

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.

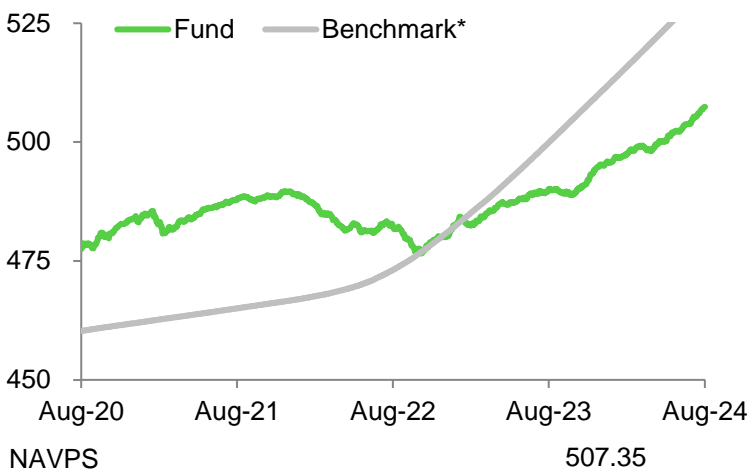
The fund is suitable for investors who:

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

FUND FACTS

Classification:	Medium-Term Bond Fund
Launch Date:	February 5, 2002
Dealing Day:	Daily up to 2:00 PM
Minimum Investment:	USD 100.00 ¹
Min. Subsequent Order:	Equivalent amount of 1 share*
Minimum Holding Period:	180 calendar days
Redemption Settlement:	T+0 End-of-Day
Early Redemption Charge:	1.00%
Total Management Fee²:	1.25% per annum
Total Fund NAV (Mn) :	USD 221.77

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



CUMULATIVE PERFORMANCE (%)³

	1 mo	6 mos	1 YR	3 YRS	5 YRS	S.I. ⁴
Fund	0.58	1.99	3.51	3.93	9.38	123.01
Benchmark	0.50	3.14	6.37	14.04	17.08	65.76

ANNUALIZED PERFORMANCE (%)³

	1 YR	2 YRS	3 YRS	4 YRS	5 YRS	S.I. ⁴
Fund	3.51	2.56	1.29	1.54	1.81	3.62
Benchmark	6.37	5.94	4.48	3.58	3.20	2.26

CALENDAR YEAR PERFORMANCE(%)³

	YTD	2023	2022	2021	2020	2019
Fund	2.45	3.17	-1.96	1.19	3.34	4.45
Benchmark	4.22	6.15	2.96	1.03	1.37	3.09

BENCHMARK

3-month US Treasury bill plus 1.00%

STATISTICS

Weighted Ave Duration (Yrs)	3.68
Volatility, Past 1 Year (%) ⁵	0.56
Sharpe Ratio ⁶	-3.35
Information Ratio ⁷	-4.94
Port. Weighted Yield to Maturity (%)	6.17
Number of Holdings	76

TOP HOLDINGS

Name	Maturity	%
Ayala Corporation	2071	7.46
Aboitiz Equity Ventures, Inc.	2030	7.18
First Pacific	2027	5.41
JG Summit Holdings	2030	5.03
Manila Water Company, Inc.	2030	5.01

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

²Management, Distribution & Transfer Agency Fees

³Returns are net of fees.

⁴Since Inception.

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

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

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

⁸Includes time deposits, other receivables (accrued income, investment securities purchased, accrued expenses, etc.) Net of Liabilities⁸

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

PORTFOLIO COMPOSITION

Allocation	% of Fund
Government	34.40
Corporates	61.02
Fixed Income Funds	2.93
Cash & Cash Equivalents ⁸	1.66

Asset Valuation

Marked-to-Market	30.31
Amortized Cost	69.69

Maturity Profile

Less than 1 year	24.84
1 – 3 years	7.83
3 – 5 years	17.13
More than 5 years	50.21

- **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 returned 2.51% in August as Philippine dollar-denominated yields declined, tracking the movements in US Treasuries. The 10-year US Treasury bond yield dropped by 13 bps from 4.03% to 3.90% in the same period.

Global bond yields fell further as economic data releases reinforced the view that the time has come for the US Federal Reserve to adjust its policy rates. US inflation slowed down further from 3.0% in June to 3.0% in July, lower than market expectations. Meanwhile, the Core PCE Index or the Personal Consumption Expenditure Core Price Index, which is the Federal Reserve's preferred gauge for inflation, rose at a mild pace from 2.5% in June to 2.6% in June. While spending rate increased moderately, income growth was more sluggish, and savings rate declined. Moreover, the much-awaited speech of Fed Chair Powell at the Jackson Hole symposium came out with a dovish tone supporting the policymaker's plan to ease the key rate.

On the domestic front, July inflation came in at 4.4% year-on-year, higher than the previous print of 3.7% and higher than market expectations. The local inflation quickened in July following increase in housing, electricity, gas, and other fuel prices. Despite the uptick in prices, the Bangko Sentral ng Pilipinas finally reduced its policy rates by 25 basis points to 6.25%, becoming one of the first Asian central banks to ease rates besides China.

Fund Performance. The Fund returned 0.58% for the month, outperforming its benchmark by 8 basis points. Year-to-date, return amounted to 2.45%, underperforming its benchmark by 177 basis points.

Fund Strategy. The fund manager is looking to gradually add duration to the portfolio. This is in light of signs that the Federal Reserve may be consider cutting interest rates in the second half of the year. 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.