

FWD Peso Bond 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 such as government securities, select corporate bonds and/or notes and money market securities.

SUMMARY

- The Fund posted a return of 1.29% month-on-month due to a rally towards the end of the month, which was brought by Fed Gov. Yellen’s comment that FED is unlikely to make aggressive moves given uncertainty in current global condition.
- The Fund Manager expects that the Bond market activity will be range-bound with an upward bias, but a healthy correction is also expected after the implementation of the BSP of the interest rate corridor, which is a shift to the use of floor and ceiling rates for short-term financing.

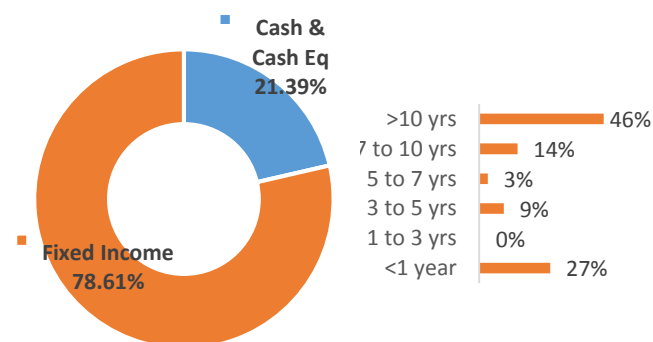
FUND INFORMATION

Net Asset Value (NAV)	P64.31M
NAV per Unit (NAVPU)	P0.98488
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
1.29%	3.84%	-1.51%

PORTFOLIO ALLOCATION



HISTORICAL FUND PRICE



TOP SECURITY HOLDINGS

SECURITY	TYPE	MATURITY	% HELD
1 FXTN 20-17	Govt Bond	2031	46%
2 FXTN 10-60	Govt Bond	2025	14%
3 ISA	Money Market	2016	13%
4 SDA	Money Market	2016	9%
5 AEV 2020	Corp Bond	2020	5%
6 TBILL 04.20.16	Money Market	2016	3%
7 ROCK 2021	Corp Bond	2021	2%
8 SMB 2021	Corp Bond	2021	1%
9 EDC 2016	Corp Bond	2016	1%
10 TBILL 04.06.16	Money Market	2016	1%

MARKET REVIEW

Market players moved cautiously for the first half of the month as they waited for leads. By the middle of March, the FOMC kept their policy rate unchanged at 0.25% and revised its target of having four rate hikes to merely two, citing that global and financial developments continue to pose risks to the economy. However, Fed Governor Janet Yellen’s solid dovish comments by the end of the month ignited a stronger market rally.

MARKET OUTLOOK

March inflation was at 1.1% - exactly what was forecasted by economists but below the government’s 2% target. The Fund Manager expects market activity to be range-bound with an upward bias, however there is also a healthy correction expected in the market especially after the Interest Rate Corridor gets implemented.