

## FUND PERFORMANCE

ALFM MUTUAL FUNDS	PRICE	YTD
ALFM Money Market Fund, Inc.	130.83	0.79%
ALFM Peso Bond Fund, Inc.	372.24	0.32%
ALFM Dollar Bond Fund, Inc.	487.98	0.85%
ALFM Euro Bond Fund, Inc.	219.94	0.35%
ALFM Growth Fund, Inc.	230.54	1.46%
Philippine Stock Index Fund Corp.	815.43	1.72%
ALFM Global Multi-Asset Income Fund, Inc.	0.97	-1.02%
ALFM Global Multi-Asset Income Fund, Inc. (PHP)	47.92	0.34%

PAMI MUTUAL FUNDS	PRICE	YTD
Philam Managed Income Fund, Inc.	1.3162	-0.38%
Philam Bond Fund, Inc.	4.4093	-4.86%
Philam Dollar Bond Fund, Inc.	2.4753	-2.38%
Philam Fund, Inc.	16.7699	-0.98%
PAMI Horizon Fund, Inc.	3.7467	-1.09%
Philam Strategic Growth Fund, Inc.	495.42	1.32%
PAMI Equity Index Fund, Inc.	47.4267	1.24%
PAMI Global Bond Fund, Inc.*	1.0203	-6.63%
PAMI Asia Balanced Fund, Inc.*	1.0764	-6.42%

OTHER BIMI MANAGED FUNDS	PRICE	YTD
Ekklesia Mutual Fund Inc.	2.2422	-2.34%
Solidaritas Fund, Inc.	2.1054	0.54%
Affinity Global Multi-Asset Fund, Inc.	0.9893	-1.55%

\*As of October 15, 2021

ECONOMIC INDICATORS	LEVEL
USD/PHP	50.840000
EUR/PHP	58.877804
PSEi	7,219.81
Dow Jones	35,258.61
S&P 500	4,486.46
FTSE	7,205.34
US 10Yr	1.6002%
Brent	\$84.33
Dubai	\$81.311
Gold	\$1,764.86

## NOTES FROM THE FUND MANAGER

### Fixed Income

The International Monetary Fund revised its global growth forecast for 2021 lower to 5.9% from 6% due to supply disruptions and worsening COVID-19 situation in various countries. US CPI inflation for September came in higher than expected at 5.4% year-on-year vs 5.3% last month, however producer prices rose lower-than-expected at 8.6% but still higher last month's reading at 8.3%. Rising oil prices continue to heighten investors' inflation concerns. The latest Federal Open Market Committee (FOMC) meeting minutes showed the US Federal Reserve could begin reducing the pace of its monthly asset purchased by mid-November. 10 yr US Treasury yields remain elevated but fell about 1 bp week-on-week, closing at 1.602% on October 18.

In the local space, bond supply and inflationary pressures keep investors defensive. Week-on-week, we saw yields on the local PHP government securities continue to rise led by the medium-term bonds. The 3 year PHP government bond yields rose about 10 bps, 5yr bonds rose by about 45 bps, 6yr bonds rose 50 bps and 7 yr bonds rose about 15 bps. We continue to see good appetite for Philippine Treasury bills at Oct 18 auction, with 91-day and 364-day bills average yield rising about 2 bps while the 182-day bills were awarded relatively unchanged. On Oct 19, the BTr rejected all bids for the 6 yr paper FXTN 10-61 reissue as bidders sought higher yields amid inflation concerns and anticipated Fed action. Treasurer Rosalia de Leon maintains that the government has a strong cash position. Bangko Sentral Pilipinas Governor Benjamin Diokno has reiterated that the uptick in inflation is transitory and stated that there won't be any monetary adjustments "between now and the end of the year."

USD/PHP rose 4 cents week-on-week, closing at 50.84 on October 18 on general USD strength amid higher inflation expectations and elevated US Treasury yields.

### Equities

The Philippine Stock Exchange (PSEi) closed at 7,266.31 ('21 est. PE of 20.9x) on October 19, up 2.23% week-on-week mainly as the government moved Metro Manila to a lower Alert Level 3 for the second half of October amid declining reported daily COVID-19 cases. Cyclical continued to outperform for the week as investors looked for re-opening plays, with SECB (+8.04%) and RLC (+7.98%) being the best performers, while CNVRG (-11.30%) and ACEN (-8.05%) were the worst performers due to profit taking on names which outperformed prior to re-opening. Average daily turnover for the trading week dropped to Php9.89Bn, with CNVRG, MONDE, and ACEN being the most highly traded stocks. Net foreign buying for the week amounted to USD20.3Mn. We expect the market to trade range-bound in the short term, with the index possibly testing the 7,500 level.

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