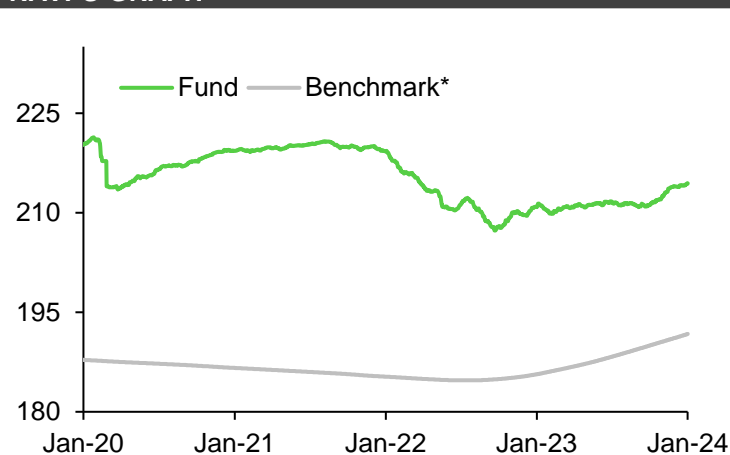


**FUND OVERVIEW**

The Fund aims to achieve capital preservation through a steady stream of income by investing in a diversified portfolio of fixed income instruments issued by foreign and local entities, such as but not limited to, Euro-denominated government securities, corporate notes and bonds, and fixed income funds.

The fund is suitable for investors who:

- Are at least classified as **moderately aggressive** based on their risk profile.
- have an investment horizon of up **at least three (3) years**.

**FUND PERFORMANCE AND STATISTICS** *(Purely for reference purposes and is not a guarantee of future results)*
**NAVPS GRAPH**


NAVPS 214.38

**STATISTICS**

Weighted Ave Duration (Yrs)	3.13
Volatility, Past 1 Year (%) <sup>5</sup>	0.73
Sharpe Ratio <sup>6</sup>	-2.18
Information Ratio <sup>7</sup>	-2.19
Port. Weighted Yield to Maturity (%)	1.72
Number of Holdings	19

**PORTFOLIO COMPOSITION**

Allocation	% of Fund
Government	58.51
Corporates	15.64
Fixed Income Funds	11.05
Cash & Cash Equivalents <sup>8</sup>	14.80

**Asset Valuation**

Marked-to-Market	40.84
Amortized Cost	59.16

**Maturity Profile**

Less than 1 year	35.00
1 – 3 years	23.77
3 – 5 years	18.30
More than 5 years	22.93

**FUND FACTS**

<b>Classification:</b>	Medium Term Bond Fund
<b>Launch Date:</b>	January 19, 2006
<b>Dealing Day:</b>	Daily up to 2:00 PM
<b>Minimum Investment:</b> <sup>1</sup>	EUR 500.00
<b>Min. Subsequent Order:</b> <sup>1</sup>	EUR 500.00
<b>Minimum Holding Period:</b>	180 calendar days
<b>Redemption Settlement:</b>	T+0 End-of-Day
<b>Early Redemption Charge:</b>	1.00%
<b>Total Management Fee:</b> <sup>2</sup>	0.375% per annum
<b>Total Fund NAV (Mn) :</b>	EUR 15.36

**CUMULATIVE PERFORMANCE (%)** <sup>3</sup>

	1 mo	6 mos	1 YR	3 YRS	5 YRS	S.I. <sup>4</sup>
<b>Fund</b>	<b>0.18</b>	<b>1.27</b>	<b>1.69</b>	<b>-2.25</b>	<b>0.30</b>	<b>41.67</b>
<b>Benchmark</b>	0.33	1.82	3.27	2.74	1.45	10.56

**ANNUALIZED PERFORMANCE (%)** <sup>3</sup>

	1 YR	2 YRS	3 YRS	4 YRS	5 YRS	S.I. <sup>4</sup>
<b>Fund</b>	<b>1.69</b>	<b>-1.11</b>	<b>-0.76</b>	<b>-0.68</b>	<b>0.06</b>	<b>1.95</b>
<b>Benchmark</b>	3.27	1.72	0.90	0.52	0.29	0.56

**CALENDAR YEAR PERFORMANCE(%)** <sup>3</sup>

	YTD	2023	2022	2021	2020	2019
<b>Fund</b>	<b>0.18</b>	<b>2.07</b>	<b>-4.71</b>	<b>0.38</b>	<b>-0.25</b>	<b>3.33</b>
<b>Benchmark</b>	0.33	3.11	-0.04	-0.71	-0.64	-0.62

**BENCHMARK**

3-month German T-Bill

**TOP HOLDINGS**

Name	Maturity	%
Republic of the Philippines Bonds	2027	12.46
PIMCO GIS Income Fund		11.05
Republic of the Philippines Bonds	2029	8.45
Time Deposit		6.51
ING Bank NV	2025	6.46

<sup>1</sup>Contribution rounded down/redemption rounded off to the nearest whole share. Mutual Fund shares do not issue fractional shares.

<sup>2</sup>Management, Distribution & Transfer Agency Fees

<sup>3</sup>Returns are net of fees.

<sup>4</sup>Since Inception.

<sup>5</sup>Measures the degree to which the Fund fluctuates vis-à-vis its average return over a period of time.

<sup>6</sup>Used to characterize how well the return of a Fund compensates the investor for the level of risk taken.

<sup>7</sup>Measures reward-to-risk efficiency of the portfolio relative to the benchmark. The higher the number, the higher the reward per unit of risk.

<sup>8</sup>Includes time deposits, other receivables (accrued income, investment securities purchased, accrued expenses, etc.) Net of Liabilities<sup>8</sup>

Fund prospectus is available upon request through BPI Investment Management Inc. (BIMI), authorized distributors and sales agents.

- **THE MUTUAL FUND IS NOT A DEPOSIT AND IS NOT INSURED BY THE PHILIPPINE DEPOSIT INSURANCE CORP. (PDIC).**
- **RETURNS CANNOT BE GUARANTEED AND HISTORICAL NAVPS IS FOR ILLUSTRATION OF NAVPS MOVEMENTS/FLUCTUATIONS ONLY.**
- **WHEN REDEEMING, THE PROCEEDS MAY BE WORTH LESS THAN THE ORIGINAL INVESTMENT AND ANY LOSSES WILL BE SOLELY FOR THE ACCOUNT OF THE CLIENT.**
- **THE FUND MANAGER IS NOT LIABLE FOR ANY LOSS UNLESS UPON WILLFUL DEFAULT, BAD FAITH OR GROSS NEGLIGENCE.**

## OUTLOOK AND STRATEGY

**Market Review.** The JP Morgan Asia Credit Index (JACI) Philippines lost 0.85% in January as Philippine dollar-denominated bonds tracked movements in US Treasuries.

Global bonds experienced heightened volatility in January as market participants tempered their policy rate cut expectations due to robust US economic data and hawkish comments from US Federal Reserve (Fed) officials. US economic growth beat expectations, expanding by 3.3% in the fourth quarter of 2023, while latest employment and wage growth data continued to suggest a tight labor market.

In December, US consumer price index (CPI) inflation rose by 3.4%, faster than the 3.2% median estimate and the 3.1% recorded in November. Meanwhile, core personal consumption expenditure (PCE) index inflation, the Fed's preferred gauge, fell to 2.9%, the slowest since April 2021. Despite recent progress in inflation, Fed Chairman Jerome Powell emphasized the need to see more data to gain greater confidence that inflation is sustainably moving towards the 2% target before considering policy rate cuts. Consequently, the 10-year US Treasury benchmark yield spiked from 3.88% to as high as 4.18% before closing the month three basis points higher at 3.91%.

On the domestic front, inflation for December inched down to 3.9%, settling within the Bangko Sentral ng Pilipinas (BSP)'s target range for the first time in nearly two years. This figure, in line with market expectations, was brought about by declining fuel and vegetable prices. Similar to the Fed's stance, BSP Governor Eli Remolona mentioned that while inflation trend is on the right track, the start of policy rate cuts is possible but unlikely to commence in the first half of 2024. He also highlighted that supply shocks still pose risks, especially with the El Nino phenomenon.

**Fund Performance.** The Fund returned 0.18% for the month, underperforming its benchmark by 15 basis points. Year-to-date, return amounted to 0.18%, underperforming its benchmark by 15 basis points.

**Fund Strategy.** The fund will maintain its current duration. Investors in the bond fund must be prepared to withstand short-term volatility as higher investment value is normally achieved over the medium- to long-term.