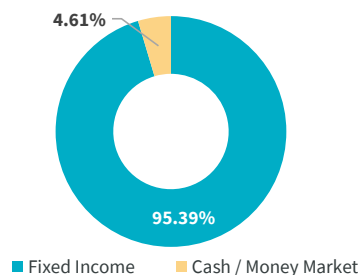
### NAVPU GRAPH



(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>	-0.84%	2.75%	-13.52%	-2.56%	146.28%
Annualized <sup>5</sup>	-	2.75%	-4.73%	-0.52%	4.43%

### ASSET ALLOCATION



### CREDIT QUALITY\*

AAA	0.00%
AA	0.00%
A	0.00%
BBB	100.00%
BB	0.00%
B	0.00%
Below B	0.00%
NR	0.00%

\*Fixed Income portion only



## MARKET COMMENTARY

Initially anticipating six rate cuts in 2024, markets have revised expectations to 3-4 cuts due to key economic indicators in January displaying the US economy's resilience amid a high-interest rate environment. In its first meeting of the year, the central bank kept rates steady at 5.25% to 5.5%, with Fed officials stressing the possibility of prolonged restrictive policy rates to attain the 2% inflation target, ruling out a March cut. Presently, markets project a rate pivot in June with almost 60% probability.

Headline inflation in January remains sticky at 3.1% YoY, surpassing expectations of 2.9%, driven by rising shelter and food costs. US PPI exceeded predictions, rising to 0.3% MoM (0.9% YoY). The labor market also proved robust with the addition of 353K new jobs, beating December's revised 333K and forecasts of 180K.

In the short to medium term, data releases raise concern about reflation, or the outlook of lower inflation not panning out, coupled with fiscal spending preceding the 2024 US Presidential elections, improving PMI data, and equity markets reaching new all-time highs. Tensions in the Middle East have also driven the WTI, one of the main global oil benchmarks, to increase by 3.17% for the month or 11% YTD. Overall, these headwinds have pushed the US10Y yield 37bps higher MoM to 4.25%. The uptick favors an overweight duration stance for fixed income funds seeking to tactically optimize cash holdings. US Treasury Bills also continue to trade flat to time deposit rates shown by banks, which offer a 60-day yield of 5.20%.

## 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

1. Rep. of the Philippines 9.500% 02/02/30	8.45%	6. Rep. of the Philippines 5.500% 01/17/48	8.45%
2. Rep. of the Philippines 6.375% 10/23/34	8.06%	7. Rep. of the Philippines 5.000% 01/13/37	8.06%
3. Rep. of the Philippines 7.750% 01/14/31	7.64%	8. Rep. of the Philippines 3.700% 03/01/41	7.64%
4. Rep. of the Philippines 3.950% 01/20/40	5.80%	9. Rep. of the Philippines 3.700% 02/02/42	5.80%
5. Rep. of the Philippines 3.750% 01/14/29	5.77%	10. Rep. of the Philippines 3.200% 07/06/46	5.77%

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>.

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