

PHILEQUITY PESO BOND FUND, INC.
(formerly “Philequity Money Market Fund, Inc.”)

BENEFITS TO INVESTOR

A. Professional Management and Supervision

Since the Fund will invest in various medium-term debt instruments issued by the government and by corporations, Investors gain access to potentially higher yields offered by these securities. In addition, investors can also earn from the potential capital appreciation of these debt instruments whenever the movement of interest rates is favorable. A small investor would be unable to take advantage of the higher yield offered by these debt instruments due to the large minimum investment requirements, however, by pooling his money with those of other investors, an Investor can avail of the returns enjoyed only by large investors. Moreover, the Investor can take advantage of economies of scale and obtain higher returns from his investment in the Fund compared to other fixed-income investments

B. Diversification

The Fund enables an investor to diversify his investible funds among a selection of medium term debt instruments by investing in the Fund. Diversification reduces the risks associated with investing in individual securities.

C. Access to Higher Interest Rates

As the Fund will invest solely in medium term fixed income securities and other money market instruments with maturities of at least one year which are guaranteed by their issuers such as commercial papers, government securities and treasury bills (91 to 180 days), the Investor greatly reduces his risk exposure while taking advantage of the higher yield offered by these debt securities. A small investor would be unable to take advantage of the higher yield offered by these debt instruments due to the large minimum investment requirements, however, by pooling his money with those of other investors, an Investor can avail of the returns enjoyed only by large investors. Moreover, the Investor can take advantage of economies of scale and obtain higher returns from his investment in the Fund compared to other fixed-income investments.

D. Liquidity

For liquidity purposes, the Fund shall invest at least ten percent (10%) of its funds in liquid/semi-liquid assets. With this risk management strategy, the Fund does not anticipate any cash flow/liquidity problem within the next twelve months. The Fund is not aware of any default or breach of any note, loan, lease or other indebtedness or financing arrangement that would require it to make payments. Nor is there any trade payable of the Fund that has not been satisfied. A shareholder of the Fund may at any time, convert his proportionate share of the Fund's current net assets into its cash equivalent (i.e. the NAV per share less redemption charges, if any). There is no need for the shareholder to find a buyer as the Fund is always ready to redeem or buy back its shares, provided that the shareholder submits all pertinent requirements as set forth in the section Redemption of Shares.