

FWD Peso Fixed Income Fund

INVESTMENT OBJECTIVE

This is an actively managed Bond Fund that aims to achieve investment returns by investing in medium to long term fixed income securities issued by the Philippine Government and Philippine Corporations. This Fund will also invest in money market instruments issued by banks.

SUMMARY

- The Fund’s NAVPU grew 1.09% month-on-month as the Fund Manager took advantage of the sustained rally in local government securities during the month.
- The BSP kept policy rates unchanged as they remain wary of the developments abroad affecting the local economy.
- Globally, investors are closely watching economic data releases to gauge the real condition of the global economy. On the local front, trading may be muted due to the transition to the interest rate corridor, which shifts to the use of floor and ceiling rates for short-term financing.
- The Fund Manager’s view is that interest rates will rise, and the Fund is being rebalanced to a more defensive allocation. This is expected to lessen the volatility of the Fund when interest rates go up.

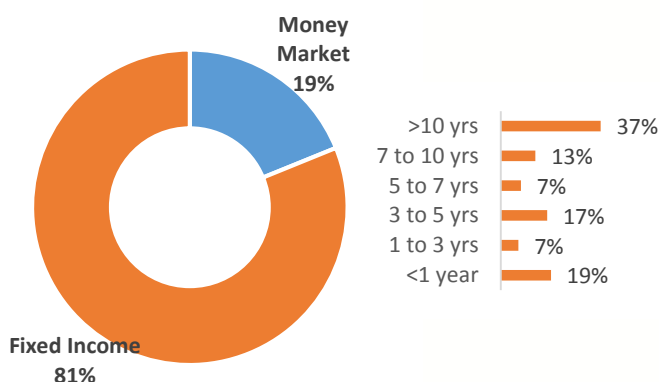
FUND INFORMATION

Net Asset Value (NAV)	P90.00M
NAV per Unit (NAVPU)	P1.04103
Inception Date	September 15, 2014
Initial NAVPU on Inception	P1.00000
Fund Currency	Philippine Peso
Dealing Schedule	Daily

FUND PERFORMANCE

Month-on-Month	Year to Date	Since Inception
1.09%	2.99%	4.10%

PORTFOLIO ALLOCATION



HISTORICAL FUND PRICE



MARKET REVIEW

Risk sentiment made an about face favoring high-yielding EM assets. Central to this theme is the central bank actions during the month, with the US Fed, ECB, and PBoC erring on the dovish side as they altogether try to bolster their economies.

On the local front, headline inflation increased slower than expected to 0.9% on benign food and utility prices. The local Monetary Board kept their rates steady at their meeting in March as they remain wary of developments abroad taking a hit on the local economy. Inflation forecast was revised lower from 2.2% to 2.1% in 2016 and from 3.2% and 3.1% in 2017.

MARKET OUTLOOK

On the global front, investors are closely watching economic data releases to gauge the real health of the global economy. Eyes are also on the developments in the Middle East and other oil-producing economies as they try to resolve the supply glut which had severely impaired their fiscal revenues. On the local front, trading will be muted as the BSP transition to the interest rate corridor. Meanwhile, significant maturities may provide liquidity to the market.

TOP SECURITY HOLDINGS

SECURITY	TYPE	MATURITY	% HELD
1 FXTN 20-17	Govt Bond	2031	18%
2 FXTN 25-11	Govt Bond	2040	16%
3 FXTN 10-60	Govt Bond	2025	11%
4 FXTN 5-72	Govt Bond	2018	7%
5 FXTN 7-56	Govt Bond	2019	6%
6 FXTN7-57	Govt Bond	2021	5%
7 ALI 2022	Corp Bond	2022	4%
8 SMIC 2021	Corp Bond	2021	3%
9 FXT 20-20	Govt Bond	2033	3%
10 AEV 2020	Corp Bond	2020	3%