

**BPI INVEST SHORT TERM FUND****KEY INFORMATION AND INVESTMENT DISCLOSURE STATEMENT**

As of September 30, 2022

**FUND FACTS**

|                                |                                |                                 |                     |
|--------------------------------|--------------------------------|---------------------------------|---------------------|
| <b>Classification:</b>         | Money Market Fund <sup>1</sup> | <b>NAVPU:</b>                   | Php 157.29          |
| <b>Launch Date:</b>            | April 4, 2005                  | <b>Total Fund NAV (Mn):</b>     | Php 73,390.31       |
| <b>Minimum Investment:</b>     | Php 10,000.00                  | <b>Dealing Day:</b>             | Daily up to 1:30 PM |
| <b>Additional Investment:</b>  | Php 1,000.00                   | <b>Redemption Settlement:</b>   | T+0 End-of-Day      |
| <b>Minimum Holding Period:</b> | None                           | <b>Early Redemption Charge:</b> | None                |

**FEES\***

|                            |                                    |                                       |                          |
|----------------------------|------------------------------------|---------------------------------------|--------------------------|
| <b>Trustee Fees:</b> 0.50% | <b>Custodianship Fees:</b> 0.0001% | <b>External Auditor Fees:</b> 0.0041% | <b>Other Fees:</b> 0.00% |
| BPI Asset Management       | HSBC                               | Isla Lipana                           | None                     |

\*As a percentage of average daily NAV for the quarter valued at Php 78,844.53 million

\*Monthly rate: billings received for April 2021 divided by the average daily NAV for the month

\*Billings in 2018 divided by the average daily NAV

**INVESTMENT OBJECTIVE AND STRATEGY**

The Fund aims to generate liquidity and stable income by investing in a diversified portfolio of primarily short-term fixed income instruments. The Fund aims to provide excess return over the return of the 91-day Philippine Treasury Bill, net of tax.

**CLIENT SUITABILITY**

A client profiling process shall be performed prior to participating in the Fund to guide the prospective investor if the Fund is suited to his/her investment objectives and risk tolerance. Clients are advised to read the Declaration of Trust / Plan Rules of the Fund, which may be obtained from the Trustee, before deciding to invest.

The BPI Invest Short Term Fund is suitable only for investors who:

- Are at least classified as moderately conservative based on their risk profile
- Have an investment horizon of at least one (1) year

**KEY RISKS AND RISK MANAGEMENT**

You should not invest in this Fund if you do not understand or are not comfortable with the accompanying risks.

**Interest Rate Risk:** The fund invests in short term domestic fixed income securities, exposing investors to the risk of loss arising from a rise in interest rates, which generally causes fixed income security prices to decline. Factors/events that may lead to a rise in interest rates include adverse market conditions, issuer-specific factors/events and/or negative developments in domestic political and economic conditions.

**Liquidity Risk:** Investors are exposed to the risk of loss due to the Fund's inability to convert security holdings to cash immediately or in instances where conversion to cash is possible but at a highly disadvantageous price due to limited buyers/ sellers in the market, low trading volumes or market disruptions, among other reasons/ factors.

**Credit/ Default Risk:** Investors are exposed to the risk of loss due to the failure of the borrower/ debt issuer to make timely interest and/ or principal payments on its deposit liabilities, loans, bonds or other debt instruments due to a deterioration in the borrower's/ issuer's financial condition or external factors and events that may affect its ability to repay financial obligations such as negative developments in domestic political and economic conditions.

**Related Party Risk:** Investors are exposed to actual or potential conflicts of interest in the handling of related party transactions by the Trustee, specifically, time deposit placements with the Trustee's own bank and/ or its subsidiary, purchase of debt securities issued by related parties, as well as the execution of trade transactions with related counterparties.

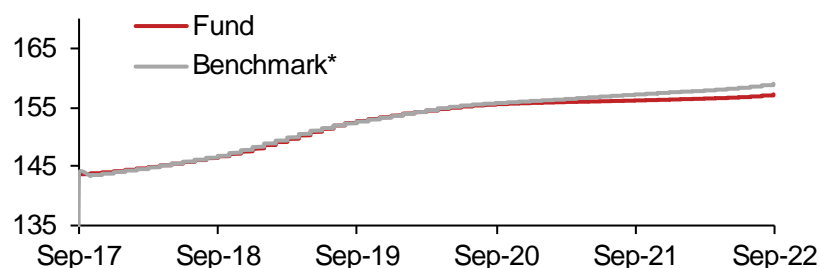
In accordance with the provisions in the Declaration of Trust, the Fund employs a risk management policy based on duration. The Fund may also use financial derivatives to hedge the portfolio against market and credit risks.

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

## FUND PERFORMANCE AND STATISTICS AS OF SEPTEMBER 30, 2022

(Purely for reference purposes and is not a guarantee of future results)

### NAVPU GRAPH



\*Benchmark is the 91-day Philippine Treasury Bill, net of tax

### CUMULATIVE PERFORMANCE (%)<sup>1</sup>

|                  | 1 mo        | 3 mos       | 6 mos       | 1YR         | 3YRS        | S.I. <sup>2</sup> |
|------------------|-------------|-------------|-------------|-------------|-------------|-------------------|
| <b>Fund</b>      | <b>0.13</b> | <b>0.31</b> | <b>0.45</b> | <b>0.66</b> | <b>2.97</b> | <b>57.29</b>      |
| <b>Benchmark</b> | 0.17        | 0.44        | 0.72        | 1.16        | 4.22        | 50.55             |

### ANNUALIZED PERFORMANCE (%)<sup>1</sup>

|                  | 1YR         | 2YRS        | 3YRS        | 4YRS        | 5YRS        | S.I. <sup>2</sup> |
|------------------|-------------|-------------|-------------|-------------|-------------|-------------------|
| <b>Fund</b>      | <b>0.66</b> | <b>0.53</b> | <b>0.98</b> | <b>1.74</b> | <b>1.82</b> | <b>2.62</b>       |
| <b>Benchmark</b> | 1.16        | 1.05        | 1.39        | 2.03        | 2.03        | 2.37              |

### CALENDAR YEAR PERFORMANCE (%)<sup>1</sup>

|                  | YTD         | 2021        | 2020        | 2019        | 2018        | 2017        |
|------------------|-------------|-------------|-------------|-------------|-------------|-------------|
| <b>Fund</b>      | <b>0.56</b> | <b>0.37</b> | <b>1.41</b> | <b>3.80</b> | <b>2.63</b> | <b>1.42</b> |
| <b>Benchmark</b> | 0.92        | 0.95        | 1.68        | 3.55        | 2.95        | 1.88        |

### PORTFOLIO COMPOSITION

| Allocation                             | % of Fund |
|--|-----------|
| Government                             | 16.75     |
| Corporates                             | -         |
| Cash                                   | 0.04      |
| Time deposits and money market         | 82.97     |
| Other receivables - net of liabilities | 0.24      |
| <b>Maturity Profile</b>                |           |
| Cash and less than 1 year              | 98.63     |
| Between 1 and 3 years                  | 1.37      |
| Between 3 and 5 years                  | -         |
| Between 5 and 7 years                  | -         |
| Between 7 and 10 years                 | -         |
| More than 10 years                     | -         |
| <b>Portfolio Weightings</b>            |           |
| Philippine Corporate Bonds             | -         |
| Philippine Sovereign Bonds             | 16.75     |

### NAVPU over the past 12 months

|         |        |
|---------|--------|
| Highest | 157.29 |
| Lowest  | 156.26 |

### STATISTICS

|  |        |
|--|--------|
| Weighted Ave Duration (Yrs)              | 0.20   |
| Volatility, Past 1 Year (%) <sup>3</sup> | 0.06   |
| Sharpe Ratio <sup>4</sup>                | -8.58  |
| Information Ratio <sup>5</sup>           | -10.10 |
| Portfolio Weighted Yield to Maturity (%) | 2.02   |
| Current Number of Holdings               | 89     |

<sup>1</sup>Returns are net of fees.

<sup>2</sup>Since Inception

<sup>3</sup>Measures the degree to which the Fund fluctuates vis-à-vis its average return over a period of time.

<sup>4</sup>Used to characterize how well the return of a Fund compensates the investor for the level of risk taken. The higher the number, the better.

<sup>5</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.

\*Declaration of Trust is available upon request through branch of account.

### TOP TEN HOLDINGS

| Name         | Maturity   | % of Fund |
|--------------|------------|-----------|
| BSP Bills    | 10/18/2022 | 5.10      |
| BSP Bills    | 10/4/2022  | 4.64      |
| BSP Bills    | 10/11/2022 | 3.74      |
| BSP Bills    | 10/25/2022 | 3.26      |
| Time Deposit |            | 2.04      |
| Time Deposit |            | 2.04      |
| Time Deposit |            | 2.04      |
| Time Deposit |            | 2.04      |
| Time Deposit |            | 2.04      |
| Time Deposit |            | 1.77      |

### RELATED PARTY TRANSACTIONS

The Fund has investments and trade transactions with Bank of the Philippine Islands, its subsidiaries and related parties:

Bank of the Philippine Islands - PHP 8.309 billion  
BPI Direct Banko, Inc. – PHP500 million

Investments in the said outlets were approved by the BPI AMTC's Board of Directors. Likewise, all related party transactions are conducted on an arm's length and best execution basis and within established limits.

\* Related party in accordance with BPI AMTC's internal policy.

## OUTLOOK AND STRATEGY

**Market Review.** The BPI Money Market Index returned 0.16% in September, even as benchmark short-term government yields rose 75 basis points (bps) on average. Average daily trading volume fell to PHP10.62 billion from August's PHP14.46 billion with trades mostly seen on the belly (5- to 10-year papers) of the curve.

The Bureau of the Treasury (BTr) held four Treasury Bill auctions in September. Most of the 91- and 364-day papers were rejected, while two of the found 182-day auctions were only partially awarded. The BTr appeared unwilling to award as investors demanded higher yields for their short-term papers. The last auction for the month saw only the 182-day paper partially awarded at an average yield of 3.958%. Towards month-end, the BTr released its October auction schedule, announcing four FXTN issuances (3-, 6-, 10-, and 13-year tenors) and four Treasury Bill auctions.

In the local economic space, inflation for the month of August rose by 6.3% year-on-year, slightly lower than the 6.4% in July. Prices for food and fuel remained elevated as supply side pressures persisted. Consequently, the Bangko Sentral ng Pilipinas hiked rates by another 50 basis points to 4.25%. It likewise revised upward its local inflation forecasts for 2022 to 2024. The central bank will continue to monitor economic data and adjust policy settings as needed.

**Fund Performance.** The Fund returned 0.13% during the month, behind benchmark by 4 bps. Meanwhile, the Fund returned 0.56% YTD, underperforming the benchmark by 36 bps.

**Fund Strategy.** The Fund favors the safety of Time Deposits. Expectations of rising rates moving forward may provide an opportunity for better yielding investment outlets.

## LIST OF PROSPECTIVE INVESTMENTS

The following are among the Fund's approved investment outlets, wherein the Trustee intends to invest depending on strategy, availability, or other market-driven circumstances:

- (a) Tradable fixed-income instruments issued or guaranteed by the Philippine government or the BSP; tradable fixed-income instruments issued by financial institutions or private corporations; exchange-listed securities; marketable instruments that are traded in an organized exchange; loans traded in an organized market; and, such other tradable investment outlets/ categories as the BSP may allow.
- (b) Tradable fixed-income securities issued, underwritten, or otherwise dealt by BPI and/or any of its subsidiaries, affiliates, their successors-in-interest or assignees, their directors, officers, stockholders, and related interest, and any of their trust and fund managed accounts, under such terms and conditions as the Trustee may deem to be in the best interest of the Fund.
- (c) Collective investment vehicles managed by reputable fund managers the investment objectives and policies of which are generally consistent with those of the Fund, subject to then existing BSP regulations.
- (d) Bank deposits and such other investments allowed under regulations issued by the BSP.

The Fund may invest in allowed Bangko Sentral Securities Facilities (BSP-SF) as one of its approved investment outlets. Pursuant to Section 601-Q of the Manual of Regulations for Non-Bank Financial Institutions, as amended, participations to UITFs with exposure to BSP-SF shall be limited to **Philippine individual and corporate residents only**.

**Where it is deemed that the identified non-Philippine resident participants' investments violate applicable regulations, BPI AMTC shall immediately redeem the investment.**

BPI Asset Management and Trust Corporation (BPI AMTC) is a subsidiary of the Bank of the Philippine Islands. For inquiries and comments, please send an email to [bpi\\_asset\\_management@bpi.com.ph](mailto:bpi_asset_management@bpi.com.ph) or call us at (02) 8580-AMTC (2682).

Regulated by the Bangko Sentral ng Pilipinas. <https://www.bsp.gov.ph>, BSP Webchat <https://www.bsp.gov.ph>

SMS: 021582277 & BSP CAMS Facebook <https://www.facebook.com/BangkoSentralngPilipinas>