

## FUND PERFORMANCE

ALFM MUTUAL FUNDS	PRICE	YTD
ALFM Money Market Fund, Inc.	130.00	0.15%
ALFM Peso Bond Fund, Inc.	370.87	-0.05%
ALFM Dollar Bond Fund, Inc.	483.71	-0.03%
ALFM Euro Bond Fund, Inc.	219.72	0.25%
ALFM Growth Fund, Inc.	204.49	-10.00%
Philippine Stock Index Fund Corp.	717.89	-10.45%
ALFM Global Multi-Asset Income Fund, Inc.	0.99	1.02%

PAMI MUTUAL FUNDS	PRICE	YTD
Philam Managed Income Fund, Inc.	1.3212	0.00%
Philam Bond Fund, Inc.	4.4677	-3.60%
Philam Dollar Bond Fund, Inc.	2.4821	-2.11%
Philam Fund, Inc.	15.7341	-7.19%
PAMI Horizon Fund, Inc.	3.5053	-7.47%
Philam Strategic Growth Fund, Inc.	439.79	-9.96%
PAMI Equity Index Fund, Inc.	41.8941	-10.57%
PAMI Global Bond Fund, Inc.*	1.0504	-3.87%
PAMI Asia Balanced Fund, Inc.*	1.1375	-1.10%

OTHER BIMI MANAGED FUNDS	PRICE	YTD
Ekklesia Mutual Fund Inc.	2.2564	-1.72%
Solidaritas Fund, Inc.	1.9646	-6.18%
Affinity Global Multi-Asset Fund, Inc.*	0.9662	-3.85%

\*As of May 3, 2021

## NOTES FROM THE FUND MANAGER

### Fixed Income

In last week's FOMC meeting, the Fed left the federal funds target rate unchanged at 0%-0.25% as expected and maintained the current pace of its asset purchases at USD 120 Bn per month. The Fed's rhetoric remains dovish despite indications of strengthening economic activity and employment in the US. Fed Chair Powell has noted that inflation has risen but deems it transitory on the back of base effects and upward price pressures from economic reopening. Chair Powell has also stated it is too early to talk about tapering as we would need to see "substantial further progress" in the economy, again citing that employment is still about 8.5 mn below pre-pandemic levels.

Economic data continues to paint a rosy path to recovery in the US with March core PCE index rising 0.4% month-on-month, personal income surging 21.1% due to a boost from stimulus checks, employment cost index rising 0.9% in Q1 (vs 0.7% expected), and consumer sentiment rising by 1.8pts to 88.3. US Treasuries were higher by about 4 bps week-on-week, closing at 1.60% on May 3.

In the local space, most investors remained on the sidelines last week ahead of more supply and April inflation print coming out this week. Month-on-month, we saw a flatter local yield curve with the 3 year securities lower by about 18 bps to 2.594%, 5 and 7 year securities bouncing off the lows to 3.279% and 3.681% respectively, and 10 year securities outperforming, rallying 24 bps to 3.875%.

Demand was strong in the Philippine Treasury bills auction yesterday with yields falling in line with secondary market levels. 91-day bills were awarded 6 bps lower at 1.306%, 182-day bills lower by 8.5 bps at 1.629% and 364-day bills lower by 2 bps to 1.863%. The Bureau of the Treasury reissued the 5 yr paper FXTN 5-77 today with coupon 3.375% at an average yield of 3.295%, also in line with secondary market levels. Investors remain defensive with all eyes on April inflation data out on May 5 with BSP estimates at 4.2%-5.0% and point estimate at 4.6%, faster than the March print of 4.5%.

USDPHP is down about 35 cents week-on-week, closing at 48.048 on May 3, with the peso appreciation attributed to unchanged Fed policy rates, Philippine Balance of payments posting a narrower deficit of – USD 73mn in March vs –US 2.02Bn in February, and continued weak demand for USD amid the ongoing restrictions on economic activity.

### Equities

The Philippine Stock Exchange (PSEi) closed at 6,359.15 ('21 est. PE of 17.4x) on May 4, up 0.04% week-on-week primarily due to the continued lack of positive catalysts, with investors opting to stay on the sidelines ahead of Wednesday's inflation print. During the trading week, AEV (+5.15%) was the best performer due to the company's higher than expected earnings, while investor flows caused GLO (-3.95%) to be the worst performer. Average daily turnover dropped to Php4.75Bn, with index names ALI and SM still being the most highly traded stocks, followed by ACEN in light of the company's follow-on offering. Net foreign outflows for the past week amounted to USD 43.92 million. We continue to expect the market to trade range-bound in the short term as investors await more corporate earnings releases.

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